

## Employment

### HELPING LOW-EDUCATED YOUNG PEOPLE WHO ARE AT RISK OF BEING LEFT BEHIND

- ▶ 273 000 people aged 15-29 are not in employment, education or training (NEET) in Belgium – 13.5% of young people in this age group, significantly above peer countries such as the Netherlands.
- ▶ This is a structural phenomenon – the NEET rate was at the same level in 2007, before the economic crisis struck.
- ▶ Young people without upper secondary education are especially at risk: they are six times as likely to be NEET in their late twenties than their university-educated peers.

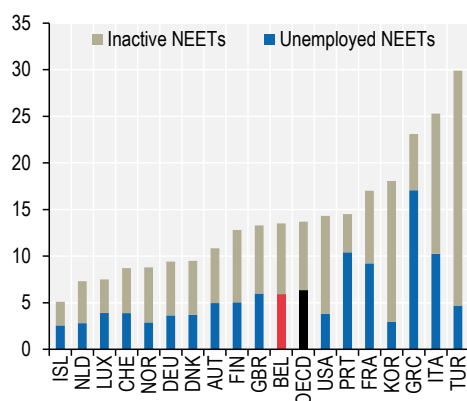
#### What's the issue?

In 2016, 273 000 young people aged 15-29 in Belgium were not in employment, education or training, defined here as people who are either unemployed or inactive/not in the labour force and not in formal education. This is 13.5% of all young people in this agegroup (see Figure). More than half of all Belgian NEETs are inactive, meaning they are not even looking for work. While the Belgian NEET rate is close to the OECD average (13.7%), it is significantly above peer countries such as the Netherlands (7.3%) and Luxembourg (7.6%). This is not an effect of the Great Recession – the Belgian NEET rate fell back to its 2007 value in 2016, after reaching its crisis peak of 15.5% in 2013.

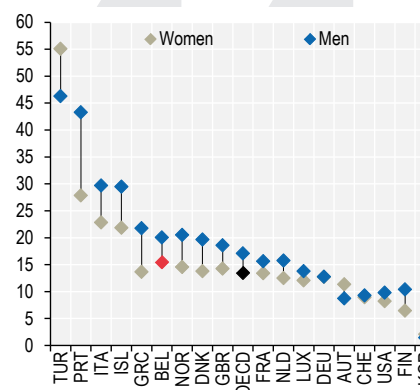
Low-educated young people are especially at risk. Belgian 25-29 year-olds without upper secondary education are six times more likely to be NEET than their university-educated peers – the second highest ratio across the OECD. This is especially concerning as the share of young people aged 25-34 who do not hold an upper secondary diploma is 18% in Belgium (see Figure) – compared to 17% across the OECD on average – and there is no sign of a downward trend. On the contrary, the share of young men in this agegroup who leave school without a diploma even increased slightly in recent years. Young NEETs without upper secondary education are also particularly likely to remain NEETs for longer – more

#### Early school leavers are at risk of becoming NEETs

NEET rate by activity status,  
15-29 year-olds, 2016



Share of 25-34 year-olds without  
upper-secondary education, 2014



Note: NEETs are "not in employment" (either unemployed or inactive/not in the labour force) and not in formal education. Eurostat defines youth who are in informal education as non-NEETs, which leads to a significant drop in the NEET rate in some countries. This note restricts the definition of education to formal education because the labour market connection of informal education is not clear. Data for 2016 are not yet available for non-European OECD countries. Source: OECD calculations based on national labour force surveys and OECD National Educational Attainment Classification (NEAC) Database 2015; OECD (2016), Society at a Glance, OECD Publishing, Paris. While the Belgian NEET rate is close to the OECD average (13.7%), it is significantly above peer countries such as the Netherlands (7.3%) and Luxembourg (7.6%). This is not an effect of the Great Recession – the Belgian NEET rate fell back to its 2007 value in 2016, after reaching its crisis peak of 15.5% in 2013.

than half of all of them were NEETs for at least a year between 2011 and 2014, compared to only 15% of all youth (not shown).

## Why is this important for Belgium?

Difficult transitions from education to the labour market and early joblessness can negatively affect young people's careers for years to come, in addition to hindering transition into adulthood and lowering their and their families' incomes. Young people who experience a period of early unemployment are more prone to unemployment later in their careers and have been shown to earn less in the long term (e.g. Schillen and Umkehrer, 2013, Umkehrer, 2015). In 2015, the opportunity cost of the NEET phenomenon in Belgium is estimated to have been about 1.4% of GDP – significantly more than on the OECD average (0.9%).

## What should policy makers do?

- ▶ Consider individual follow-up and tracking of early school leavers, and those at risk of dropping out.
- ▶ Investigate whether introducing practical training and pre-apprenticeship programmes to entice school-tired youth back into the education system could help reduce Belgium's NEET rate.
- ▶ Explore the scope better local coordination and targeting of active labour market programmes to help young NEET into employment.



## Further reading

OECD (2017), *Investing in Youth: Japan*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264275898-en>

OECD (2016), *Investing in Youth: Sweden*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264267701-en>

OECD (2016), *Society at a Glance 2016: OECD Social Indicators*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264261488-en>

Stephane Carcillo (2016), "Des Compétences pour les jeunes défavorisés », Paris : Presses de Sciences Po.

