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Young people not in employment, education or training (NEET): the role of basic competencies

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A top priority for public policies at both national and European levels, young people who are not in employment, education or training (NEET) face a risk of exclusion that varies in intensity from country to country. While education level plays a central role in these situations, viewing them through the lens of basic competencies sharpens the focus. After all, the international data show that the same level of qualification does not guarantee the same level of competencies everywhere. How can these differences be explained? To what extent do these basic competencies protect young people from becoming not in employment, education or training regardless of their level of qualification?

NEET

BASIC COMPETENCIES

EDUCATION SYSTEM STRATIFICATION

Historically, the NEET category comes from the original administrative label "*Status Zer0*", that researchers and civil servants in the UK used in the mid-1990s. It denoted those young people whose labour market status matched none of the existing categories. Since they were not captured in the official statistics, these young people were difficult to pinpoint. Because of its negative connotation, the term was officially replaced by NEET in 1999, which is now widely used by governments and international organisations to denote those young people who are not in employment, education or training at the time when the data are collected.

Currently, the category includes some of those young people who are inactive (in neither education nor training) and those who are unemployed. Their difficulties are often associated with a lack of education: while some of them may have qualifications, others have either left school early or failed to obtain any qualifications. Furthermore, the fact that they are cut off from training or education and have no work experience makes it impossible for them to acquire competencies.

The NEET category is diverse and encompasses very different individual situations [1]. Some are a product of high levels of precarity, when the absence of educational, social or more institutional resources plunge the young people into vulnerable situations. Others equate to periods of latency or transition during the move from education into work and, on the face of it, have less of a negative influence on the rest of the labour market trajectory.

There are a number of typologies that seek to characterise young people in the NEET category, particularly in terms of the more or less enforced causes of their inactivity [7]. However, the boundaries between these different sub-categories are sometimes porous and analysis of young people's trajectories shows that different difficulties can pile up on top of each other [2][3]. Moreover, NEET rates can vary from country to country, notably because of the varying intensity of the economic crises they are going through. These crises may heighten the risk of becoming or remaining NEET, even though international comparative research highlights the important role played by public employment, educational, social and family policies aimed at young people [6]. Thus according to Eurostat, before the current pandemic and its fallout, the proportion of young people in the European Union between the ages of 20 and 34 registered as NEET in 2019 was 16.4%. However, the rate varied from 7.3% in Sweden to 27.8 % in Italy; in France, it was 17.1 %. The structure of this population also differs from country to country. In Italy, it is much more often made up of young people who are disaffected or been unemployed for more than a year, whereas in Sweden, the share of young people who are NEET because of disability is higher [6]. Over and above these risk factors, what role does level of education play in the situations of this population of young Europeans?

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1 The PIAAC survey

The Programme for the International Assessment of Adult Competencies (PIAAC), a survey carried out under the aegis of the OECD, assesses the competence of adults aged 16 to 65 in three information-processing skills: literacy (ability to understand and use written information in everyday life), numeracy (ability to use and interpret mathematical concepts) and "the ability to solve problems in technology-rich environments". On the basis of the survey, 5 levels of competences can be defined, level 3 being regarded "as the minimum required for individuals to meet the complex demands of everyday life and work in a complex and advanced society", while adults below level 1 are assumed to be capable only "of reading short texts on familiar subjects".

Twenty-four countries and sub-national entities, of which 22 countries were OECD member states, were involved in the first survey conducted in 2011 and 2012. The second data cycle involved nine countries and additional regions in 2014 and 2015. This analysis draws on the PIACC data from 29 countries:, Austria, Belgium (Flanders), Canada, Chile, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Israel, Italy, Japan, Lithuania, New Zealand, Norway, the Netherlands, Poland, Slovakia, Slovenia, South Korea, Spain, Sweden, Turkey, the USA and the UK (England and Northern Ireland). Because of the very large size of the sample for Canada, a random 35% sample was extracted from the original data. The analysis is concentrated on young people aged between 20 and 34.

Three levels of education are compared in our analyses:

1) Lower secondary education or less (ISCED levels 1,2 and 3c);

2) Upper secondary education (ISCED levels 3a, 3b and 3c long);

3) Post-secondary and higher education qualifications (ISCED levels 4a, 4b, 4c, 5a, 5b and 6).

A lack of education and basic competencies

Among the various factors likely to explain the risk of being NEET, level of education plays a central role. In 2019, 36.9% of young Europeans aged between 20 and 34 with few if any qualifications (ISCED level 1 or 2, cf. Box 1) were in the NEET category, compared with 14.3% of young people who had upper secondary qualifications and 9.6% of those who had obtained a higher education qualification. Even though the NEET rate varies considerably from one European country to another, a low level of initial education automatically heightens the risk of falling into the NEET category. Thus in Italy, 46.8% of young people with few if any qualifications are in this situation, compared with 18% of those with higher education qualifications. In Sweden, even though the NEET rate is lower, the difference between these two levels of education (21.6% and 3.7% respectively) is also very great, as it is in France (46.3% and 8.6% respectively).

Focusing on basic competencies is a way of approaching in greater detail the difficulties experienced by some of the young NEET population. Among these competencies, literacy and numeracy are of crucial importance, since they are often a precondition for accessing other competencies and facilitating access to life-long learning. Surveys such as INSEE's IVQ (Information et Vie Quotidienne/Information and Daily Life) survey and the OECD's PIACC survey make it possible to measure these competencies in adults (Cf. Box 1).

PIACC survey data show that basic competence levels are generally lower among the young NEET population. The graphic in the box below gives a visual depiction for each country of the correlation between the NEET rate among 20-34 year olds and the share of young people with, at most, level 1 competence in literacy. The NEET rate increases as the share of young people with literacy problems rises. This effect is linked in part to level

2 Scores and differences in scores for numeracy and literacy by level of qualification and situation (20-34 year olds, all 29 countries)

	Young people in employment			Young people who are NEET		
	No qualifications or lower secondary only	Upper secondary qualifications	Post-secondary qualifications	No qualifications or lower secondary only	Upper secondary qualifications	Post-secondary qualifications
Numeracy						
Average	223,2	264,2	290,9	205,4	244,8	276,1
Interdecile ratio *	1,9	1,6	1,5	2,0	1,6	1,4
Share of young people at a level ≤ 1**	40,5%	13,6%	4,2%	48,4%	20%	8,4%
Share of young people in the first tercile***	61,3%	35,9%	17,1%	63,1%	45,2%	28%
Literacy						
Average	234,1	273,9	298,4	224,4	259,6	284,6
Interdecile ratio*	1,7	1,5	1,4	1,7	1,5	1,5
Share of young people at a level ≤ 1**	48,6%	20%	7,6%	62,1%	31,3%	9,6%
Share of young people in the first tercile***	60,4%	35,3%	16,6%	69,7%	48,9%	27,6%

* The interdecile ratio compares the competence level of the 10% with the highest scores with that of the 10% with the lowest scores and therefore constitutes a measure of the inequalities in competence scores.

** The percentage of young people with a competence level below or equal to level 1 provides a means of identifying the share of the lowest scores in literacy and numeracy in accordance with the OECD scale.

*** The percentage of young people in the first tercile provides a means of identifying, for each level of qualification, the share of young people making up the third with the lowest level of competencies.

Source: PIAAC, 2016 (29 countries) - Treatment: J-F. Giret et J. Jongbloed.

of education: 20 to 34 year olds who are still in education or training, and therefore by definition not NEET, are at relatively low risk of having level 1 competence at most. However, it is also confirmed if we focus on the young people leaving the education system. Across all the countries and within each one, a minimal level of competencies offers protection against the risk of being NEET. To what extent is the protection afforded by this level of competencies linked to a level of qualification?

For the same level of qualification, the NEET population has a lower level of competencies

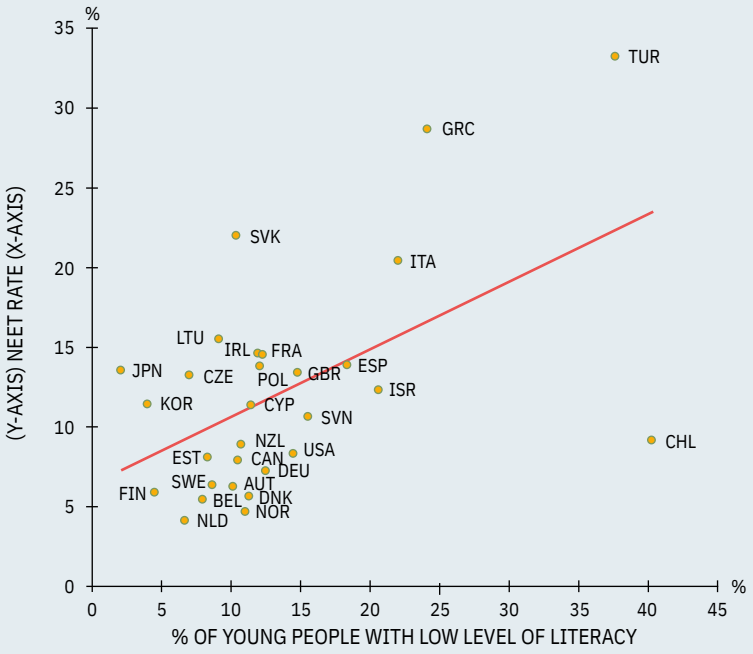
The PIACC surveys can also be used to observe the diversity of competencies by level of qualification. The table below gives a general idea of the average score across all 29 countries in the survey obtained in literacy and numeracy by level of qualification and of the variations in the score within the same level. In each country, the score was divided into three equally-sized categories, regardless of the level of qualification. It is evident that levels of qualifications and levels of competencies do not match precisely, even though the table shows, as expected, that the average competence level rises with level of qualification, independently of the labour market situation. The share of young people in the first tercile*** (the lowest level of competences, cf. the interpretative example in Box 2) is accounted for mostly by young people who have few if any secondary-level qualifications; it represents more than a third of those with upper-secondary qualifications and also concerns almost one in five of those with post-secondary and higher education qualifications.

For comparable levels of qualification, young people who are NEET are characterised by average competence levels that are significantly lower than those of their counterparts in employment, which suggests there is a link between a lack of basic competencies and being NEET. The interdecile ratio* (cf. interpretative example on the table) provides some additional information, specifying as it does the gap between the highest and lowest competence levels within the same level of qualification. The higher the ratio is, the more diverse the competence levels are within the population in question. The ratio is very close to 2 for those young people with few if any qualifications who are NEET, but drops for those who are better qualified and in employment. It is also higher in numeracy than in literacy. To put it another way, the increase in level of education and the associated selection processes tend to homogenise young people's basic competence levels.

How can these differences within the same level of qualification be explained?

From the point of view of individual characteristics, the fact that basic competencies are also acquired outside of the educational context, within families

3 Correlation between the NEET rate and the share of young people with at most level 1 in literacy



Example: in Finland, 6% of 20-34 year olds are NEET and 4% have a level of competence in literacy of 1 at most. In Canada, they account for 8% and 10% of young people respectively, and 8% and 14% respectively in the USA.
Source: PIAAC, 2016 (29 countries) – Data processing: J-F. Giret and J. Jongbloed. Graphics: Céreq.

as well as in the workplace, may partly explain the differences in basic competence levels within the same level of education.

Analyses of 20 to 34 year olds using PIACC data show that having a mother tongue other than that of the country of residence appears to be particularly penalising for those with few if any qualifications. Having parents with low levels of education also constitutes an obstacle to the acquisition of competencies, particularly for those leaving secondary education. Similarly, limited work experience is reflected in a lower level of basic competencies. However, it is difficult to determine whether the lack of competencies is a consequence or a cause of the lack of work experience, since the latter facilitates acquisition of the former.

At country level, comparative research, mainly in the sociology of education (see, for example, [4]), points to a structural characteristic of education systems, namely their degree of stratification, by way of explanation for these variations. This characteristic concerns the way in which the process of channelling pupils of the same age into the various levels, pathways and types of school within the system is organised. Having been selected on the basis of their competencies, they will then be able to develop them to varying extents depending on their position within the system. If there is a high level of stratification (selective system), the secondary-level qualification ratifies a precise level of basic competencies: the weakest pupils do not obtain the qualification and those who do obtain it have a relatively homogeneous

4 NEET rate as a function of the level of basic competencies and the level of qualification attained (all 29 countries)

	No qualifications or lower secondary only	Upper secondary qualifications	Post-secondary qualifications	Total
Numeracy				
Low skill level	35,2%	16,7%	9,8%	21,0%
Moyen	27,9%	12,5%	6,9%	12,2%
High	22,6%	7,3%	4,6%	6,4%
Literacy				
Low skill level	32,6%	15,4%	9,8%	19,4%
Moyen	31,5%	13,1%	6,7%	12,9%
High	29,6%	8,3%	4,7%	7,3%
	32,0%	12,7%	6,3%	13,2%

Source: PIAAC, 2016 (29 countries) – Data processing: J-F. Giret and J. Jongbloed.

level of basic competencies. Conversely, in an education system with a low level of stratification, the secondary qualifications ratify a more diverse range of basic competence levels closer to those of young people without qualifications. One partly complementary explanation is linked to the nature of vocational training in some countries. For example, in those countries in which the dual system is highly developed, young people leaving from school and firm-based training courses have a more homogenous level of basic competencies, even though it may be closer to that of the least well qualified. This is explained by the fact that the minimal level of basic competencies on which they are selected is often high on entry into training but remains relatively stable thereafter, since these competencies are developed less than others linked to an occupation.

A penalising deficiency in the labour market, even for higher education graduates

How does the level of competencies influence young people's access to the labour market? PIACC survey data can be used to calculate directly a NEET rate for each level of qualification and competencies. The table above (cf. Box 4) confirms that a dual deficiency in qualifications and basic competencies in literacy and numeracy raises the risk of being NEET, even though qualifications still play a decisive role. The NEET rate for those young people in the lowest tercile group for literacy is 19.4%, whereas it is 7.3% for those in the highest tercile group. Within each level of qualification, a lack of competencies automatically raises the risk of being NEET. The qualifications hierarchy can sometimes even be undermined if the different competence terciles between two levels of qualification are compared: the NEET rate for those with upper secondary qualifications and high competence levels is lower than that for those with post-secondary qualification but a low level of basic competencies (7.3% vs. 9.8% for example in numeracy). Various statistical analyses conducted on the basis of the PIACC survey show that the level of competencies, more or less independently of the level of qualification, influences the risk of being NEET in all OECD countries, but that the relative penalty associated with a lack of basic competencies varies from country to country [5]. In Canada for example, young people in the first tercile group for literacy have a NEET rate six times greater than those in the last tercile group.

These national variations may be linked to the organisation of educational systems, as we saw earlier. The less a qualification guarantees a precise level of basic competencies, the greater the risk that its role in facilitating access to employment will be weak. It should be noted, however, that if, in a highly stratified education system, the basic competence levels can be differentiated, it is sometimes at the risk of increasing social inequalities. Moreover, the requirements in terms of levels of qualifications and competencies also depend on the type of jobs available in each labour market: some jobs will require little in the way of qualifications and basic competencies, while others are likely to develop the competences of young people with few if any qualifications. In France for example, the so-called "*organizations for integration through economic activity*" (*les structures d'insertion par l'activité économique*/ SIAEs) can provide specific programmes to develop these basic competencies. Finally, in various countries, certifications exist that attest to a particular level of basic competencies and guide those wishing to do so towards pathways that will enable them to strengthen them. The challenge is to target those young people most lacking in basic competencies and offer them courses adapted to their situation

Thus the acquisition of qualifications and basic competencies are often necessary conditions for avoiding NEET situations in OECD countries, even though they are not sufficient. In this context, a reduction in the number of young people leaving the education system without any qualifications, as has been the case in France for several decades, offers young people some protection. The way in which secondary education is organised is also important: the level of qualification does not certify the same level of basic competencies in all countries. These competencies may, therefore, protect young people, more or less independently, in some countries, of the level of qualification. On the other hand, the absence of a minimal level of basic competencies is always highly penalising in all countries.

Learn more

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