

УДК 316.334.3(1-87)

А. А. Жолдыбаев,  
руководитель сектора организации науки НИИ  
Академии государственного управления при Президенте РК

## EUROPEAN RESPONSES TO YOUTH UNEMPLOYMENT: ANY LESSON FOR KAZAKHSTAN

### Abstract

This essay first compares the British and German approaches towards youth unemployment, and then asks whether Kazakhstan can draw any lessons from the European experience.

**Key words:** *welfare state, Youth Unemployment Policies, leave education, the concept of NEETs, Labour market policy, the Program of employment 2020*

### Андатпа

Мақала Ұлыбритания мен Германиядағы жастарды жұмыспен қамту саясатына салыстырамалы талдау жасауға арналған. Автор әлеуметтік саясат қалыптастыру принциптері мен тәсілдерін, жұмыссыздықпен күресте қолданылып отырған бағдарламалар мен механизмдерді зерттеу негізінде жұмыспен қамту «Қазақстан – 2020» бағдарламасын жетілдіруге бағытталған нақты іс-шаралады ұсынады.

**Тірек сөздер:** *әлеуметтік мемлекет, жастарды жұмыспен қамту саясаты, оқу жүйесінен тыс болу, NEET тұжырымдамасы, еңбек нарығындағы саясат, «Жұмыспен қамту – 2020» бағдарламасы*

### Аннотация

Статья посвящена сравнительному анализу политики молодежной занятости в Великобритании и Германии. На основе изучения принципов и подходов в формировании социальной политики, действующих механизмов и программ борьбы с безработицей, автор предлагает конкретные меры, направленные на повышение эффективности программы занятости «Казахстан – 2020».

**Ключевые слова:** *социальное государство, политика молодежной занятости, оставление образования, концепция NEET, политика на рынке труда, программа «Занятость – 2020»*

### Introduction

The youth unemployment remains high in absolute and relative terms, and also carries the risk of further marginalization of the unemployed. In 2011, of the 94 million young Europeans aged 15–29, only 34% were employed, the lowest figure in the history of Eurostat. In 2011, according to Eurostat, 7.5 million young people aged 15–24 years, and additional 6.5 million young people aged 25–29 years were excluded from the labor market and education in Europe (European Foundation for the Improvement of Living and Working Standards 2012) Policy focus). For example, in 2000, the unemployment rate among young people of the European Union was about 16%. It was two times higher than the proportion of unemployed adults (7%). Another interesting figure: young people are about 40% of the unemployed, whilst the proportion of young people is only 20% of the working-age population in Europe. Over the last 10 years the growth in youth unemployment coincided with demographic decline in the share of youth in Europe (Hammer, 2003).

Unemployment among young people is a challenge for the EU. First, the level of youth unemployment in the past 10 years has been two times higher than that of the total population in the labour market. Second, in the economic downturn the youth has been the most vulnerable group of the labour market. For example, in the UK, the unemployment rate for the 16–24 year-olds rose from 19.1% in 2009 to 21.1% in 2011. By contrast, in Germany, the number of young unemployed decreased from 11.2% in 2009 to 8.6% in 2011 (Eurostat 2012).

In the domain of youth unemployment, the European Commission introduced the concept of NEETs (“Not in Employment, Education or Training”). NEET category encompasses all unemployed and inactive young persons who are not in any employment, education or training. This new concept is useful for the monitoring of the labour market and the social situation of young people, as well as to facilitate comparison between member states in the context of the strategy “Europe 2020”, which aims at reducing youth unemployment. Young people with a low level of educational attainment, young people with a disability and young people from an immigrant background are more likely to be

NEETs. Importantly, research strongly suggests that young people in the NEET category experience a greater risk of unemployment and social exclusion throughout their working life (Hawley et al. 2012).

In this study, it is looked at the cases of the UK and Germany as examples for European policy strategies in the face of youth unemployment. The UK and Germany were selected, as these countries exhibit different experiences and results in dealing with youth unemployment. In terms of welfare typology, the UK represents a liberal welfare state, whereas Germany is the prime example of a conservative/continental welfare state (Clasen 2005). For liberal welfare states, activating LMP is defined in particular as encouraging individuals to seek work and promoting financial incentives such as tax credits and 'in-work benefits. While continental or conservative welfare states are still developing, the shape of a possible third type is not clearly defined (Dingeldey, 2007). This essay first compares the British and German approaches towards youth unemployment, and then asks whether Kazakhstan can draw any lessons from the European experience.

### **General Overview: Youth Unemployment Policies in Britain and Germany**

In Britain, the issue of youth unemployment gained great prominence in the late 1990s with the election of the New Labour government and the introduction of the New Deal or Welfare to Work programme (starting in 1998). The New Deal was first targeted at the young unemployed (NDYP) (Dingeldey, 2007). New Deal is a key part of the previous government's welfare to work strategy. It is an active labour market policy designed to move people into work quickly, and provide those who need it with extra help to improve their employability (Cuddy and Leney, 2005). The first phase of New Labour's welfare reform witnessed the introduction of New Deal employment programmes alongside tax and benefit changes aimed at "making work pay". A second phase, outlined in a 2001 Green Paper, linked welfare reform with restoring full employment. It plans through Jobcentre Plus to transform the passive culture of the benefit system by creating more explicit links between individual behaviour and engagement with labour market programmes (Finn, 2003). The training and work experience of the New Deal has been accompanied by a number of other important employment policy initiatives designed to support those in paid employment. Most significant perhaps, and yet now the least controversial, was the introduction of a statutory minimum wage in 1999 for all employees. The minimum wage was initially set at £ 3.60 an hour, but had risen by 2007 to £ 5.52 for those over 22, with lowers rates of £ 4.60 for 18–21 years olds and £ 3.30 for 16–17s (Alcock, 2008).

The change of government in May 2010 led to a significant shift of policy emphasis. Previously, the focus had been on labour market activation policies (ALMPs) providing subsidies for employers to take on young people in employment and work experience positions. These programmes have been closed and the current government published a strategy document Supporting Youth Employment in May 2011. It identifies five key areas:

- 1) the adoption of measures aimed at the formation and training of professional skills among young people;
- 2) support to local partners, providing consulting and other services to young people;
- 3) to encourage employers who offer work experience, internships and apprenticeships;
- 4) promotion of personal activity in search of work;
- 5) creating the wider conditions for economic growth (Simms, 2012).

The new program focuses on the preparation of young people for entry into the labor market.

In the German case, youth unemployment received policy attention earlier as compared to the British example. Starting in the 1980s German labour markets policy has developed instruments to both reduce the duration of individual unemployment and the total number of the unemployed. Due to this attempt a huge variety of schemes and labour market measures for the younger (unemployed below 25 years of age) were developed and introduced: At least three lines should be distinguished:

a) Vocational Qualification or Training-oriented:

- support for apprenticeship-seekers
- pre-apprenticeship-training
- apprenticeship-training out of enterprises

b) Employment-oriented measures

- wage subsidies for the primary labour market
- job-creation schemes for employment in the secondary labour market.

c) Target group oriented measures

– measures for young handicapped people, for young people with limited learning capacities and for other disadvantaged groups aged below 25 (young foreigners, German immigrants) (Dietrich, 2001).

As a consequence of German reunification, it was not the restructuring but the expansion of traditional instruments of active labour market policy, particularly job creation schemes, that was on the agenda at the beginning of the 1990s. Although there were some cuts in unemployment benefit, labour market policy did not change substantively until 1998, with the reform of the Employment Promotion Act (Dingeldey, 2007).

In Germany we have the Dual System that helps youth to include into the labour market. The Dual system included two component: 1) learning on the job (in a company); 2) vocational training school (where prevailed theory). But it does not offer sufficient training for school leavers and so has been developed the JUMP programme. The youth action programme started on 1 January 1999. According to the political implementation process the youth action programme indeed was an immediate action programme. According to the mayor aims and the specific target groups the youth action programme supplies different types of measures, which can be grouped into five mayor lines:

- Improving the supply-side of apprenticeship places
- Preparing for apprenticeship: supporting young people to find a training place in the apprenticeship system.
- Apprenticeship: offer apprenticeship training in enterprise-external training organisations and support the supply of regular apprenticeship-opportunities.
- Continued training for young unemployed people who already have finished apprenticeship training.
- Integration in jobs: gives subsidies to private or public employers to integrate young people into work (Dietrich, 2001).

The JUMP programme tried to fill the gaps within the Dual system, and cope more generally with the increasing risk of unemployment among young people.

### **The main Policies for the Young Unemployed in Britain and Germany**

In this part of essay a short analysis the policy measures of the UK and Germany that was adopted in recent years in order to re-engage young NEETs into education and employment.

1. High risk of unemployment is associated with low levels of education and skills. Therefore, in both countries is the prevention of early school leaving (ESL). Germany have more regional leadership in this field, but it is also apparent that there is an aspiration, and in some cases also political will, to make ESL a priority at national level (Hawley et al. 2012).

Both countries want to have an effective system that gives information to schools and education authorities about how many students have dropped out of education and why, and identify individual students at risk of doing so.

At schools of the both countries some programmes typically utilise different and innovative teaching pedagogies, have more specialist staff available to support the students and use a range of environments to revitalise the motivation of young people to learn (Hawley, et al. 2012).

In order to prevent ESL the measures provide increasing the age for schooling from 16 to 18 years. Alternative learning environments exist within the public education system, either off-site as separate schools or on-site as temporary programmes within schools (Ofsted, 2010). Career guidance is particularly important at transition points from one level of education to another. Bridging programmes and 'pick and mix' taster opportunities have been introduced in Germany. For example, 'Qualification and connections' is a four-year programme introduced in 2010. The programme consists of three activities which aim to ensure that students make a smooth transition to the next level of education and do not end up leaving school without a qualification (Hawley et al. 2012).

2. Systems that provide second chances for young dropouts have already become established elements of the education and training landscape in most European countries. In England the policy landscape in this area is made up of a range of different second chance opportunities which are implemented by various different actors. Overall, they tend to focus on the provision of alternative training/teaching environments and methods. They also tend to be more practically orientated than mainstream provisions and include elements of non-formal learning. These measures also usually highlight the importance of gaining soft skills and both personal and social development. The re-engagement process of an excluded young person can be complex, involving a range of public authorities. The UK have responded to this challenge by setting up 'one-stop-shop' guidance centres which provide a broad range of services to young people. Tracking or 'catch up' services have been introduced to identify, support and monitor inactive young people in the UK. Second chance

opportunities model in German includes short courses offered by employment services; opportunities to take a secondary-level exam without having completed the associated studies (Hawley et al. 2012).

3. The transition from education to employment can be difficult for young people. The problems range from their lack of work experience and/or low levels of qualifications, to the mismatch between the skills they have to offer and those required by employers. Along specific courses the provision of information and advice can also take place through websites and web-based tools.

Other measures targeted at school pupils aim to bring them together with employers, and these are considered to be particularly important in order to familiarize young people with the world of work. In Germany, the Occupational Orientation Programme helps young people make career choices based on both occupational orientation courses and practical experience of the workplace through internships.

Other measures to try to smooth the pathway to work for young people include those that enable them to gain skills and qualities which are recognized as being important by employers and are in demand on the labour market. In Germany all young people have an offer of a job, or an educational or other type of opportunity, within a certain timeframe of leaving their previous education/employment (Hawley et al. 2012).

4. Generally, people with a higher level of education are less likely to be unemployed (European Foundation, 2011). However, higher education graduates are also finding it difficult to obtain work after they leave education. Employers feel that job applicants are not only lacking in basic skills such as literacy and numeracy but also in key 'soft' skills. A Eurobarometer survey of employers on graduate employability carried out in 2010 confirmed the importance of soft skills to employers, including teamworking, communication skills and adaptability, with over 60% of employers identifying these skills as being very important (Hawley et al. 2012). Several of the training measures mentioned have been designed to directly link with the needs of employers. A new approach in Germany, for example, has been to introduce training modules into vocational training, which take the trainee step by step from a basic to a sophisticated understanding of a profession (Hawley et al. 2012).

5. Some young NEETs (for examples, young people with a disability or an immigrant that needs to improve language skills) have complex support needs. In addition to a lack of work experience or qualifications, they can face a range of other practical and logistical barriers to taking up employment or further education/training opportunities.

Targeted approaches are also taken in the UK, where childcare is offered to young parents who are participating in education. Direct financial support is provided in Germany to workers, including the young, or directly to their employers. This financial support might be intended to pay for a specific cost (e.g. financial support to pay for transport or accommodation costs) or may be a grant or allowance intended to cover the cost of living while participating in a certain learning opportunity. Here young people with disabilities can access a 'training allowance' if they have not previously taken part in vocational training or in a measure preparing them for vocational training, or been employed in a workshop for the disabled (Hawley et al. 2012).

6. Some countries have chosen to implement measures which can stimulate demand for young employees, apprentices or trainees, such as subsidized jobs or reductions in social security contributions for employers. These measures can help to ease young people's entry into the labour market and their transition from unemployment to employment. In the UK, for example, a substantial budget has been allocated by the state to help fund apprenticeships, and employers also benefit financially from the fact that the National Minimum Wage scale includes a rate for apprentices which, at GBR 2.50, is much lower than that for other UK workers. In Germany, employer incentives are used to encourage employers to take on young people who have not been able to find an apprenticeship or who have lost their apprenticeship place because their employer has shut down (Hawley et al. 2012).

### Discussion: Lessons for Kazakhstan?

The analysis shows that the European policy in the field of youth employment provides for comprehensive measures. These measures are aimed at improving the level of education and professional development; the removal of barriers for entry into the labor market; stimulating an active search for work; and encourage employers to accept young workers and their internship. Study of the European experience is necessary for the formation of an effective social policy in Kazakhstan.

In Kazakhstan the youth make up about 30% of the population. It is people aged 14 to 29 years. According to the Statistics Agency, number of unemployed youth in period 2005–2009 had decreased



from 13.4% to 5.9% (Eurasian congress, 2010). Now the number of young unemployed people aged 16–29 account for 36.3% of the total number of unemployed. Youth unemployment also comparable to the ratio of the unemployed to the total labor force, that is, within 5-6% (Enbek).

However, many of the unemployed may be in the category of self-employed, because the status of self-employed people do not have clear criteria. Number of self-employed as of January 1, 2011 was 2.7 million., or a third of total employment in the country. (Press service of the Kazakh Majilis, 2012).

On July 1, 2011 in Kazakhstan was adopted the Program of employment 2020. The program of Kazakhstan provides three areas:

1) measures for the organization of free vocational training and retraining, assistance with job search and job placement, including psychological adaptation;

2) assistance in the organization of business, including counseling, microcredit. But the rural youth have much more chances than another groups in this area;

3) if the participant could not get a job or realize a business project, the government helps him to move to another region with greater prospect of employment (Ministry of Employment and Social Protection 2012).

The study showed that Kazakhstan has the same if not greater problem with youth unemployment. However, analysis of the Employment Programme in 2020 shows that Kazakhstan does not address the full range of issues associated with youth unemployment. Programme activities are mainly confined to the sphere of the transition from education to employment, including assistance in re-training and consulting services. Kazakhstan needs a monitoring system in the field of youth employment; to developing mechanisms to encourage employers to accept young people; bridging the gap between education and the labor market, improving the system of professional training and retraining etc. In this regard, the experience of the European Union is very important to ensure a comprehensive approach to the problem of youth unemployment.

In my opinion it is important for Kazakhstan:

1) introduction of the concept similar to NEET;

2) to develop a special program for unemployed youth. At the moment programmes are of a very general nature and are not targeted at particular group;

3) provide for measures to remove the barriers between education and the labor market;

4) develop a mechanism to encourage employers to receive and train young people in the workplace;

5) to develop social partnership in the field of employment

– Increased participation of employers in the program, now employers are invited to participate in this question, because they do not receive from government programs.

Of course the policy mix and measures to be adopted in each country will of course depend on the context and the profile of young NEETs in that country. It can be difficult to decide what type of interventions work better than others. Study of the situation in the UK and Germany shows that the Kazakh employment policies lean towards the continental model of Germany. However, given the coincidence of the main trends in the field of employment in the various models of social policy and the importance of an integrated approach, Kazakhstan should be examine the measures that used to in the UK and in the European Union as a whole.

## REFERENCES

- 1 Alcock, P. (2008). *Social Policy in Britain*. Palgrave MacMillan.
- 2 Clasen, J.(2005) *Reforming European welfare states. Germany and United Kingdom Compared*, Oxford: Oxford University Press.
- 3 Cuddy, N. and Leney, T.(2005). *Vocational education and training in the United Kingdom*. Short description. Available online at:  
4 [www.cedefop.europa.eu/EN/Files/5159\\_en.pdf](http://www.cedefop.europa.eu/EN/Files/5159_en.pdf)
- 5 Daly, M. (2000). *The Gender Division of Welfare: The Impact of the British and German Welfare States*. By Mary Daly. Cambridge,U.K.: Cambridge University Press, 2000, 273 pp.
- 6 Department of social security and control (2012) *Key indicators of the labor market*. Available online at: [www.enbek.gov.kz/node/263415](http://www.enbek.gov.kz/node/263415).
- 7 Dietrich, H. (2001). *The German Immediate Action Programme to Reduce Youth Unemployment: Programme for training, qualification and employment of young people*. Available online at: <http://pdf.mutual-learning-employment.net/pdf/ind-exp-paper-germ-jun01-dietrich.pdf>.

- 8 Dingeldey, I. (2007). *Between workfare and enablement – The different paths to transformation of the welfare state: A comparative analysis of activating labour market policies*. Available online at: <http://onlinelibrary.wiley.com/doi/10.1111/j.1475-6765.2007.00712.x/abstract>
- 9 Eurasian congress of youth (2010). *The problem of youth employment in the Republic of Kazakhstan and the mechanism for their solutions*. Available online at:  
10 <http://www.eurasiacongress.org/science.htm>
- 11 European Foundation for the Improvement of Living and Working Conditions (2012). *Youth and Work*, Eurofound, Dublin.
- 12 European Foundation for the Improvement of Living and Working Conditions (2012). *Policy focus on youth unemployment*. Available online at:  
13 (<http://www.eurofound.europa.eu/press/eurofoundnews/2012/october/newsletter3.htm>)
- 14 Eurostat (2012) *Youth unemployment trends*. Available online at:  
15 [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Unemployment\\_statistics#Youth\\_unemployment\\_trends](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics#Youth_unemployment_trends)
- 16
- 17 Finn, D. (2003). 'The "Employment-first" Welfare State: Lessons from the New Deal for Young People'. *Social Policy & Administration*, 7(37), 709–24
- 18 Hammer, T. (ed.). (2003). *Youth unemployment and social exclusion in Europe. A comparative study*. Bristol: Policy Press
- 19 Hawley, J., Nevala, A-M. and Weber, T. (2012). *Recent policy developments related to those not in employment, education and training (NEETs)*. Available online at:  
20 [www.eurofound.europa.eu](http://www.eurofound.europa.eu)
- 21 Ministry of Labor and Social Protection of the Republic of Kazakhstan (2012). *Employment Program 2020*. Available online at: <http://pz.enbek.gov.kz/node/8>
- 22 Simms, M. (2012). *Comparative Analytical Report on Recent Policy Developments related to those Not in Employment, Education and Training (NEET)*. Available online at: [www.eurofound.europa.eu/emcc/erm/studies/tn1109042s/uk1109049q.htm](http://www.eurofound.europa.eu/emcc/erm/studies/tn1109042s/uk1109049q.htm)
- 23 Press service of the Kazakh Majilis (2012). *The self-employed – the reserve industrial development of Kazakhstan*. Available online at: <http://www.nomad.su/?a=3-201104200037>

Дата поступления статьи в редакцию журнала 12 января 2013 года