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POLICY CHALLENGES IN SUPPORTING YOUTH: THE HIDDEN NEEDS IN SLOVENIA

Policy Note

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Policy challenges in supporting youth: The hidden NEETs¹ in Slovenia

Supporting young people through the economic crisis

Successful engagement of young people in the labour market and society is crucial not only for their own personal economic prospects and well-being but also for overall economic growth and social cohesion. Yet, the current crisis reveals again the vulnerability of young people in the labour market. In spring 2020, the unemployment rate among 15-24 year olds surged, reaching 19% in April in OECD countries on average, the highest youth unemployment rate in decades (Figure 1). In May 2020, 12.6 million youth were unemployed in the OECD area, a 42% increase from January 2020.

Figure 1. The economic crisis hit young people hard

OECD unemployment rate for 15-24 year olds, January 2008 - November 2020



Source: OECD Short-term Labour Market Statistics.

¹ The abbreviation NEETs stands for young people who are not in employment, education or training.

Although youth unemployment figures rapidly declined again in the following months – as did the unemployment figures for older generations –, the youth unemployment rate remains considerably above the pre-crisis figures. Moreover, the question arises to what extent these young people temporarily gave up their job search – and thus no longer classify as unemployed, but as inactive – as companies have frozen hirings in response to the strict social distancing measures and reduction in their activities. As Covid-19 infections started rising rapidly again in the autumn of 2020 and many countries are forced to re-introduce containment measures, the economic crisis is likely to deepen and further affect youth labour market outcomes in the coming months and years.

This policy note draws the attention to a group that is often overlooked: young unemployed and inactive people who do not reach out to public employment services for support – the so-called “unregistered NEETs”. A joint project by the OECD Secretariat, the Slovenian authorities and the European Commission (see Box 1) demonstrates the importance of this group. Indeed, a unique analysis based on merged administrative data shows that more than half of all young people who are not in employment, education or training (NEETs) in Slovenia are not registered with the Employment Service of Slovenia.

The size of this group is important to keep in mind when developing support measures. Young people who are unemployed or inactive can contact the public employment services on their own initiative, for instance, when they are looking for support in finding a job or when they want to claim their unemployment benefits. However, many of them do not reach out for a variety of reasons: they are not entitled to income support; they are not aware of the support they can receive; they lack trust in public authorities; or they are simply not looking for a job. To better support young people through the current crisis, it is important to better understand who does not reach out for support and why.

Box 1. Mapping NEETs in Slovenia

Prior to the Covid-19 pandemic, Slovenia’s economy registered a strong recovery from the double-dip recession between 2009 and 2013. The labour market conditions improved considerably, with the overall unemployment dropping from a high of 9.3% in June 2014 to 5.2% by June 2018. However, the NEET rate remained above the pre-crisis rate and the Slovenian authorities wanted to get a better understanding of the reasons behind the slow recovery among young people.

The OECD and the Directorate-General for Structural Reform Support of the European Commission (DG-Reform)² are providing technical support to Government of Slovenia on mapping and profiling NEETs in their country, and developing measures to improve support for this group of young people.

The Statistical Office of the Republic of Slovenia, in collaboration with the Employment Service of Slovenia, merged several administrative databases for the purpose of the project. In particular, selected parts of the records of all 15-29 year olds for the years 2011-18 were extracted from the population registry, the socio-economic database, various education databases, the income database and several databases from the Employment Service of Slovenia (unemployment stock and flow, client services and active labour market programmes databases). By merging these databases, it was possible to identify young people who were NEET in January and distinguish those who remained so throughout the year (long-term NEETs) from those who reported labour income later on (short-term NEETs). It was also possible to distinguish young people who registered with the employment service at some point during the year (registered NEETs) from those who did not register (unregistered NEETs). Through the detailed information from the population registry and socio-economic database, it was not only possible

² DG-Reform coordinates the Structural Reform Support Programme (SRSP) and its successor, the Technical Support Instrument (TSI). SRSP and TSI are demand-driven programmes of the EU, which provide tailor-made technical support to EU countries for structural reforms. Technical support covers all the different stages of the reform process, from the preparation and the design of reforms to their implementation and evaluation.

to analyse the characteristics of young NEETs and non-NEETs, but also of their parents – even if they no longer live in the same household. Finally, the information from the databases from the Employment Service of Slovenia gives insights into the support services different categories of NEETs receive. The time constraints of the current project placed limits on the scope of the analysis of the merged data, whose richness would allow even more insights than those presented in the report.

Other surveys that were used for the analysis of NEETs in Slovenia are the EU Labour Force Survey (EU-LFS) and the EU Statistics on Income and Living Conditions (EU-SILC). Comparisons with non-European OECD countries rely on their respective labour force and household panel surveys. The European Health Interview Survey (EHIS) provided additional information on the mental health of youth.

While the definitions of NEETs do not coincide perfectly across surveys and administrative databases, together the different sources can provide a more comprehensive view than either would permit on its own. For instance, respondents in labour force and household surveys self-report their employment status whereas administrative databases rely on reports to tax authorities to determine a person's employment status. As a result, some informally employed youth are likely to be misclassified as NEETs in administrative records. On the flip side, since the administrative data cover the entire youth population rather than just a sample, they allow a more granular analysis of the characteristics of NEETs, such as their countries of origin and characteristics of their parents. Even more importantly, the merged administrative data allow an identification of the population of NEETs who are not registered with the Employment Service of Slovenia.

Identification of unregistered NEETs in Slovenia

The identification of unregistered NEETs is not straightforward, since these young people do not appear in the registries of public employment services by definition. However, by combining a range of administrative databases in Slovenia, it was possible to identify unregistered NEETs and study their profile (Box 1). The data cover the period 2011-2018 and thus refer to the situation prior to the Covid-19 crisis.

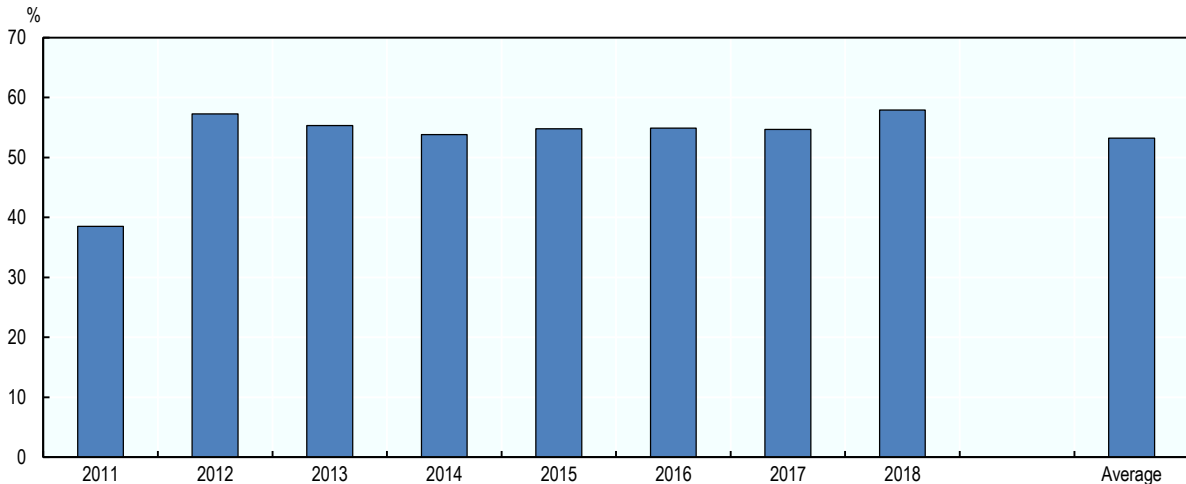
Calculations based on this anonymised merged dataset show that less than half of all NEETs in Slovenia register with the Employment Service of Slovenia (Box 2). Between 2011 and 2018, 53% of 15-29 year olds who were classified as unemployed or inactive according to the once-yearly demographic database were not registered with the public employment services at any point during the same year (Figure 2). That number is surprisingly high and reveals the importance of better understanding the composition of this group. Moreover, the share of unregistered NEETs remained more or less constant over the period 2011-2018.

Box 2. The Employment Service of Slovenia

The main government agency where NEETs can find support for their labour market integration is the Employment Service of Slovenia. The Employment Service is a public agency directly reporting to the Ministry of Labour, Family, Social Affairs and Equal Opportunities and is steered by a tripartite board that consists of 13 members, representing employers and trade unions (three members each), the government (six members) and the workers' council of the Employment Service. The Employment Service of Slovenia has 58 local offices and 12 Career Centres around the country and combines the functions of job-brokerage, employment counselling, referrals to active measures, administration of unemployment insurance benefits, provision of life-long career guidance, and issuance of work permits to foreign workers. Young people can go to a local office of their choice, for instance in the area where they live or where they intend to work.

Figure 2. More than half of all NEETs do not register with the public employment service

Share of NEETs who are not registered with the Employment Service of Slovenia, 2011-2018



Source: OECD calculations based on anonymised merged administrative data provided by the Statistical Office of the Republic of Slovenia and the Employment Service of Slovenia (see Box 1).

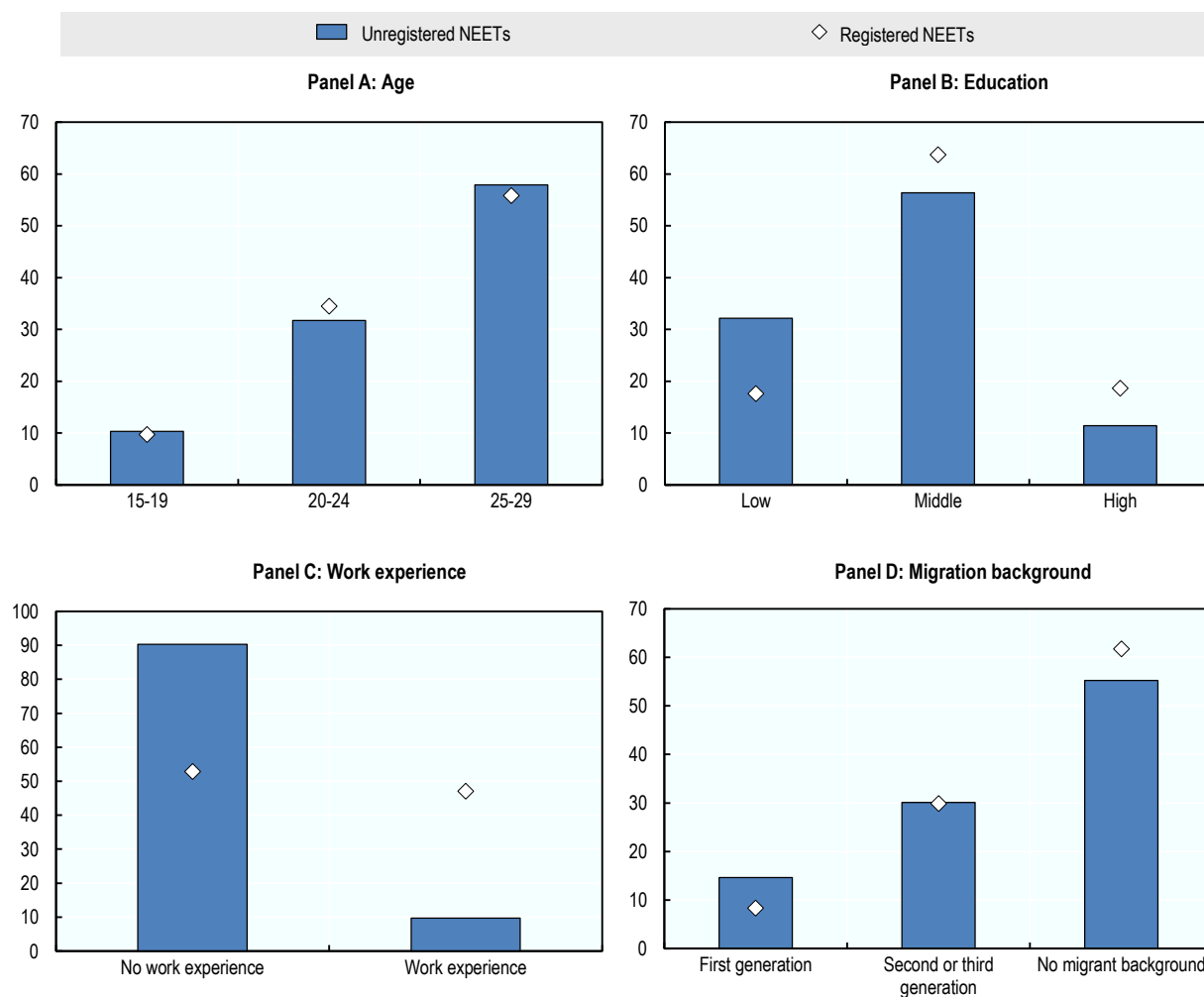
Nearly half (46%) of all unregistered NEETs have never been in contact with the Employment Service of Slovenia. This group tends to be long-term NEETs, with an average NEET spell of 2.4 year over the period 2011-2018. However, the statistic also suggests that more than half of all unregistered NEETs have been in contact with the public employment services at some point in their (relatively short) labour market career. More information about their experience in dealing with the public employment services is needed to better understand why they did not remain in contact or why they did not return for support when experiencing a new NEET spell.

The gender distribution among unregistered NEETs is nearly equal, with 51% of women and 49% of men. The majority of unregistered NEETs are older youth (age group 25-29 years) and are medium educated, accounting respectively for 58% and 56% of all unregistered NEETs (Figure 3). The age composition of unregistered NEETs is almost similar to that of registered NEETs, but unregistered NEETs are more frequently low educated than registered NEETs (32% versus 18%). There is also an important difference in work experience between both groups. About 90% of unregistered NEETs have never worked, compared with only 53% of those who are registered with the Employment Service of Slovenia. Panel D also shows that most unregistered NEETs do not have a migration background (55%), but first generation migrants account for a higher share of unregistered than of registered NEETs.

Further analysis illustrates that about one in four unregistered NEETs are unemployed and actively looking for work, with 15% having no work experience and 10% having worked before (Figure 4). Although they are looking for a job, they are not registered with the public employment services and do not receive public support for their job search. Another 9% of the unregistered NEETs receive social assistance and are thus in contact with a Centre for Social Work, as these centres administer the financial social assistance benefits in Slovenia (see Box 3). Finally, about two-thirds (65%) of unregistered NEETs are inactive and not looking for work.

Figure 3. Most unregistered NEETs are older youth and have no work experience, and they are more frequently low educated than registered NEETs

Personal characteristics of registered and unregistered NEETs in Slovenia, as a percentage within each group, average over the period 2011-2018



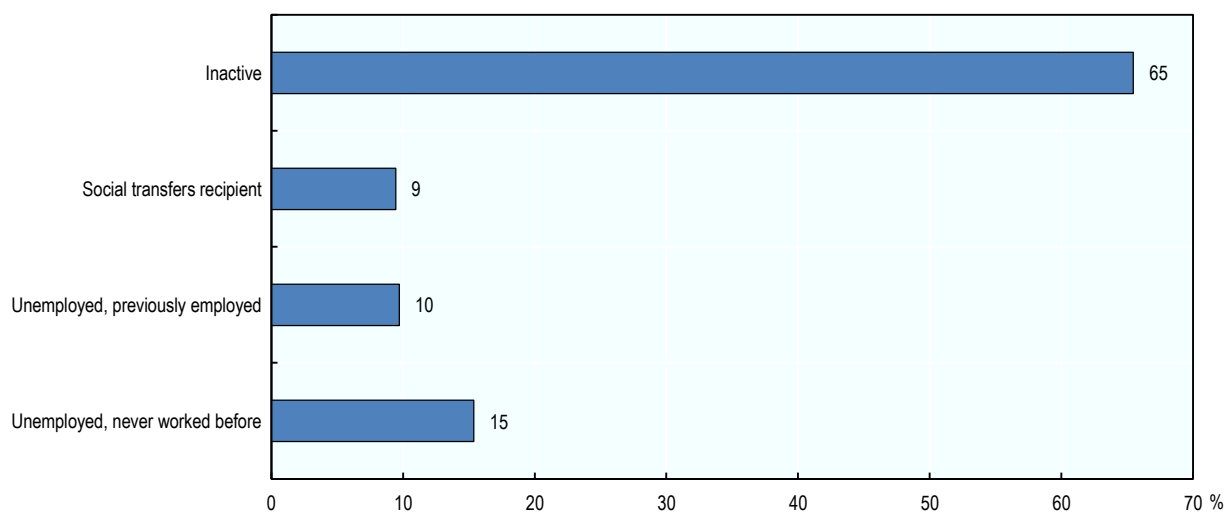
Source: OECD calculations based on anonymised merged administrative data provided by the Statistical Office of the Republic of Slovenia and the Employment Service of Slovenia (see Box 1).

Box 3. Centres for Social Work in Slovenia

The Centres for Social Work provide material subsistence to families and children and administer a range of social assistance benefits, including financial social assistance. There are currently 61 Centres of Social Work covering the whole territory of Slovenia, represented by the Association of Centres of Social Work. The Centres for Social Work are managed at the local level, but they report directly to the Ministry of Labour, Family, Social Affairs and Equal Opportunities. Individuals requiring assistance must apply to the centre in the area where they live.

Figure 4. One in four unregistered NEETs are unemployed and looking for work

Unregistered NEETs in Slovenia by activity status and household composition, average over the period 2011-2018



Source: OECD calculations based on anonymised merged administrative data provided by the Statistical Office of the Republic of Slovenia and the Employment Service of Slovenia (see Box 1).

Family responsibility, illness and informal education are important motives for inactivity among unregistered NEETs (Table 1). About 44% of female unregistered NEETs say they are inactive because of caring responsibilities. This finding is important as our analysis later in this chapter shows that over-representation of young mothers among NEETs in Slovenia seems to be largely the result of the weak financial incentives that parents of young children have to move into employment. Among men, illness and participation in informal education or training are the two main reasons for inactivity among unregistered NEETs.

Table 1. Family responsibility, illness and informal education are important motives for inactivity

Unregistered NEETs by motive, 2018

	All	Men	Women
Actively searching for work	24	28	21
Family responsibility	32	15	44
Ill or disabled	16	24	10
Education or training	16	21	12
Belief no work is available	1	0	1
Awaiting call to work	0	1	0
Other	9	9	9
Missing information	3	2	4

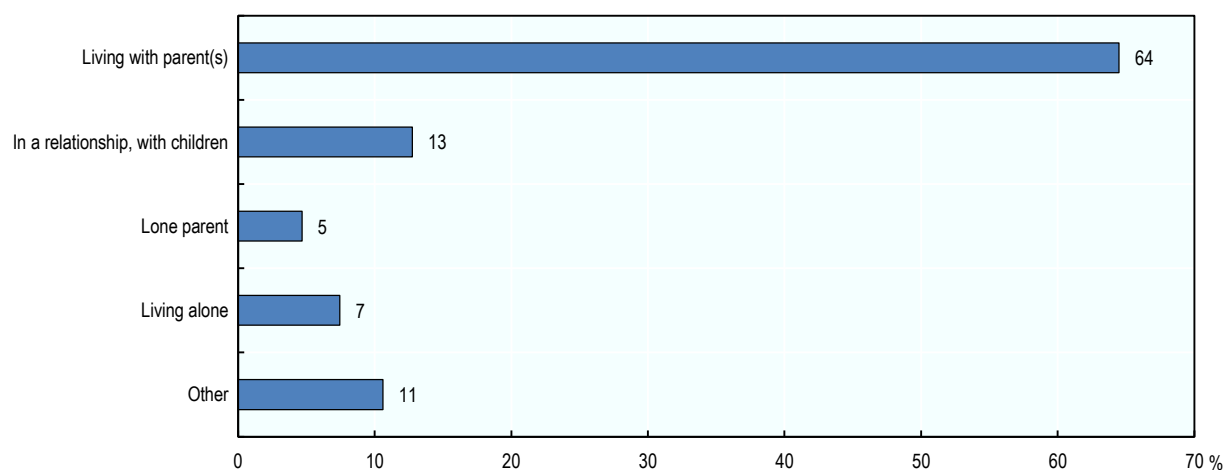
Source: Calculations based on labour force surveys.

Information on the household composition reveals furthermore that two-thirds (64%) of the unregistered NEETs live with their parent(s) (Figure 5). Much less important categories, though not negligible, are unregistered NEETs who live with their children and partner (marriage or consensual union, together accounting for 13%), live alone (7%), or are lone parents (5%). The household composition of unregistered

NEETs is very similar to the household composition of registered NEETs, among whom 64% live with their parent(s), 11% live with their children and partner, 10% live alone and 6% are lone parents.

Figure 5. Two-thirds of unregistered NEETs live with their parents

Unregistered NEETs by household composition, average over the period 2011-2018

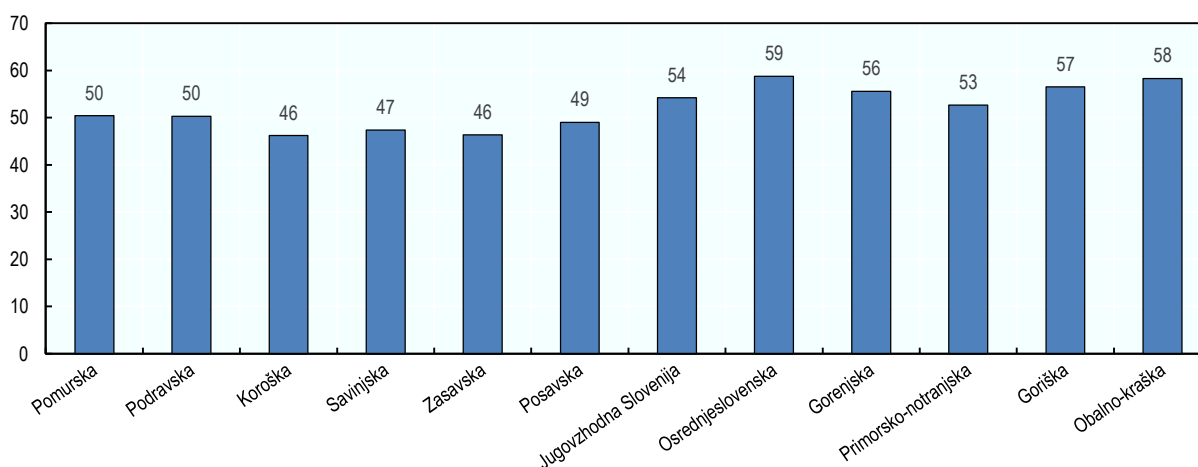


Source: OECD calculations based on anonymised merged administrative data provided by the Statistical Office of the Republic of Slovenia and the Employment Service of Slovenia (see Box 1).

Differences in the prevalence of unregistered NEETs across regions are rather small. The regions with the highest share of unregistered NEETs among all NEETs are Littoral-Inner Carniola and Coastal-Karst with 58-59% of all NEETs unregistered (Figure 6). The lowest shares can be observed in Carinthia and Central Sava where 46% of all NEETs are not registered with the Employment Service of Slovenia. Overall, the share is considerable in all regions and cannot be ignored anywhere.

Figure 6. The prevalence of unregistered NEETs does not vary much across regions

Share of NEETs who are not registered with the Employment Service of Slovenia among all NEETs, by region, average over the period 2011-2018



Source: OECD calculations based on anonymised merged administrative data provided by the Statistical Office of the Republic of Slovenia and the Employment Service of Slovenia (see Box 1).

Outreach strategies for unregistered NEETs

Evidence from the global financial crisis shows that early intervention is crucial for a successful labour market integration of young people. Early action is also the basis of the European Union's Youth Guarantee, a commitment made by all EU Member States in 2013, including Slovenia, to ensure that all young people below 25 receive a good-quality employment or training offer within four months of leaving school or becoming unemployed. While the current crisis and the rising caseloads at the public employment services across OECD countries do not leave much room for caseworkers to reach out to unregistered jobseekers, there are ways for employment services to collaborate with other organisations to reach young people and bring them in contact with the employment services. Basic support could be sufficient to put many of them on track to find a job, while for others, early identification of labour market barriers and the provision of adequate support could prevent long-term unemployment and inactivity.

There is no single method that works best to reach out to young people (European Commission, 2018[1]). Depending on the specific target group, different channels can be used, including focal points or one-stop-shops, information stands at events/open days, and the use of different types of (social) media. For the groups that are hardest to reach, effective approaches include mobile units, young 'ambassadors', social work, street work, as well as cooperation with youth clubs, NGOs and other stakeholders that are in contact with (specific groups of) young people and 'speak their language'. Experiences from other EU countries also show that outreach strategies generally consist of mechanisms to identify and contact inactive young people, in-depth assessments of individual needs, tailored services and individualised support. Finally, the guide for developing national outreach strategies for inactive young people put together by the International Labour Organization stresses the importance of strong partnerships between stakeholders as youth disengagement cannot be tackled through fragmented and isolated interventions or by government agencies alone (Corbanese and Rosas, 2017[2]).

The following subsections present different approaches that EU countries use to reach out to young NEETs who do not register with the public employment service, including peer-to-peer outreach, collaboration with associations and community-based organisations, national outreach strategies, and institutional mandates. The selection below focusses on the examples that are most useful for the Slovenian context, and are part of a more comprehensive Youth Action Plan that encompasses policy actions in a wide range of areas, including preventive strategies in collaboration with the education sector and concrete measures to improve the activation of unemployed youth.

Peer-to-peer outreach in Sweden and Bulgaria

In 2012, the Swedish public employment service set up a joint project with the youth centre Fryshuset, the National Police Board, municipalities, employers and the Swedish Association of Local Authorities and Regions, and recruited "young marketers" to reach unregistered NEETs (European Commission, 2016[3]). The project targeted isolated teenagers and young adults between 16 and 24 years who were neither studying nor working, many of whom had developed a distrust of government agencies.

The young marketers had the same background as the target group and promoted the project at concerts, sport events, schools and other arenas where the target group would meet. In addition, social media and other communication tools were used for reaching NEETs, such as strategic positioning of flyers and posters in the underground and radio advertisements in selected programmes for young people, which proved effective and generated good results. The young marketers would encourage young NEETs to register with the public employment service, where they would meet with their designated caseworkers. After an assessment of the young persons' competencies, needs and required support, multi-competent teams would help them to (re-)enter the labour market or education system.

With financial support from the European Social Fund, the project initially ran from June 2012 to May 2014 under the name "Unga In" and was then scaled up to 20 municipalities and renamed "Ung Komp". Between

2015 and 2017, 8 584 young people were reached, of whom more than 60% pursued employment or training (for at least 6 months), 29% left the project for other known reasons (e.g. illness, relocation) and 8% left for unknown reasons (i.e. the participant inexplicably ceased contact with the team). The programme also improved cooperation and coordination between government agencies and generated higher trust in the PES among the participants (European Commission, 2017[4]).

In Bulgaria, a similar programme, called “Youth Mediators”, was launched in 2015 with the aim of reaching out to young NEETs who are not registered with the PES. Approximately 100 youth mediators were hired by the public employment service to work in municipalities with high proportions of inactive young people. These mediators often experienced a spell of inactivity themselves and shared many characteristics with their clients. The primary objective of Youth Mediators is to identify young NEETs who are not registered with the Bulgarian PES, contact them, and inform them of careers’ services and opportunities for education, employment or training. By the end of 2017, 62% of the 16 846 young NEETs who were identified and received support from a youth mediator subsequently took steps towards activation (e.g. registering with relevant services, attending a job interview) (European Commission, 2017[5]).

Collaboration with associations and community-based organisations in Belgium, Luxembourg and Lithuania

The public employment services of the Brussels-Capital Region (Actiris) and Flanders (VDAB) built partnerships with associations and community-based organisations to implement the FIND-MIND-BIND approach. The “FIND” phase consists of actively identifying and seeking young NEETs who are not registered with the public employment service by going out to meet them in the streets, sport clubs and music events. An outreach worker then spends time with the young person to build a trust relationship (“MIND”), so that the young individual becomes confident and willing to develop a career plan with the help of the outreach worker. During the “BIND” phase the young person receives guidance and monitoring, through both individual counselling and group counselling.

A similar collaboration with a youth association is followed in Luxembourg through the “Outreach Youth Work” (INFPC, 2018[6]). With financial support from the European Social Fund, the Ministry of Education, Children and Youth and the Alliance of the Managers of Youth Houses developed a systematic procedure to identify young people who have not been in school or employment for several years, nor are they registered with the public employment service. In the first step, they launched a large campaign with a mass mailing in order to inform young people and parents of the service. The youth workers from the Alliance then got in touch with young people in their social environments (like youth houses or other places where they hang out). Through informal talks, the youth worker build up a relationship of trust and identify the young person’s current activities, their education, employment or training status. In addition to making contact in public spaces, educators go door-to-door or make telephone contact with young people who initiated a measure with the public employment service but did not finalise it.

In Lithuania, the municipal youth coordinators collect information on young people in families receiving social services. The coordinators of the Youth Guarantee Initiative also cooperate with various institutions operating in their municipality in order to find inactive young people (probation services, open youth centres, non-governmental organizations, social workers, etc.).

Development of national outreach strategies in Latvia and Portugal

As part of the Youth Guarantee, Latvia developed a national outreach strategy (KNOW and DO!) to support young NEETs who are not registered with the State Employment Agency in their progression towards the labour market (European Commission, 2018[7]). The Agency for International Programmes for Youth, subordinated to the Ministry of Education and Science, developed a comprehensive set of guidelines for the delivery of outreach activities, in collaboration with strategic partners in NGOs, social services, youth

centres, police, trade unions and social businesses. The development of a common methodology at the national level was important in ensuring a common and joint approach by partners. In addition, supervisions and facilitation of experience exchange between mentors and programme managers across municipalities enabled key personnel to learn from each other and provide better support. Finally, creating and strengthening local strategic partnerships was crucial to ensure that the strengths of local partners are utilised fully in reaching and supporting the target group.

Portugal also developed a “National Outreach Strategy for non-registered young unemployed and inactive young people in Portugal” (Corbanese and Rosas, 2017[2]). The outreach strategy was launched in July 2017 and encompasses the expansion of partnerships at the local level, the adjustment of local partners’ services to offer a continuum of assistance, the delivery of individualized support to help disengaged young people to access the Youth Guarantee service delivery system, and the enhancement of integrated service delivery. The central office of the Institute for Employment and Vocational Training provides the overall coordination and monitoring of the implementation of the outreach strategy. At the local level, the organisational units of the Institute are responsible for managing local partnership networks, providing advice and guidance to local partner organisations, organizing and delivering capacity enhancement training and disseminating information and awareness raising materials. Partner organisations (social centres, youth organisations, training providers) are responsible for implementing the services and measures set out in the strategy.

Institutional mandates for outreach in Denmark and Belgium

In about two thirds of EU countries (21 out of 31), public employment services have the responsibility to reach out to NEETs; the Employment Service of Slovenia does not have such a mandate (European Commission, 2019[8]). Nevertheless, the Employment Service of Slovenia is involved in NEET outreach through proactive work with schools, cooperation with NGOs and careers centres. An official mandate for the Employment Service of Slovenia to undertake outreach to NEET would allow them to develop a more elaborated outreach approach.

Shortage on the labour market in Flanders, Belgium, between 2017 and 2019 prompted the public employment service VDAB to reach out to vulnerable groups, including young NEETs who were not registered. They set up partnerships with the National Institute for Health and Disability Insurance and the Association of Flemish Cities and Municipalities, and launched a Social Impact Bond to involve the social and commercial sector in the activation of vulnerable youth.

In Denmark, the 60 youth guidance centres covering the country have an established place in both the national policy and the regulatory framework to get in touch with all young people under the age of 25 who are not involved in education, training or employment, including those who do not register with public employment services. The centres use a variety of outreach methods, including contacting identified individuals and inviting them to take part in an informal meeting at the centre or in a community setting (European Commission, 2018[1]).

Conclusion

High and persistent youth unemployment in the aftermath of the global financial crisis showed that once young people have lost touch with the labour market, re-connecting them can be very hard. The realisation that early action is key is also the basis of the European Union’s Youth Guarantee, a commitment made by all EU Member States in 2013 to ensure that all young people below 25 receive a good-quality employment or training offer within four months of leaving school or becoming unemployed. However, evidence from Slovenia reveals that many young people do not reach out to the public employment service for support and their share is higher than expected.

While the current crisis and the rising caseloads at the public employment services across OECD countries do not leave much room for caseworkers to reach out to those youngsters who do not contact them directly, there are ways for employment services to collaborate with other organisations to reach young people. Peer-to-peer outreach, collaboration with associations and community-based organisations, national outreach strategies, and institutional mandates have proven successful in reaching out to unregistered NEETs in a number of OECD countries. Such strategies could help to establish contact with young people who recently lost their jobs or left school without finding employment, and guide them in their job search. Basic employment services could be sufficient to put many of them on track to find a job, while for others, early identification of labour market barriers and the provision of adequate support could prevent long-term unemployment and inactivity.

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