

The Instability of the Employment Paths and the Transition from/to the NEET Condition

Mauro Migliavacca, Alessandro Rosina and Emiliano Sironi

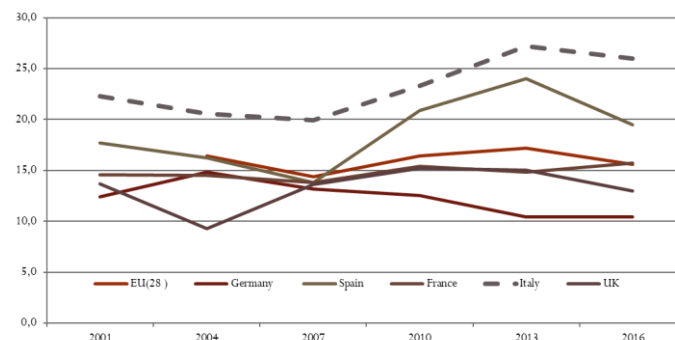
Abstract

Using longitudinal data from the “Youth Project” (Rapporto Giovani), a representative survey devoted to the study of Italian young adults’ life course paths, this paper aims at addressing the determinants of changes in individuals’ employment status. In order to do this, we implemented two separate analysis (using a binary response regressions) in order to investigate respectively 1) the transition from the condition of NEET to the condition of No-NEET between 2015 and 2017 and 2) the transition from the condition of No-NEET to the condition of NEET in the same time window. Results display a significant effect of education in reducing the risk of becoming a NEET. Other interesting findings are related to the differences between men and women, in relation at the probability to get trapped in the NEET condition, and to the link between the life satisfaction and the probability to enter in the NEET condition.

1. Background

In modern societies, the condition of the NEETs (young people who are unemployed or are outside the system of education and training) represents an emerging social phenomenon that afflicts all the European countries. The NEET label generally applies to young people usually aged between 16 and 29 years, although the age limits of that category vary across countries (Rose, Daiches, & Potier, 2012). This relies on many factors: first of all, the meaning that different cultures attribute to the word “youth”, as well as the possibility of easily accessing working and educational opportunities. Independently of these differences, all the definitions of NEETs identify a category particularly at risk for social exclusion from mainstream adult life. Italy, in particular, besides being the country where the phenomenon of emerging adulthood appeared first and on the largest scale, was also in 2016 the European country with the highest percentage of NEETs aged between 20 and 34 years in 2016: 30.7% vs. 30.4% in Greece (Eurostat, 2016). In light of that picture, addressing the transition from and to the NEET condition in Italy is becoming an emerging issue in order to reduce the risks of social exclusion and of entering poverty for a large part of Italian young adults. Therefore, the aim of the paper is to focus on the dynamic to enter or exit the NEET condition through the study of its determinants.

Figure 1: Trend of NEETs in the five main European countries (2001-2016), Eurostat.



2. Data

In order to address the determinants of the changes in the employment status of Italian Young Adults, we use data from the database of the “Youth Project” (Rapporto Giovani) renewed in 2015 by the *Toniolo Institute of Advanced Studies* with the involvement of the CARIPLO Foundation and IPSOS LTD as executive partners. The initial sample consists of 9,358 individuals aged between 18 and 29 years. The individuals were chosen with a stratified sampling technique and are representative of young adults residing in Italy. For describing the

evolution of the NEET status the survey has been repeated interviewing the same subjects in 2016 (on 6,172 cases) and in 2015 (on 3,034 cases).

3. Methods

This paper implemented two separate binary logistic regression models to investigate respectively the determinants of 1) the transition from the condition of NEET to the condition of No-NEET between 2015 and 2017 and of 2) the transition from the condition of No-NEET to the condition of NEET in the same time window. In the first model the dependent variable is a categorical indicator taking value 1 if the respondent, who was not engaged either in education or training at the time of the first interview (2015), left the NEET condition over the following 24 months. Conversely, the second model focuses on the sub sample of individuals that were in a No-NEET condition at the time of the first interview: the dependent variable is a categorical indicator taking value 1 if the respondent entered the NEET condition over the following 24 months. See Table 1 for the descriptive statistics related to the dependent variable of the model.

4. Variables

The variables used in the empirical analysis, all of them measured at the time of the first interview, to predict the condition of NEET are listed as follows:

- Gender — We considered females vs. males (which is the reference category) in order to take into account, the gender specificity in the transition from and to the condition of Neet.
- Age — We considered two categories: “less or equal than 25 years” and “more than 25 years”.
- Respondent’s education — We considered three categories: higher, upper secondary, lower. Higher includes all the respondents who completed a tertiary education cycle; upper secondary includes those who completed obtained a 4 or 5 years high school diploma, while lower education is a residual reference category that includes primary education, lower secondary, or an incomplete upper secondary education.
- Parents’ education — We considered three categories: at least one parent with higher education, both the parents with lower education, intermediate education. “At least one parent with higher education” means that respondents’ mother or father or both completed a tertiary education cycle, completing a bachelor’s, master’s, or doctoral degree. “Both the parents with lower education” includes respondents with an education less than secondary. “Intermediate education” includes all the other combinations excluding the former two.
- Quality of relationship with parents — This was measured using the mean of two ad hoc items (“Overall, how do you judge the communication with your father?” and “Overall, how do you judge the communication with your mother?”) on a 4 steps response scale (from 1 = Not at all to 4 = Very much).
- Support — This was calculated using the mean of two ad hoc items (“Overall, how much do you feel able to count on your father’s support?” and “Overall, how much do you feel able to count on your mother’s support?”) on a 4 steps response scale (from 1 = Not at all to 4 = Very much).
- Autonomy — This was measured using a translated and adapted version of Autonomy Support Scale of the Perceptions of Parents Scale (Grolnick, Ryan, & Deci, 1991) that measures autonomy perceived by children. This is a scale composed of 8 items (e.g. “My father/my mother lets me make my own plans for what I want to do”) on a 4--step scale (from 1 = Not at all to 4 = Very much) used to investigate the determinants of NEET condition in Alfieri et al. (2015)
- Life satisfaction — We consider the “Satisfaction with life” scale introduced by Diener et al. (1985). This is a 5 items scale (“In most ways my life is close to my ideal”; “The conditions of my life are excellent”; “I am satisfied with my life”; “So far I have gotten the important things I want in life”; “If

I could live my life over, I would change almost nothing”) on a 7 steps scale (from 1 = Not at all to 7 = Very much). The indicator has been computed as the mean of the five items.

- Geographical area — In order to take into account for the unobserved geographical heterogeneity, absorbing both regional differences in terms of economic conditions or social context, we introduced three macroregional dummies: North (reference category), Centre and South.

5. Provisional results and future research agenda

The analysis (Table 2) shows some interesting results with respect to the process of transition who leads individuals in or out of the NEETs condition. Estimates not necessarily show opposite patterns, underlining different drivers for the two transitional processes examined. The analysis focus on the transition from a condition of NEET to the condition of No-NEET, displaying the significance of age groups and of the gender. In more detail, younger individuals are more likely to leave the NEET condition, being constant the other variables, and to enter in the labor market or in the education system. Females seem to be more penalized in leaving the condition of NEET instead. This result does not surprise because part of the females’ subsample consists of women that look after the home and the members of their family, renouncing to an active role in the workforce. With respect to the effect of geographical heterogeneity, as expected, it looks clear that individuals belonging to the northern regions have greater opportunity to leave the condition of NEET, due to better conditions in labor market and to an improved macroeconomic context. If the geographical context is fully explanatory in predicting the permanence or less in the NEET condition, a key determinant seems to be the education level of the respondents: more educated individuals are more likely to exit from the NEET conditions. These results fully support the importance of education in promoting social mobility, also in the Italian context. The results of the second part of the analysis, that aims to predict the entrance in the NEET condition for those individuals that were in education or employed at the time of the first interview, are summarized as follows: individuals that live in the South of Italy experience a higher risk of becoming NEET. That result displays a profile that is complementary to what we observed in the first model, even if in this case the Centre of Italy seems to be similar to the Northern part of the country. Once again, the respondents’ education plays a decisive role in reducing the risk of becoming NEET: lower educated individuals seem to be more exposed to a change in their employment status. Finally, we observe an interesting result concerning the role of a life satisfaction index (adopted by Diener et al., 1985), only in predicting the entrance to the NEET condition. Individuals that are less satisfied with their life, even if employed or students at the time of the first interview, are more likely to fall in the NEET condition in the following 24 months. The education of the parents does not have a significant impact in modifying the respondents’ employment status, such as the quality of the relationship with the parents.

With respect to the model an important issue still open concerns the sample selection. If we consider NEETs and No-NEETs separately we identify two sub-sample with different observable characteristics. Hence, the first development of the present work consists in addressing sample selection nesting the two equations of transitions in a Heckit framework.

6. Appendix

Table 1. Summary statistics

	Dynamics in 2016, 2017	Total
NEET in 2015	NEET → No-NEET	20.0%
	NEET → NEET	80.0%
No-NEET in 2015	No-NEET → NEET	6.0%
	No-NEET → No-NEET	94.0%

Table 2. Regression results

Variables		NEET → Not NEET	Not NEET → NEET
Age	< 25	ref.	ref.
	≥ 25	-0.424**	-0.013
Gender	Males	ref.	ref.
	Females	-0.519**	0.081
Geographical Area	North	ref.	ref.
	Centre	-0.516*	-0.102
	South	-0.561*	0.584*
Respondents' Education	Lower	ref.	ref.
	Intermediate	0.651*	-0.639**
	Higher	1.351*	-0.662**
Parents' Education	Lower	ref.	ref.
	Intermediate	0.301	0.108
	Higher	0.265	-0.160
Relationship with parents		0.027	0.001
Autonomy		0.063	0.037
Support		0.177	0.070
Life satisfaction		0.006	-0.231*
Intercept		-1.624**	-2.045*
Observations		1,101	4,784

* p<0.05, ** p<0.01, * p<0.001

References

- Alfieri, S., Sironi, E., Marta, E., Rosina, A., & Marzana, D. (2015). Young Italian NEETs (Not in Employment, Education, or Training) and the influence of their family background. *Europe's journal of psychology*, 11(2), 311. doi:10.5964/ejop.v11i2.901
- Chen, Y.W. (2011). Once a NEET always a NEET? Experiences of employment and unemployment among youth in a job training programme in Taiwan. *International Journal of Social Welfare*, 20, 33--42. doi:10.1111/j.1468--2397.2009.00711.x
- Diener, E. D., Emmons, R. A., Larsen, R. J., & Griffin, S. (1985). The satisfaction with life scale. *Journal of personality assessment*, 49(1), 71-75. doi:10.1207/s15327752jpa4901_13
- Grolnick, W. S., Ryan, R. M., & Deci, E. L. (1991). Inner resources for school achievement: Motivational mediators of children's perceptions of their parents. *Journal of Educational Psychology*, 83, 508--517. doi:10.1037/0022--0663.83.4.508.
- Migliavacca M., Rosina A., Sironi S., (2017), Progetti di autonomia e formazione della famiglia. Un'analisi delle intenzioni e di comportamenti, in Istituto Toniolo, *La Condizione Giovanile in Italia. Rapporto giovani*. 2017. Il mulino, Bologna. pp. 71-93, ISBN 978-88-15-270986.
- Migliavacca M., (2012), *Giovani tra passato e futuro. Risorsa o vincolo?*, in Cordella G., Masi S. E. (a cura di), *Condizione giovanile e nuovi rischi sociali. Quali politiche?* Carocci, Roma.
- Pemberton, S. (2008b). Tackling the NEET generation and the ability of policy to generate a “NEET” solution—Evidence from the UK. *Environment and Planning C: Government and Policy*, 26, 243--259. doi:10.1068/c0654
- Rose, H., Daiches, A., & Potier, J. (2012). Meaning of social inclusion to young people not in employment, education or training. *Journal of Community & Applied Social Psychology*, 22, 256--268. doi:10.1002/casp.1118