

National Youth Monitor

Unemployed young people in times of economic crisis

2009



Statistics Netherlands



Youth and Families

National Youth Monitor

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Explanation of symbols

.	= figure is not available
*	= provisional figure
**	= revised provisional figure
x	= publication prohibited (confidential figure)
–	= nil or less than half of unit concerned
–	= (between two figures) inclusive
0 (0.0)	= less than half of unit concerned
blank	= not applicable
2008–2009	= 2008 to 2009 inclusive
2008/2009	= average of 2008 up to and including 2009
2008/09	= crop year, financial year, school year etc. beginning in 2008 and ending in 2009
1998/99–2008/09	= crop year, financial year, etc. 1998/99 to 2008/09 inclusive

Due to rounding, some totals may not correspond with the sum of the separate figures.

The National Youth Monitor is compiled at the request of the Ministry for Youth and Families. Statistics Netherlands is responsible for carrying out the project.

The data are taken from the following sources:

- Statistics Netherlands (CBS)
- Department for Youth Custodial Institutions (DJI)
- Institute for Employment Benefit Schemes
- Intomart GfK
- National Police Services Agency (KLPD)
- Ministry of the Interior and Kingdom Relations
- Ministry of Justice
- Ministry of Education, Culture and Science
- Ministry Health, Welfare and Sport
- Ministry for Youth and Families
- Municipal population registration (GBA)
- National Institute for Public Health and the Environment (RIVM)
- Foundation for a smoke-free future STIVORO
- TNO Research
- Netherlands Institute of Mental Health and Addiction (Trimbos)
- Research and Documentation Centre (WODC)

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Statistics Netherlands

Unemployed young people in times of economic crisis

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The number of young people who have been marginalised has substantially increased during the present economic crisis. There was an increase in the number of unemployed youngsters as well as that of non-active young people in the course of 2009. Boys and young people without a basic qualification in particular are relatively frequently unemployed. A number of these unemployed youngsters have registered with the UWV WERKbedrijf (Institute for Employment Benefit Schemes) for assistance in finding a suitable job or type of education. This number was slightly higher at the beginning of 2009 than one year previously.

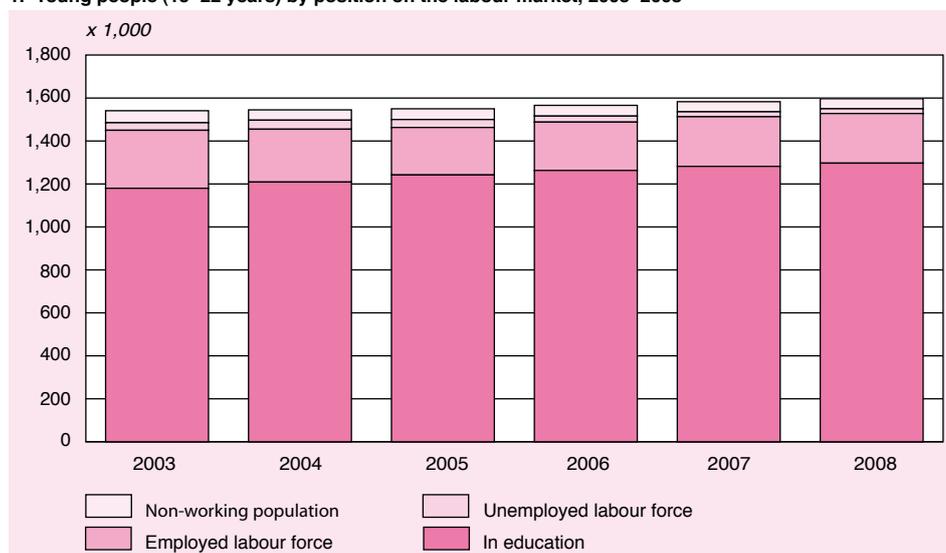
In addition, a number of non-active youngsters are dependent on a disablement benefit under the Wajong young persons disablement act as a result of incapacity for work. This number showed an increase in 2008. The government intends to introduce its Action Plan for Youth Unemployment and projects combining work with education to combat growing youth unemployment.

Jobs or education for all young people

The government's basic principle for combating youth unemployment is that all young people should have a job or be in some kind of education. In 2008, 300,000 young people aged 15 to 22 years were no longer in education: this is 19 percent of all youngsters in this age group. Some 231,000 young men and women in this group were employed, which means that 69,000 youngsters did not have a job in 2008. Of them, 22,000 youngsters were actively seeking employment, which means that they were unemployed. The remaining 47,000 youngsters were not actively looking for a job, which means that they were part of the non-active labour force.

The largest percentage by far (more than 80 percent) of 15–22 year-olds were in some kind of education in 2008, and the trend shows that the number of youngsters in education has gradually been increasing since 2003.

1. Young people (15–22 years) by position on the labour market, 2003–2008

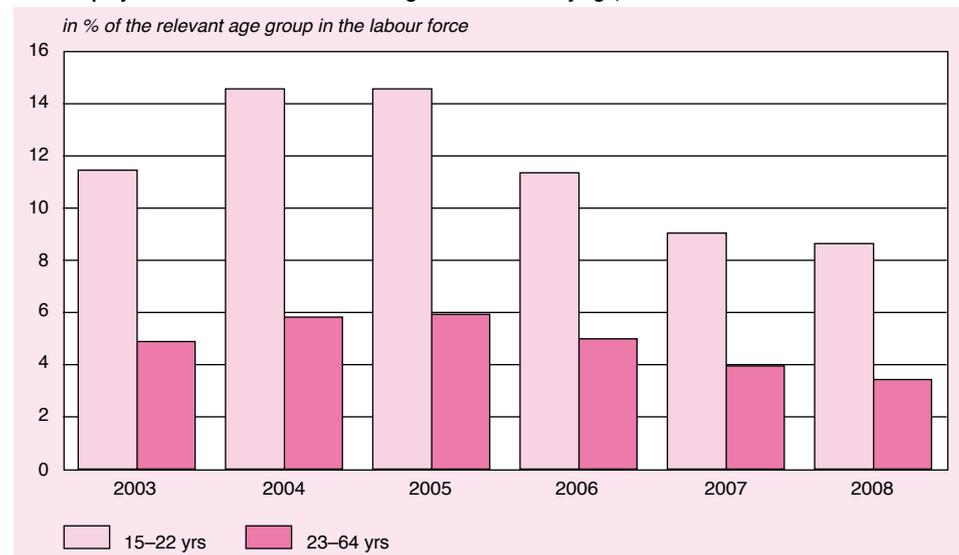


Source: National Youth Monitor, Statistics Netherlands-Labour Force Survey.

Youth unemployment largely depends on economic situation

Employment among youngsters aged 15-22 years who are no longer in education shows a variable course over the years. This is partly the result of changes in the pace of economic growth. During the first years of the 21st century, youth unemployment increased to almost 15 percent in 2005 due to the economic downturn in 2001. It subsequently decreased to 8.6 percent in 2008. This was connected with the economic boom that commenced in 2006. Unemployment among the labour force aged 23-64 years also depends on changes in the economic situation. In 2005, the unemployment rate among 23-64 year-olds was 5.7 percent, although this percentage had dropped to only 3.3 percent three years later. Although the entire labour force is affected by economic fluctuations, young people are always the first to be relatively severely hit. The economic crisis that emerged during the third quarter of 2008 thus also resulted in a higher unemployment rate among youngsters in the course of 2009.

2. Unemployment in the labour force no longer in education by age, 2003–2008



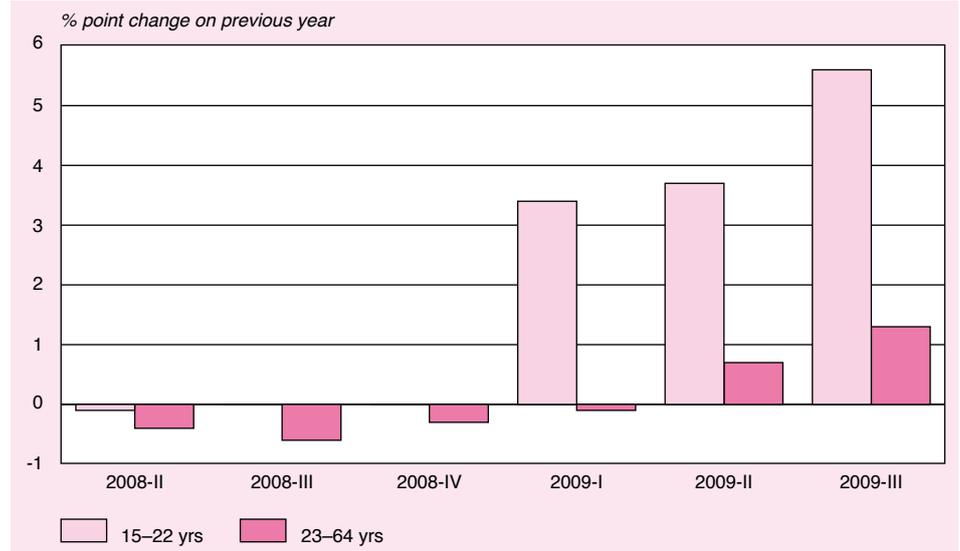
Source: National Youth Monitor, Statistics Netherlands-Labour Force Survey.

Rapid increase in youth unemployment in the space of one year

Youth unemployment has risen sharply during the present economic downturn. In the third quarter of 2008, 8.3 percent of young people aged 15 to 22 years who were no longer in education were unemployed: this was more than 21,000 youngsters. In the third quarter of 2009, unemployment increased to 13.9 percent, the equivalent of more than 32,000 youngsters; however, the percentage of unemployed youngsters in 2008 was the lowest since 2003.

The rapid increase in unemployment among young people during the current economic downturn is partly due to the fact that many youngsters have a temporary employment contract. Employers renew such contracts less frequently during periods of economic deterioration. Moreover, it is becoming more difficult for young people entering the labour market to find jobs after completing their education. Youngsters have a hard time finding work because they do not yet have any working experience. Unemployment figures for the labour force aged 23 to 64 years lower and do not increase so rapidly. In the third quarter of 2008, 2.9 percent of this group were unemployed; this percentage increased to 4.2 percent in the third quarter of 2009.

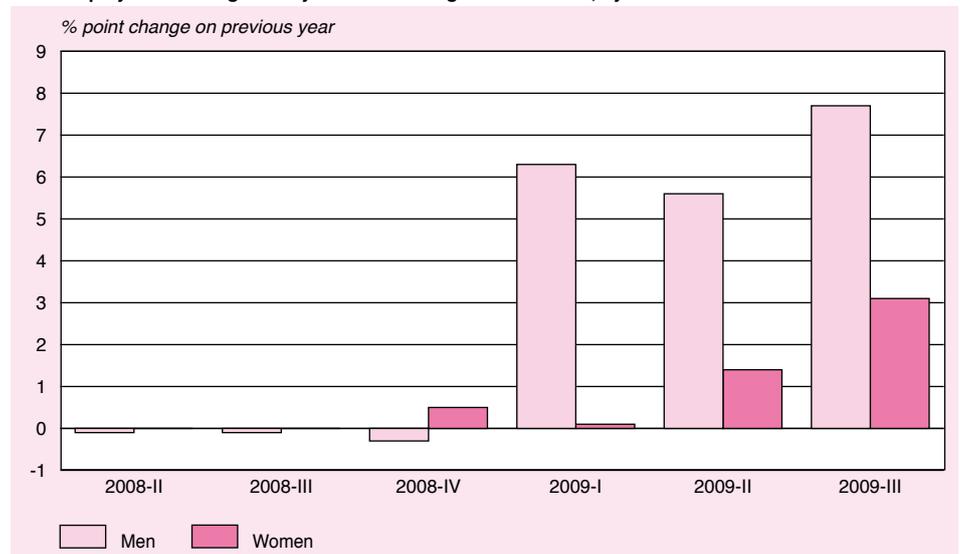
3. Unemployment in the labour force no longer in education, by age



Unemployment up among young men in particular

Boys and young men have been especially badly affected by the economic crisis in the past year. If we look at the period between the third quarter of 2008 and the third quarter of 2009, we see that unemployment among males aged 15 to 22 years no longer in education practically doubled: from 8.4 percent to 15.8 percent. In the same period, the unemployment rate among girls and young women in the same age group no longer in education only increased by 2.1 percent points to 11.6 percent in the third quarter of 2009. This means that the unemployment rate for young women even dropped below that for young men. The probable reason for this difference is that young men are more often employed in sectors that are sensitive to cyclical movements, such as manufacturing, ICT, construction and transport. Young women are more frequently employed in sectors that are less sensitive to economic fluctuations, such as government, education and care (Kösters et al., 2009).

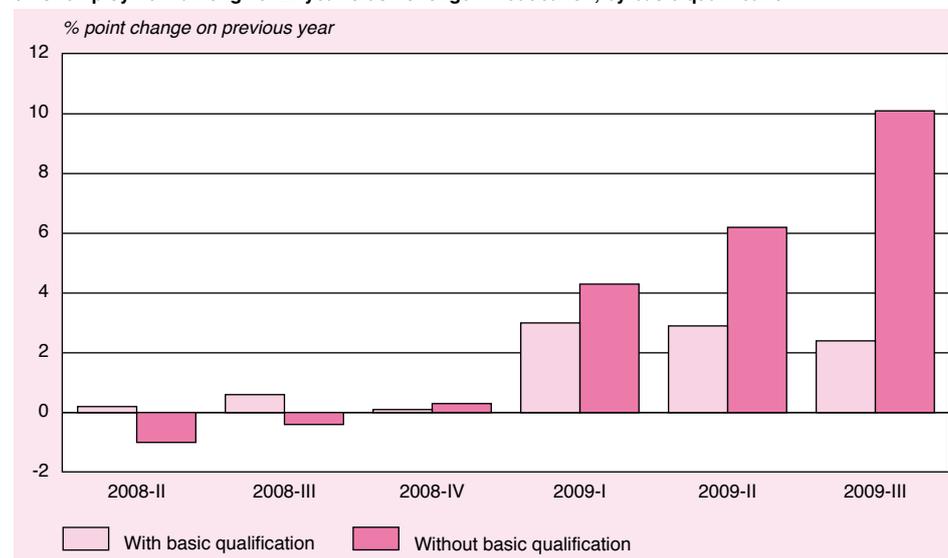
4. Unemployment among 15-22 year-olds no longer in education, by sex



Basic qualifications help slow down rise in unemployment

It is easier for young people with a basic qualification to find a job than for youngsters without a basic qualification. Most school drop-outs, as the group of youngsters without a basic qualification is sometimes called, do not have the right training for jobs available on the labour market. The proportion of unemployed 15–22 year-olds without a basic qualification has increased considerably in the past year. In the third quarter of 2009, 20.9 percent (more than 18,000) of the young people in this group were unemployed, while this was only 11 percent in the third quarter of 2008. In the third quarter of 2009, unemployment among youngsters with a basic qualification was only 9 percent (more than 12,000 youngsters). This is only 2.7 percent points higher than the percentage in the third quarter of 2008. Although unemployment in this group was higher in 2009 than in 2008, the increase even fell slightly again during the whole of 2009. However, the increase in unemployment among young people without suitable qualifications actually rose substantially in the first three quarters of 2009.

5. Unemployment among 15–22 year-olds no longer in education, by basic qualification



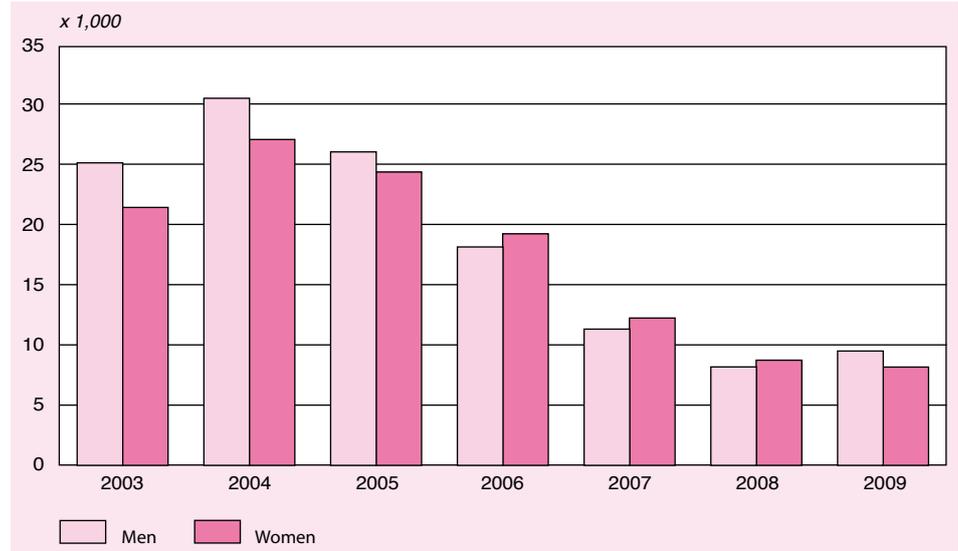
Source: Statistics Netherlands-Labour Force Survey.

Fewer registrations at UWV WERKbedrijf

Unemployed youngsters can register at the UWV WERKbedrijf. This organisation helps young people to find a job or a suitable type of education. However, it is not compulsory for unemployed youngsters to register. On 15 January 2001, more than 46,000 15–22 year-olds had registered with the UWV WERKbedrijf. This number had increased to more than 57,000 young people by 15 January 2004. The number subsequently dropped to approximately 17,000 registrations on 15 January 2008, but was slightly higher on 15 January 2009: almost 18,000. This development is partly caused by to the economic situation. In view of current economic developments, we anticipate that more youngsters will register with UWV WERKbedrijf. However, we will not be able to see whether this is actually the case until figures for 2010 are published.

The numbers of young men and young women registering at UWV WERKbedrijf have been about equal through the years. In spite of this, in periods of high employment more young men register, while when unemployment is low, slightly more young women register.

6. Non-working job seekers aged 15–22 years registered with the UWV WERKbedrijf, by sex



Source: National Youth Monitor, UWV WERKbedrijf, adapted by Statistics Netherlands.

Not all unemployed youngsters register with the UWV WERKbedrijf by any means. In 2008, about 10 percent of unemployed 15–22 year-olds were registered. This is probably partly due to the fact that young people do not expect to be unemployed for very long, and therefore do not register.

One in six youngsters no longer in education not active on the labour market

Besides the non-working job seekers, there is also a group of young people who are neither in work nor in education, and who are not looking for a job either. These youngsters are not part of the labour force, and are referred to as non-active young people. Their reason for not wanting to work include caring for others, following non-mainstream education, and incapacity for work.

In 2008, about 16 percent of 15–22 year-olds who were no longer in education were non-active. This percentage has increased during the current economic crisis: from 49,000 youngsters (15.9 percent of youngsters no longer in education) in the third quarter of 2008 to almost 58,000 (19.9 percent) in the third quarter of 2009. Care for the family and housework are the main reasons why the percentage of non-active young women no longer in education is usually higher than the percentage of young men. Although this was still the case in 2009, it is the young men who contribute to the absolute and relative increases. In the third quarter of 2008, 13.3 percent of young men aged 15 to 22 who were no longer in education formed part of the non-working population; this percentage increased to 18.9 percent in the third quarter of 2009. In the same period, the percentage of young women in the same age group in the non-working population increased by only 2.3 percent points to 21.1 percent in the third quarter of 2009. One of the reasons why there are relatively more young men in the non-working population in the present crisis compared to economically more favourable periods is that more of them intend to enter education later on that year, and therefore stop looking for work.

More and more youngsters receiving disablement benefit under the Wajong scheme

Youngsters who cannot work because of illness or disability may be eligible for a benefit under the scheme for young disabled persons - *Wajong* (see box). The number of young

adults aged 18-24 years receiving a Wajong benefit doubled between 2000 and 2008. In 2000, just over 24 thousand 18-24 year-olds claimed a Wajong benefit, compared to more than 49 thousand in 2008. Most claimants of this benefit have a mental or psychological disability, rather than a physical disability. This substantial increase in the number of young people claiming Wajong benefit is partly due to changes in legislation relating to other disablement benefit schemes and social security benefits. For example, following the introduction of the Work and Social Assistance Act (WWB) in 2004, municipalities – who have to pay for income support under this act - examined the files of income support claimants to find potential claimants for Wajong; a large part of this group was subsequently moved on to the Wajong benefit (Stoutjesdijk et al., 2007). Other reasons for the increase in Wajong claimants are improved diagnosis of certain disorders and greater awareness of the Wajong scheme as a result of organisational changes relating to young disabled persons (Suijker, 2007).

Wajong

The Wajong scheme provides benefits for people who are disabled from an early age and cannot work. It ensures that these young adults receive a minimum level income. Young people are eligible for this benefit if they are declared unfit or partially unfit for work before their 17th birthday; or become unfit for work before their 30th birthday and were studying for at least six months in the preceding year.

Government measures

On 1 October 2009, the Dutch government launched its Action Plan for Youth Unemployment, aimed at helping people aged 15 to 26 years to find work. The government has adopted a regional approach in this plan, focusing on creating a larger labour market for young people. One extremely important factor here is the cooperation between municipalities, the education sector, the UWV, trade unions and employers' organisations. The 'Investment in the Young Act' (WIJ) also came into effect on 1 October 2009. This act obliges municipalities to provide 18-26 year-olds who apply to the municipal authorities for benefit and who are not working or in education, with working and/or learning opportunities. These include jobs, work placements, apprenticeships, or certain tracks in education. All young people in this age group who apply for income support will be eligible for this scheme (Ministry of Social Affairs and Employment, 2008).

According to the Ministry of Social Affairs and Employment and the Ministry for Youth and Families, more attention must also be devoted to vulnerable groups such as those claiming Wajong benefit. From 2010, the government intends to provide more support to Wajong benefit claimants to help them find and maintain regular employment (Ministry of Social Affairs and Employment, 2007), as in principle people claiming Wajong benefit are also obliged to work or study.

Definitions

Basic qualification

A basic qualification is a diploma in senior general secondary education (*havo*), pre-university education (*vwo*) or a qualification at level 2 or higher of senior secondary vocational education (*mbo*).

Disablement benefits

The WIA (formerly WAO), WAZ and Wajong are laws providing for the financial consequences of long-term disablement. The benefits are paid periodically.

Income support

This benefit is paid under the Work and Social Assistance act (WWB). It is a monthly benefit to cover the basic costs of daily necessities for people without an income or with a very low income.

Labour force

People resident in the Netherlands who have a paid job or have accepted a paid job for at least 12 hours a week, or want to work for at least 12 hours a week, are available to do so, and are actively looking for work. This publication focuses on the labour force aged 15 to 22 years.

School drop-outs

These are pupils who leave regular education without a basic qualification. The number of drop-outs can be expressed in terms of total volume, or in terms of new drop-outs.

The total volume is the total number of persons in the Netherlands without a basic qualification. This number comes from the Labour Force Survey, a sample survey among around 90,000 people in the Dutch population aged 15–64 years.

The number of new school drop-outs is the number of pupils who leave school in a certain year without a basic qualification. This number is based on school registrations of pupil movements in regular education between two successive school years, and the numbers of pupils leaving school with a basic qualification.

Age limits are often used to define school drop-out rates. The European target for reducing drop-out rates in relation to the total volume, is based on 18–24 year-olds. Dutch policy measure (new drop-outs) are aimed at 12–22 year-olds.

Unemployed labour force

People resident in the Netherlands who do not have a paid job, or have a paid job for less than 12 hours a week, who want to work for at least 12 hours a week, are available to do so, and are actively looking for work. This publication focuses on unemployed 15–22 year-olds who are no longer in education.

Unfit to work

Situation in which a person cannot work as a result of illness or disability.

Wajong

Benefit under the disablement provision act for people disabled from an early age.

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