

## A LABOUR MARKET INTEGRATION METHODOLOGY OF VULNERABLE PEOPLE – THE CASE OF YOUTH NEET<sup>1</sup>

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*Cândida Soares, Sousa Fialho*

Although Portugal is not among the EU countries with the highest percentage of youth NEET, a significant increase since 2008 going from a rate of about 10% to 14.1% in 2013. Most of the NEET population is unemployed, being higher for men than for women. It is noted that the NEET rate in the Lisbon region is higher than the country reaching a value of 15.3%, in 2013. Must be noted that the NEET rate is higher for higher education levels with 19.1 %.

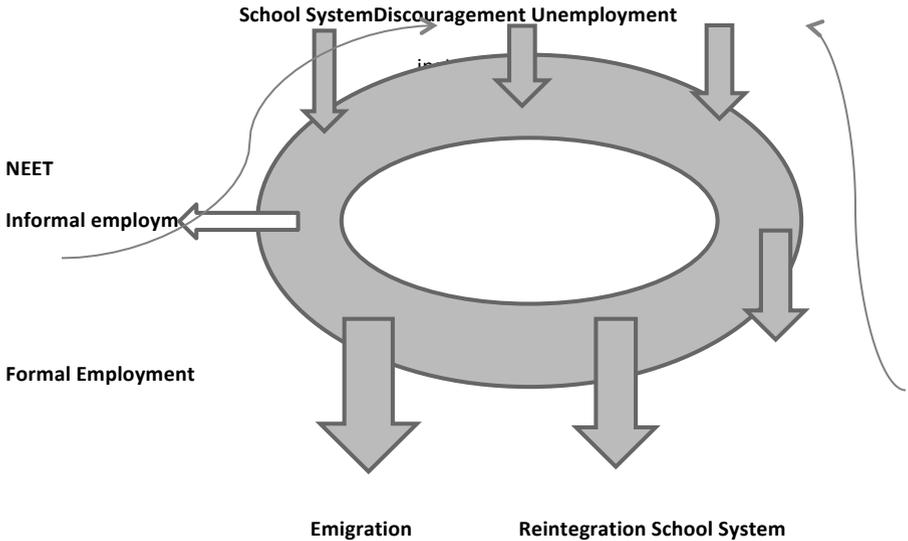
Loures one of the most important municipalities of the Lisbon Metropolitan Area integrating more than 20% of the Lisbon population was chosen as a study case. This municipality has more than 3500 enterprises with 80% of micro enterprises in all economic sectors and 40500 workers. Between 2009 and 2012, the total number of companies in the country decreased by 75 thousands units, or 5.9%, while the Loures Municipality decreased a much higher proportion, with an average rate of negative global growth at 11.3%, which corresponds to least more than 2000 units; in the same period the workers in Portugal fell by 417,000, which is the average rate of growth of -3.6% for a stronger value of -6.6% in the municipality of Loures, corresponding less 12,800 workers. Another characteristic is the weight of several ethnics namely Roma and African people and other vulnerable groups of population.

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<sup>1</sup> This article is based on the research published, in 2015, with the title “ Reintegração da População NEET no Mercado de Trabalho e no Sistema de Ensino e Formação” ( Reintegration of NEET Population in Labour Market and Education and Training System)-SERGA

Taking into account precedent researches the youth NEET has its main origin in the phenomena of early school leaving. In fact the movements of young people that can be synthesized in the chart below show that the early school leaving have an effect on the willingness of a young person becoming NEET

**Young NEETs Movements**



The present research is targeted to young people aged 15-24 who are not in employment, nor in education / training system, NEET, and seeks to enable better understanding of this problem and the formulation of policies in order to reduce the NEET group as one of the most vulnerable youth group. This research was developed in 2014 based on more consolidated data.

The Project research has the following specific objectives:

- a) To characterize young people aged 15-24 who do not study, does not work or looking for work, (NEETs) in national and regional terms with focus on the Metropolitan Area of Lisbon;
- b) To identify the explanatory factors that induce the situation of NEETs, bearing in mind the heterogeneity of the situation and the specifics of gender;

- c) To identify and define the main motivating factors for the reintegration of youth in the labor market and education / training system;
- d) To develop a methodology for motivation and awareness of NEET's with a view to their re-entry into the labor market and the re-entry into education and training system;
- e) To create a network of stakeholders in order to allow interconnection of actions leading to the reduction of the young people in NEETs situation;
- f) To provide a platform to allow the contact of NEETs with the business world with a view to employment or placements / internships.

The methodology applied to this research is supported by quantitative data and qualitative information and in **an open dialogue** with different public and private entities in order to facilitate the NEET inclusion in society.

With regard to **quantitative information**, on one hand, existing official information based on survey employment or the information available in the “Database” EUROSTAT were used ,and, on the other hand, two surveys in the territory object of study case, oneto companies and other to young people of that county identified as NEET were conducted.

The **qualitative information** it was based on:

- Identification of good innovative practices on the employability of NEET and re-entry to the school system in OECD countries;
- A group of reflection integrated mainly by academics on the issue of NEET;
- A Monitoring Committee composed of stakeholders in order to validate the application of the methodology, business network and platform;
- Case study at territorial level with a view to employability i) including Focus groups on the situation of NEET involving entities that are responsible for this issue; ii) Development of workshops with NEETs for their motivation / awareness using coaching methodology with groups of 10 to 15 young people; iii) Informal meetings with public authorities and civil society with a view to further characterization of NEETs and main difficulties and existing potential for a young person ceases to be NEET.

The **research dissemination** was developed through:

- Platform included in the Project research Web page
- Manual targeted to awareness and coaching sessions for youth NEETs
- Scientific publication integrating the research results .

The companies survey was made available at the Municipality of Loures, during the months of May and June 2014 by LimeSurvey platform.

The objective of this survey was to know the major concerns with the NEET population and sensitivity to the recruitment of these young people who are not in the labour market or in education / training system by the companies. Target companies of the survey must have the following features: higher youth employment weight, workers with less than 30 years and assuming more receptive to hiring young people

The collected responses are divided by the most representative sectors, Manufacturing Industry, Trade, Transport and Storage and Construction. From the companies survey it is clear that the admission of young people is done mainly through internships with the following purposes: fulfill marketing or business functions, develop new projects, optimize the probability of success to the future integration, assess the personal and professional development of the trainee, provide a more realistic vision of the company, create partnerships or arrangements between companies and schools or universities, avoid deviations of trainees provided by new supply of another internship.

Through the analysis of the future perspectives of companies and the correlation matrix we can conclude that the factor “Hiring / Deadlines”, shows that on average companies that give more importance to the admission of people NEET less value to hiring young people “not NEET” and the least favor the fixed-term contracts as opposed to a preference for hiring through permanent contracts.

We would highlighted that the item that stands out most in this first factor is the admission of young people “not NEET” as opposed to hiring young people “NEET”, which can translate the current jaundiced view on the NEET pledge of social discrimination, it would be appropriate to fight in order to allow the full integration of this aggregate in society by removing it from the ghetto that is, through the enhancement of human dignity and any latent capacity that the NEET population may have.

Concerning the second ‘Stimuli’ factor the companies on average that give more importance to training in the workplace, are the most demanding previous experience and more interest manifested in being mentors companies for young, as opposed to the tax benefits from hiring unemployed people .

It is still out that the item that stands out most in this second factor is the training in the workplace, seen as the most important future perspective and desired by companies.

**Companies Prospects on Youth Admission<sup>2</sup>**

Futures Perspectives	Factorial score	Fectors	% V. expl	Alpha Crombach	Not totally agree	Not agree	Agree	Totally agree
Admit young	,858	Contrating terms	35,3%	0,8	8,3	8,3	83,3	8,3
Admit NEET	-,838							
Term Contact	,823							
Indeterminate time contracts	-,745							
Important training	,908	stimulu	35,5%	0,8	7,7	69,2	15,4	7,7
Local work								
Be mentor young enterprises	,793							
Prefer experience workers	,736							
Benefits to admit Unemployers	-,586							

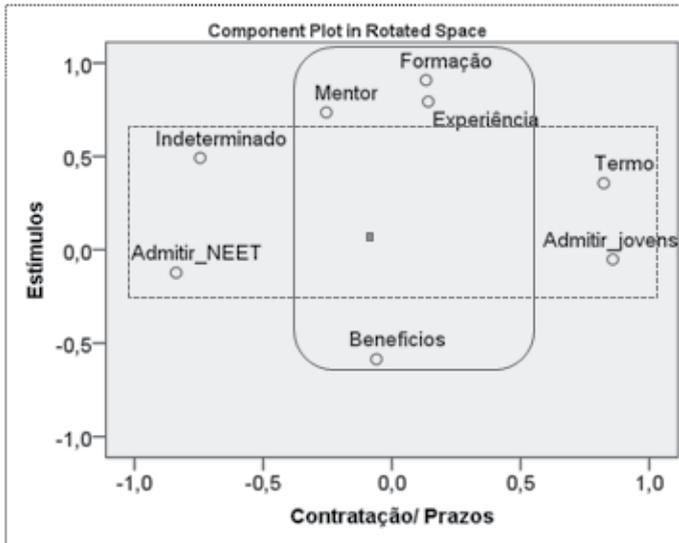
2 This analysis was based on an ordinal scale of four categories (strongly disagree, disagree, agree, strongly agree), they qualify the responses of future prospects from the point of view of businesses regarding the level of agreement with statements on the main conditions that trainees must meet. Exploratory factor analysis of the main components fits to the data (As KMO = 0.72, Bartlett test with sig = 0.000, Goodness of fit index = 0.9 and Root Mean Square Residual = 0.08) showing significant correlation between the items that make up the future prospects, forming two distinct groups:

- A group called ‘Hiring / Deadlines’ explains 35.3% of the variation in the data and includes the variables : hiring young people, hiring NEET, hiring people with a fixed term, contracts, hiring people with permanent contracts;

- Another group called “Stimuli”, explains 33.5% of the variation in the data and includes the variables: it is important to provide training in the workplace, mentoring companies created by young people, give preference to people with previous experience, hiring unemployed only in case when there are tax benefits.

All 8 items were summarized in two groups or factors that explain 68.8% of the variance of the data, interpreted consistently by companies.

**Future prospects by 8 items**



**Matrix of Correlations of Future Prospects Items**

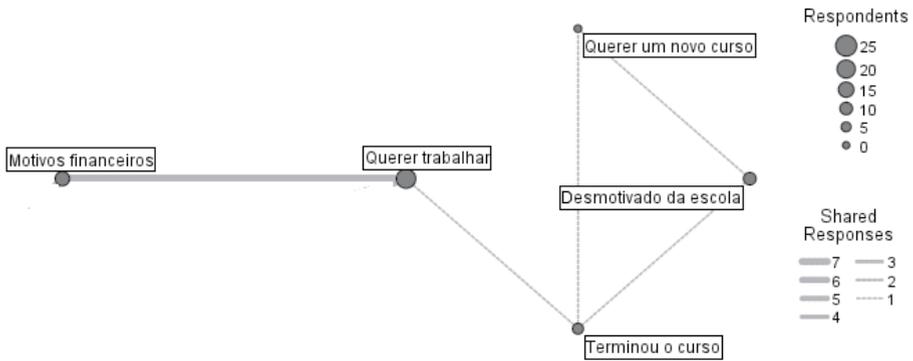
	Admit young	Admit NEET	Term Contract	Indeterm Contract	Training	Mentor	Experience	Benefits
Admit young	1,00	-,518	-,577	-,816	0,000	0,000	-,120	-,333
Admit NEET	-,518	1,000	-,718	,381	-,180	,359	-,487	-,104
Term Contract	,577	-,718	1,000	-,354	,500	0,000	,417	0,000
Indeterm Contract	-,816	,381	-,354	1,000	,354	,354	,442	0,000
Training	0,000	-,180	,500	,354	1,000	,500	,626	-,577
Mentor	0,000	,359	0,000	,354	,500	1,000	,417	-,577
Experience	-,120	-,487	,417	,442	,626	,417	1,000	-,120
Benefits	-,333	-,104	0,000	0,000	-,577	-,577	-,120	1,000

As a conclusion from the companies' survey – **there is no positive discrimination for the admission of these youth NEET by companies.**

The analysis, based on the response to the youth NEET survey identified in key areas of the Municipality of Loures , is presented in terms of:

- (1) sociodemographic characteristics-Young people predominantly single, Portuguese, male, households with more than 4 people, with third-party assistance as the main source of income, with 9 years of schooling, unemployed parents;
- (2) regarding job situation-More than half of young people have never worked, found jobs through friends and internet, no interest in creating their own employment;
- (3) regarding education situation -Great majority stopped studying for more than 1 to 2 years, reasons are linked with work needs , financial difficulties and the desire to go back to school mostly in vocational training courses as well as desire to emigrate (see next picture)
- (4) society position linked with factors related to trust in society – Factor 1 includes items United Nations, Parliament, Police and Justice and factor 2, includes political parties, politics, and trust persons – lack of trust is more pronounced in factor 2.

**Links among reasons that stop study**



**Legend**

- Motivos financeiros- financial reasons
- Querer trabalhar- want to work
- Querer um novo curso – want a new course
- Desmotivado escola – unmotivated school
- Terminou o curso – finish the course
- Respondentes – answers

To deepen the knowledge of the young NEET some interviews were taken place in order to understand the perspective of the most

striking features of this type of population, which also coincides with what respondents consider priority intervention.

The result shows a clear pattern shedding to a population group with situations of high vulnerability to different levels, namely:

- **Education:** It emerges low education (up to 3rd cycle) and low motivation to study and stay in the education system, most problematic situations is students between 15 and 17 years old who do not have the 9th grade. They are destined to fail and there is no preparation in public schools to accept and work with them;
- **Skills:** Lack of basic skills (regardless of qualifications): Functional Illiteracy; lack a sense of responsibility and autonomy; reduced preparation for the labor market;
- **Family context:** Many different realities but most are dysfunctional families; young people living alone delivered to you; no time parents with low income and education; impotence of parents who sometimes refer “can not do anything”;
- **Sociocultural Context:** Young feel outside the context of society; They have no hope in life projects or in the future; low levels of expectations in relation to society; disillusionment with the institutions; disbelief by the lack of opportunities; reduced self-esteem; weak resistance to frustration.

As a conclusion from youth NEET survey and interviews – **The youngsters are generally unemployed, out of school due to financial difficulties, integrating families with long term unemployed parents, especially living on outside help, unwilling to return to school and looking for work through contact friends and family.**

Among the requirements to be taken into account when defining a strategy to fight the situation of NEET, stand out in particular:

- identification of the various subgroups within the NEET group: it should decompose the whole NEET population in the various subgroups which integrates the extent that the public NEET is very heterogeneous. Among the different categories should be taken into account relating to education levels, gender, age, socio economic situation, as well as an identification of the

main problems that led to the NEET situation and that can lead to certain categories.

- Setting priorities: among the various subgroups identified should set priorities to the extent that it can hardly find simultaneous solutions to all subgroups mainly due to lack of resources; among the priority are the “discouraged” or “unmotivated”, which in failure situations or “not knowing who they are” or their own abilities, fall into despondency. The NEET as heterogeneous group also include young people with higher qualifications and that due to the economic downturn also presents integration difficulties in the labor market as missing jobs and therefore should be seen as a group with some specificity.
- implementation of the strategy from the perspective of proximity in order to tackle the specific problems of different subgroups identified and to facilitate the implementation of measures based on a growing involvement of the social partners and public authorities at different levels, in order to increase the efficiency thereof.
- Interaction between the various actors linked to this theme with special focus on families beyond the teachers / tutors.

The strategy aimed at improving the situation of NEET is characterized by:

- A screening phase of the public using a method that allows as early as possible to identify those young people who after finishing schooling show evidence to become a young person who will not find jobs or be motivated to continue education or training;
- A preventive approach focused mainly on the quality and relevance of education and VET systems, to the extent that the schools have removed increasingly from the inclusive school concept;
- An application for reintegration measures involving the implementation of active labor market measures to apply to this same target group. Among these measures are the most related to vocational training (training education courses for young people, apprenticeship courses, internships) as well as

those aimed at job creation (support recruitment, micro credit, startups).

In terms of policy approach is noted – taking into account the research methodology and above all the contributions received in the various meetings held with the participation of entities of various kinds as well as interviews with public services and civil society organizations – the following:

- Education and personality development involves working the identity of young people through various cultural backgrounds and providing them with the right skills, soft skills and hard skills; education still requires to appreciate the intrinsic motivation, motivation looking for excellence process, developing creativity to empower young people targeted to the satisfaction of their needs;
- Strengthening of education for entrepreneurship knowing that only a small number of young people will be benefited from this training although it is recognized that the impact on young people is significant in terms of increase in startups and their employment prospects;
- Enhancement of the dual system and valorization of the role of professional courses as an alternative way of secondary education while preparing companies to be able to motivate young people to progress in studies;
- Development of integrated programs of personal development and integration in the workplace, from the school, using methodologies in which, alongside the work with the young, is developed an integration work in companies, with colleagues and managers surpassing the more conservative approaches to teaching, the school process and support for job search;
- Development of a continued support and structured work with young people from the school through the family and the professional integration, based on counseling procedures and construction of life project as well as coaching approaches for the development of life change processes ;
- Improve communication with young people, so they have a better understanding of the tools that are available to them;

- Greater involvement of civil society and interaction between the various actors linked to this theme with special focus on families, in addition to teachers / tutors who need training and motivation on the issue of NEET, particularly with a view to return to the school system and the labor market;
- Need to sensitize the civil society in general to the non-rejection of NEET so it is important to conduct a research on the levels of citizenship and its different forms of participation including volunteering among young people as a way to motivate them and simultaneously to occupy them.