

# Not studying or working. A challenge for public policy?

Mateusz Smoter

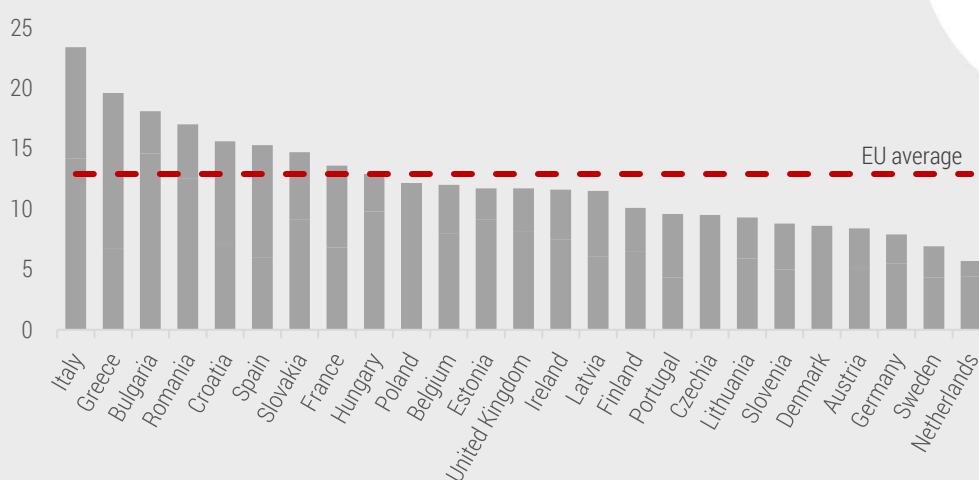
## Main message

Although labour market conditions are favourable, 750,000 young people in Poland are not in education, employment or training (NEET). Long-term unemployment at a young age may have negative social and economic consequences. Increasing the level of employment is desirable for demographic reasons. Activating this group of people represents a public policy challenge, since most of them are not looking for employment, and therefore do not receive support from labour market institutions. Most women in this group do not search for jobs because of family and childcare responsibilities, while the main reasons for men are poor health or disability. Improving access to nurseries, kindergartens and other forms of childcare, enabling part-time employment as well as removing architectural and transport barriers could facilitate entry in the labour market for those currently economically inactive who would like to work. This group may be assisted also through policies targeted at those who are unemployed or economically inactive but not registered at employment offices.

## Facts and figures

- **12%** of people aged 15–29 in Poland are not in employment, education or training (NEET). This is more than 750,000 young people.
- **70%** of them are economically inactive, i.e. not looking for employment.
- **50%** have no professional experience.
- More than **80%** economically inactive young women from the NEET group are not looking for employment due to family or childcare responsibilities.
- Over **70%** NEETs are not registered at employment offices.

## Share of youth who are not in employment, education or training (NEET)



Source: Own work based on Eurostat data for 2018

## Introduction

Poland is experiencing its most favourable economic situation in years – unemployment is falling, and more and more people are able to find work. Employers have more jobs than candidates, so they resort to looking for employees abroad. Nevertheless, as many as 750,000 young people are neither studying nor working. They are either unable to find employment or are not actively looking for a job at all. This group is referred to with the term NEET, which stands for ‘not in employment, education or training’.

Long-term unemployment at a young age may have negative consequences in the future – it lowers the chances of finding a job and earning a decent living further on in life, and increases the risk of poverty. Some NEETs could work, but instead rely on their family for support or receive social benefits.

Why are they not working or improving their qualifications? The media often describe them as lazy, helpless, discouraged or demanding, ‘not even wanting to want’. This is an oversimplified picture. In fact, NEETs are a diverse group, with different reasons for not working. We demonstrate that most NEETs in Poland are economically inactive, i.e. not looking for employment – mostly owing to childcare responsibilities, family situation, poor health or disability. Some would like to return to the labour market, but are prevented from doing so by various barriers, such as difficulties in reconciling family and professional life. Most NEETs live in rural areas and small towns. Such people have worse access to attractive jobs, childcare facilities and employment offices. 50% of youth who are not studying or working have no professional experience.

Professional activation of this group of people represents a public policy challenge. For demographic reasons (population ageing, falling number of working-age population), the level of employment should keep growing, but this requires comprehensive action. Employment offices reach only a small fraction of this group – mostly people who are actively looking for work. Therefore, greater emphasis should be placed on removing the causes of economic inactivity. One example of such solutions may be the development of accessible, high-quality nurseries, kindergartens and other forms of childcare, enabling part-time employment, removing architectural, digital and transport barriers and creating attractive working conditions for people with disabilities. This may also be achieved by promoting the professional activation offer among people who are not registered at employment offices, particularly those living in rural areas and small towns.

The analysis is divided into three parts. Section one presents a description of NEETs in Poland compared to the European Union. Section two analyses national and EU support policies aimed at this group, and section three contains conclusions for public policy.

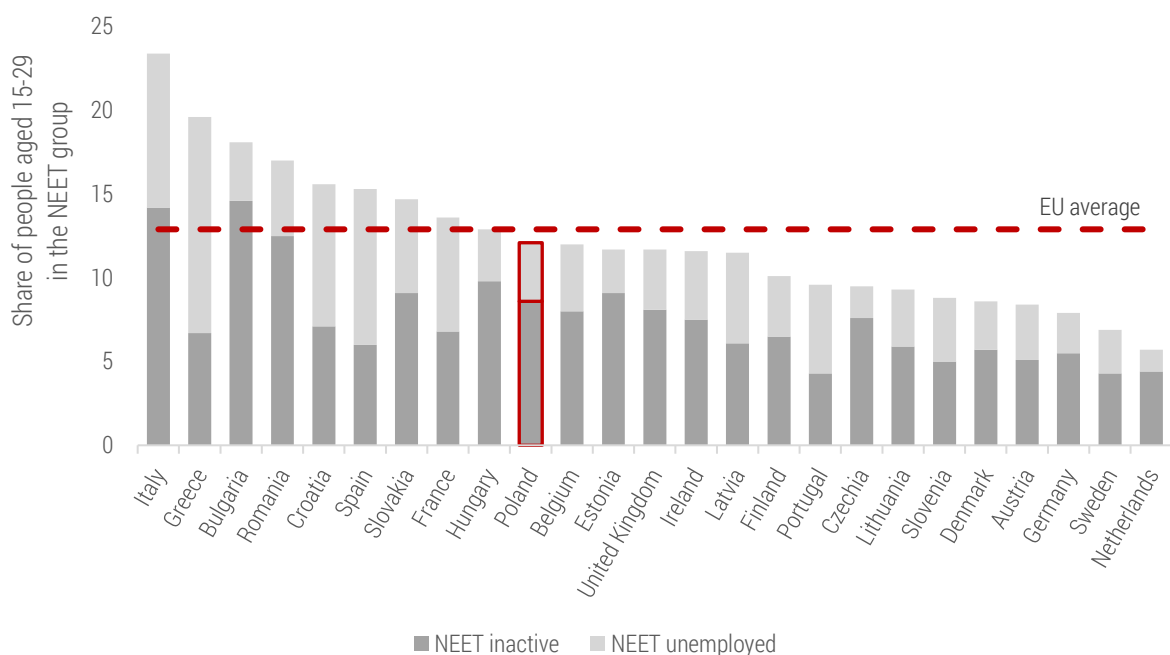
## 1. NEETs in Poland and other EU Member States

The share of NEETs in Poland is slightly lower than the EU average. A total of 12% of Poles aged 15–29, i.e. around 750,000 people, remain outside the labour market and education system. The EU average is 13%, but the situation is markedly different in individual Member States. The largest share of NEETs is recorded in Italy and Greece (23% and 20%, respectively), and the lowest in Sweden and the Netherlands (7% and 6%). Compared to other CEE countries, Poland places in the middle of the pack: better than Hungary, Slovakia, Croatia, Romania and Bulgaria, but worse than Slovenia, Czechia and the Baltic states.

### Box 1. What does NEET stand for?

NEET is the English acronym for 'not in employment, education or training'. The term refers to young people who do not work (are unemployed or economically inactive), study or train at the same time. Most often, the assumed age bracket for NEETs is 15–29, although this is not a rule. The NEET indicator employed in this study is the share of young people not in employment, education or training among all people in a given age group. It is used, among others, by the European Commission to monitor the situation of young people on the labour market.

**Chart 1. The share of NEETs in Poland is slightly lower than the EU average. Most of them are not looking for a job.**



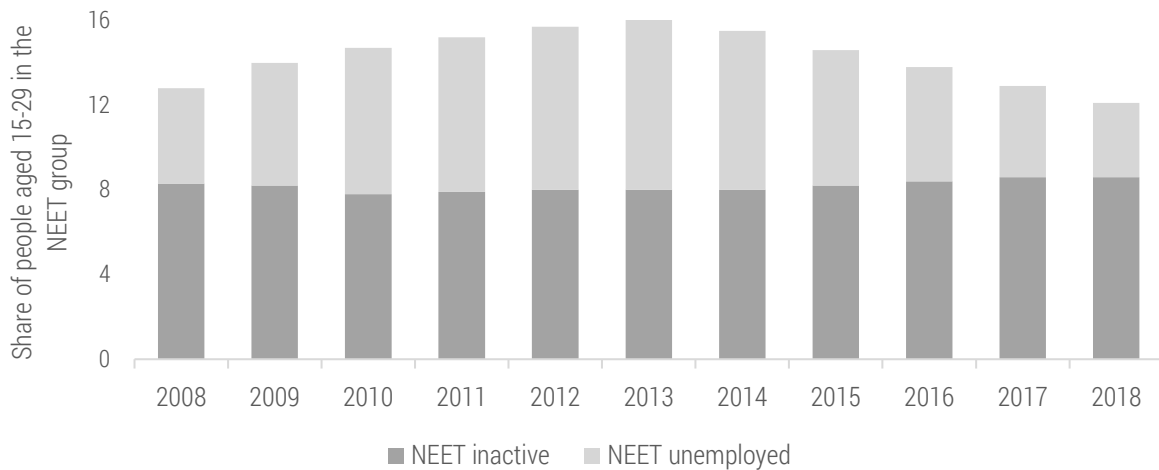
*Notes: Poland is marked in red. Cyprus, Luxembourg and Malta have been omitted.*

*Source: own work based on Eurostat data for 2018.*

Owing to the favourable economic situation, the NEET rate has been in steady decline in recent years. This is true both for Poland and the EU as a whole. Young people have been particularly vulnerable to the consequences of the economic crisis. Unemployment in this group grew faster than among older people. Over the last few years, the economic situation has improved, and the share of youths not in employment, education or training has fallen (from 16% in 2013 to 12% in 2018). This percentage is currently lower than before the crisis. Yet it is the share of the

unemployed that is decreasing, while the share of economically inactive persons is independent from either the situation on the labour market or public policy. In the EU, it has remained unchanged for ten years (8%). In Poland, it increased from 8% in 2016 to 9% in 2018.

**Chart 2. Owing to the favourable economic situation, the NEET rate has been falling.**



Source: own work based on Eurostat data for Poland for 2018.

**Most NEETs are economically inactive, i.e. not looking for employment.** ‘Inactives’ constitute more than 70% of youths who are not in employment, education or training (ca. 60% in the EU). This is over half a million people. There are more than 200,000 unemployed. Among them, long-term unemployed, i.e. persons who have been looking for a job for more than a year, constitute a relatively low share (17%). The division between unemployed and economically inactive people is important, because their motivation to work differs and they may require a different type of support (see Box 2). Why are young Poles not looking for employment?

### **Box 2. Differences between the unemployed and economically inactive**

In the study, we use the definitions applied in the Labour Force Survey (LFS).

**The unemployed** are people who do not work, but are actively seeking employment and are ready to take it. What may be appropriate for this group are solutions that help individuals gain experience or adjust their qualifications to employers’ needs (e.g. internships, trainings, vocational courses, etc.). These people can benefit the most from the offer of labour market institutions.

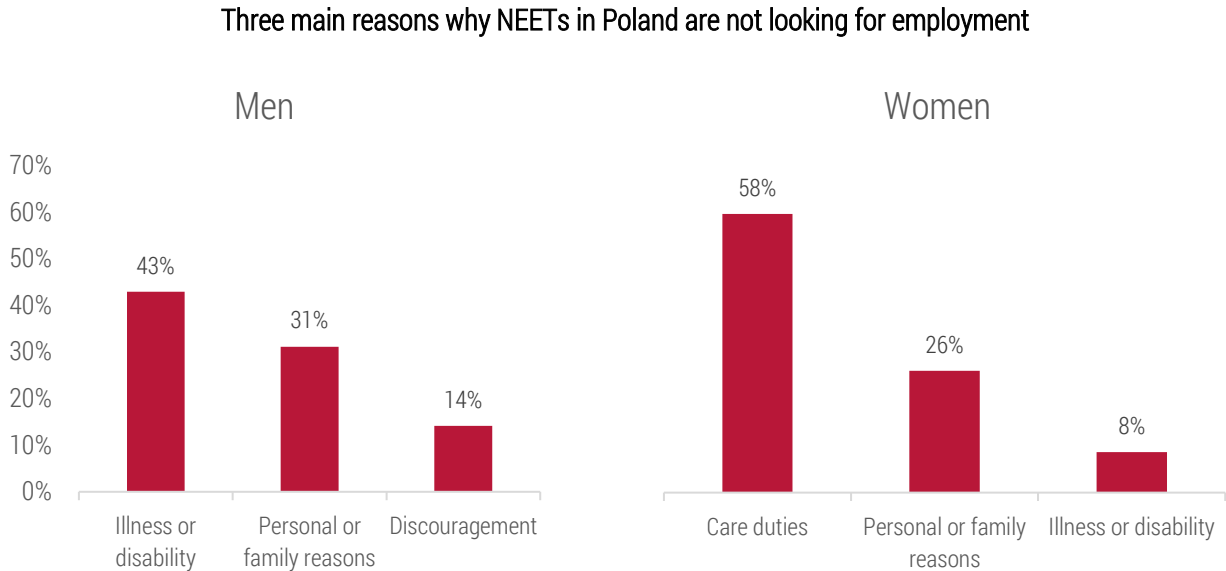
**Economically inactive** people are not in employment and not seeking employment, or looking for a job, but not able to take it. The main reasons for inactivity among NEETs are family and childcare responsibilities, poor health or disability. Almost 40% of persons in this group declare their willingness to return to work. Removing barriers that prevent them from doing so may be a way of increasing the employment level in this group. Trying to reach them with a professional activation offer is another step worth taking.

LFS regards persons temporarily not performing work due to sick leave, maternity leave, parental leave or annual leave as part of the working population.

**Women are not searching for a job because of caring responsibilities.** This reason is given by 58% women. A further 26% declare that their professional inactivity is related to other family or personal reasons. Some women would like to return to the labour market, but find it difficult to reconcile family obligations with professional life. This may result from a number of factors, such as the low availability of cheap and high quality childcare facilities, financially unattractive job offers as an alternative to staying at home, lack of part-time working possibilities or flexitime, low involvement of men in childcare, or financial benefits from the state acting as an incentive to stay at home (Magda, 2019). Although the number of nurseries and kindergartens is growing, and new forms of childcare are also emerging (child clubs, day-care workers), their availability is still limited, particularly for inhabitants of small towns and rural areas (Magda, 2019). The price of private services is high, so not many people are able to afford them. If such expenses absorb a substantial part of the household budget, one person (usually the woman) tends to stay at home.

**Most men pointed to poor health or disability as a main reason for not looking for a job.** This cause was listed by 43% of men. Although the situation of people with disabilities on the Polish labour market is improving, the employment rate of this group remains low. The reasons behind their low professional activity are related, among others, to stereotypes and bias, unavailable transport services, architectural or digital barriers, as well as attitudes presented by people with disabilities and their families (some decide not to look for a job for fear of losing their disability benefits). Some people with disabilities may only work in specific condition and require an adapted workplace, but not all employers are willing to introduce such amenities. Insufficient mental health support may also pose a problem – a growing share of young people in Poland require psychiatric help, and public health spending in this respect is inadequate.

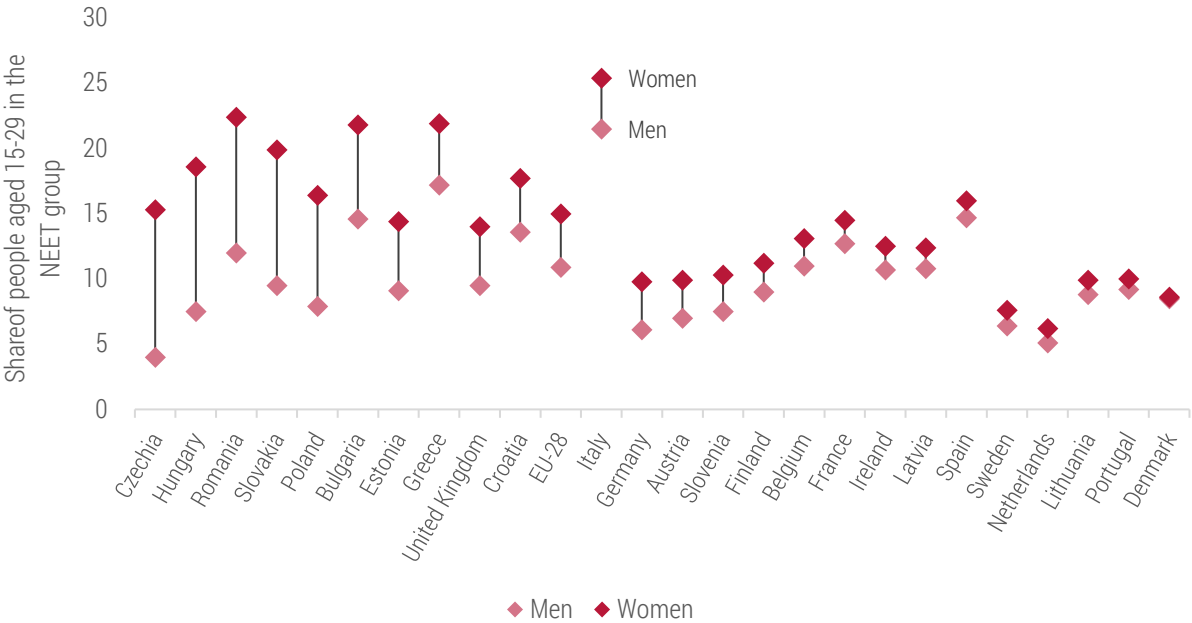
**Chart 3. Most women are not searching for a job because of family and childcare responsibilities, while the main reasons for men are poor health or disability.**



Source: own work based on the Labour Force Survey (LFS) data for Poland for 2018.

**Most NEETs are women.** This is the case in the entire European Union. However, Poland is among those CEE countries where the differences between men and women are the greatest. At the same time, women in these countries most often indicate childcare responsibilities as the main reason why they are not looking for employment. 16% of women and 8% of men aged 15–29 in Poland are not in education, employment or training (the EU average is 15% and 11%, respectively). Differences between men and women are not present in the 15–19 age bracket – around 3% of women and 3% of men from this group may be described as NEETs. These differences grow with age (see Chart 5). Among people aged 25–29, 26% of women and 9% of men are NEETs.

**Chart 4. There are more women than men who are not in education, employment or training in all EU Member States.**



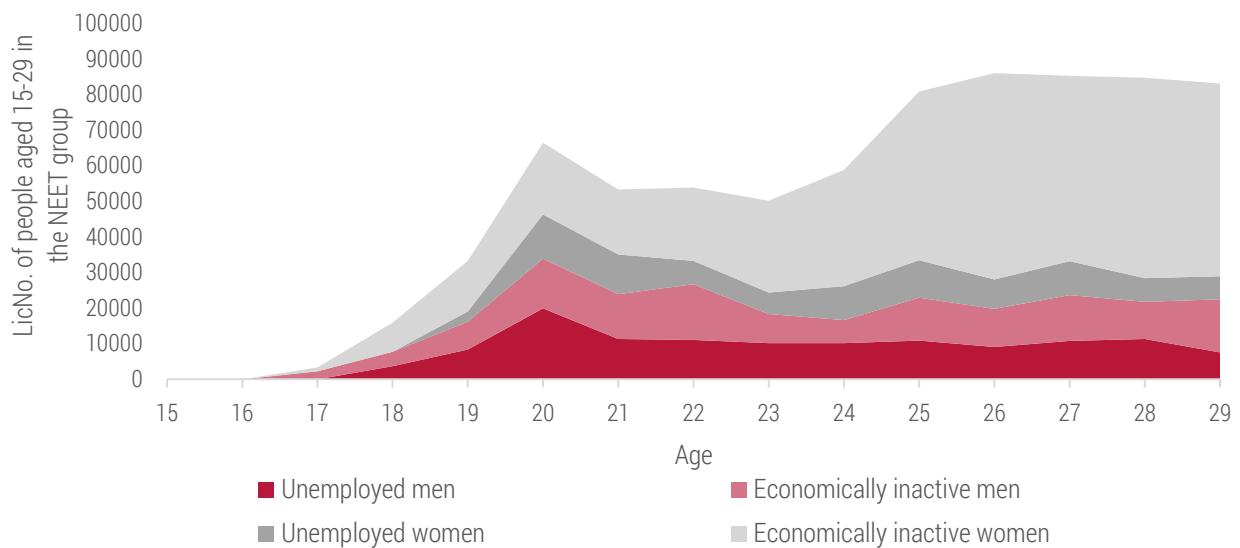
*Notes: arranged from the greatest to the smallest difference between men and women. Cyprus, Luxembourg and Malta have been omitted.*

*Source: own work based on Eurostat data for 2018.*

**Young NEETs are mostly people aged 25 and over.** There is only a small fraction of early school leavers among NEETs. In this area, Poland performs better than other EU Member States – in the youngest group (aged 15–19), only 3% of youth are not in employment, education or training, while the EU average is 6%. From a certain age, economically inactive women start to be the dominant subgroup of NEETs – they are responsible for increasing the average age.

**Most NEET youths live in small towns or rural areas.** 68% of young people who are not in employment, education or training live in villages and towns with fewer than 20,000 inhabitants. This is 10 pp. more than among all people aged 15–29. Such persons have lower access to attractive jobs, nurseries, kindergartens, and labour market institutions. They also have limited access to public transport, which hampers their mobility.

**Chart 5. With age, economically inactive women start to be the dominant subgroup of NEETs.**



Source: own work based on Research of Economic Activities of the Population (LFS) data for Poland for 2018.

## 2. Government policy towards young people

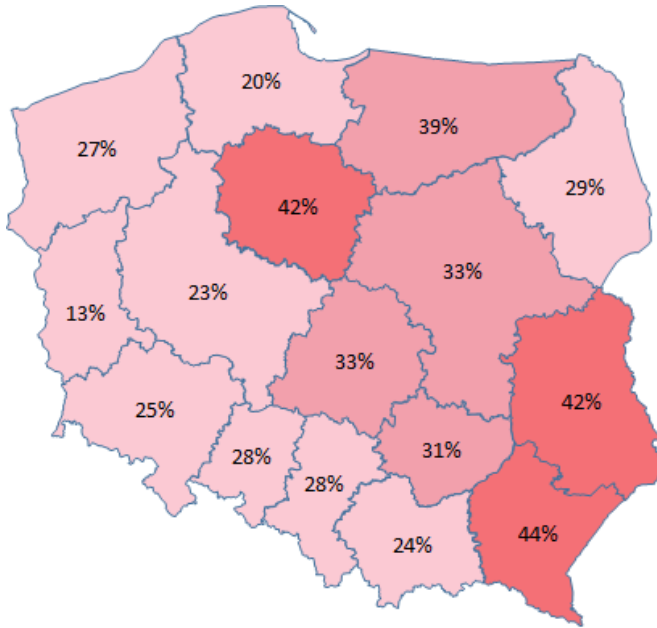
**Most NEETs do not seek assistance from employment offices, which is why it is hard to reach them.** Over 70% of youths who are not in employment, education or training are not registered with public employment services. This share is also high in other EU Member States. Government actions aimed at counteracting unemployment are largely implemented by employment offices. They support young people in gaining professional experience and improving their qualifications. They finance internships, courses, trainings and cover the cost of starting own business. Yet in order to receive such support, one has to register as unemployed. Most young NEETs do not do that. Why?

**People from this group do not register at employment offices, because most of them are economically inactive, meaning they are not seeking employment.** Consequently, they are not interested in the offer provided by these institutions and do not approach them on their own. Although employment offices offer assistance to people returning to the labour market following a break related to child care (e.g. refund some of the costs of caring for a child or a dependent person, offering a teleworking grant or an activation benefit), these instruments are rarely used.

**However, employment offices also fail to reach a substantial part of the unemployed, i.e. those who are looking for a job.** 43% of young unemployed NEETs are not registered. Such persons could use the support, because employment offices have a lot to offer, but some may be unaware of the possibility of getting assistance, while other may have trouble getting to the nearest office – particularly those from rural areas and small towns. Employment offices are mostly located in district (powiat) towns. Not all unemployed have the time and money to reach them, so they look for employment on their own, through family or friends.

**Map 1. Most young NEETs do not register with employment offices**

Share of NEETs registered at employment offices



|                            |     |
|----------------------------|-----|
| NEET total                 | 31% |
| NEET unemployed            | 57% |
| NEET economically inactive | 20% |

*Note: the calculation includes persons aged 18–29, since younger people are not able to register as unemployed at employment offices.*

*Source: own work based on Labour Force Study (LFS) data for Poland for 2018.*

**Some employment offices actively promote their professional activation offer among young people, reaching those who would not have otherwise approached an office.** Their employees visit schools and local events, run mobile job placement and career consulting points that reach rural areas situated a long way from the nearest employment office. They cooperate with social services and non-governmental organisations. Instead of waiting for people to approach them, they want to meet them halfway. However, such actions are not frequent, and not a lot of offices do that. This may result from understaffing – although the number of registered unemployed people is falling year after year, the ones who are left are the ones requiring the most support. There are also offices in Poland with just one job consultant for several hundred unemployed persons (MRPiPS, 2018).

**Box 3. How can labour market institutions reach young people with their professional activation offer?**

**Mobile information points, e.g. minibuses,** which allow vocational counsellors to reach people living in rural areas and small towns. Thanks to this they have access to job placement services, career counselling, training in career planning, etc.

**Stationary vocational information points located outside employment offices, e.g. in local institutions,** where vocational counsellors are available. Inhabitants of small towns do not have to travel to the nearest employment office, because they have access to job placement and vocational counselling services close to their place of residence.

**Presence at local events** – some offices actively promote their professional activation offer during various local events. In this regard, they cooperate with municipalities that keep them updated about events in the area. Employment office workers attend these events in order to provide information on available forms of support.



The potential of other institutions is used in a limited scope. This concerns non-governmental organisations and Volunteer Labour Corps (OHP), among others. 'Youth Guarantee' may serve as an example here. This is the largest EU programme addressed to young NEETs (see Box 4). It creates opportunities for the implementation of innovative actions, but in practice offers few services that go beyond the core activity of labour market institutions. It is mostly implemented by employment offices and offers similar forms of support, addressing the needs of a relatively narrow group of people.

Other institutions have also been included in the programme – e.g. Volunteer Labour Corps and non-governmental organisations, but compared to employment offices, they activate only a small fraction of the participants. It seems that their potential has not been fully explored yet – these institutions often operate within local communities, they are closer to the non-working population, they may offer more forms of support (employment offices are limited by statutory regulations here), and their projects are also open for people who are not registered as unemployed. Volunteer Labour Corps operate a large network of more than 700 facilities, have experience in working with so-called difficult youths, who are most vulnerable to social exclusion, and collaborate with schools and other educational facilities.

#### Box 4. Youth Guarantee

This is the EU's key programme addressed to young people not in employment, education or training. It has been implemented by Member States since 2014. Its aim is to provide young people with an offer of employment, training or internship within a period of 4 months since becoming unemployed or leaving formal education. In the European Union, more than 5 million people benefit from the programme each year. In Poland, the programme is addressed to people aged 15 to 29 and financed from national and EU funds. It is mainly implemented by poviats employment offices. Programme participants tend to rely on standard forms of support, such as job matching assistance, internships and career counselling

Chart 6. Forms of support granted most often in the Youth Guarantee programme

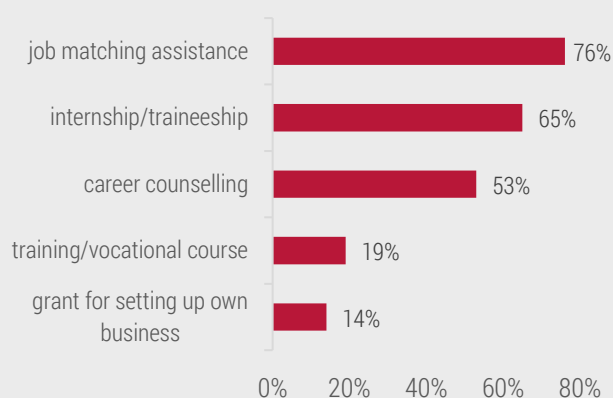
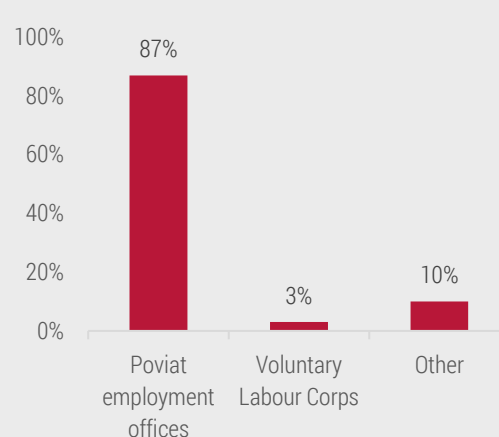


Chart 7. Share of participants of the Youth Guarantee programme



Notes: data in the charts concern the Youth Guarantee programme implemented under the priority axis I of the OP Knowledge, Education and Development.

Source: Hardy et al. (2018). *Badanie efektów wsparcia zrealizowanego na rzecz osób młodych w ramach Programu Operacyjnego Wiedza Edukacja Rozwój [Study of the effects of support implemented for young people under the Knowledge, Education and Development Operational Programme]*. Warsaw

### 3. Summary and public policy conclusions

Most NEETs in Poland are economically inactive, i.e. not looking for employment. Some of them could take up work, but remain outside the labour market, for instance because of difficulties in reconciling family and professional life or difficulty in finding a job owing to poor health or disability. Most youths who are not in employment, education or training are not registered with public employment services. The following actions may help increase employment levels in this group.

**Employment offices should try to promote their professional activation offer among people who are not registered as unemployed.** This is how they can access those people, who would not have approached an office otherwise – particularly inhabitants of rural areas and small towns. Their offer can be attractive for a sizeable part of the non-working population – even people who are not currently looking for employment. They can take part in generally accessible events organised by such institutions, such as job or education fairs. Employment offices are equipped with the relevant tools enabling outreach activities – they can run mobile job placement and career counselling points, promote their professional activation offer at local events or cooperate with local institutions (non-governmental organisations, social services). Developing cooperation with schools is also important, as already at that stage young people take decisions concerning their professional life. These actions are usually not encumbered with high costs, but they require the engagement of employment office staff.

**The potential of non-governmental organisations and Volunteer Labour Corps (OHP) could be used to a greater extent,** particularly under the Youth Guarantee programme. Compared to employment offices, these institutions activate few participants of the programme. However, they have a large network of facilities nationwide and operate in small towns and rural areas, which are hard to reach for employment office staff. They are rooted in local communities, have experience in working with youths at risk from social exclusion, and cooperate with schools and other educational facilities. They can offer comprehensive support to people outside the labour market and provide other forms of support than employment offices. Their projects are also available for people who are not registered as unemployed.

**Activities that facilitate reconciling family and professional life may also lead to a growing employment rate.** Increasing access to high-quality nurseries and kindergartens, developing new forms of childcare, creating attractive work conditions for people who are bringing up children, enabling part-time work and promoting a more partnership-based family model, where both women and men work and share childcare responsibilities, are some of the solutions that may enable women who would like to work, but find it hard to reconcile family and professional life, to enter or return to the labour market.

**Actions that enable people with disabilities to take up employment are also important.** Some of them could start working, but decide not to because of a number of barriers. Activities that may contribute to increasing employment levels in this group include removing digital, architectural and infrastructural barriers, increasing the availability of transport services, improving access to education and professional activation services, adapting workplaces, encouraging employers to hire people with disabilities, combating stereotypes, and greater public spending on mental health care.

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