



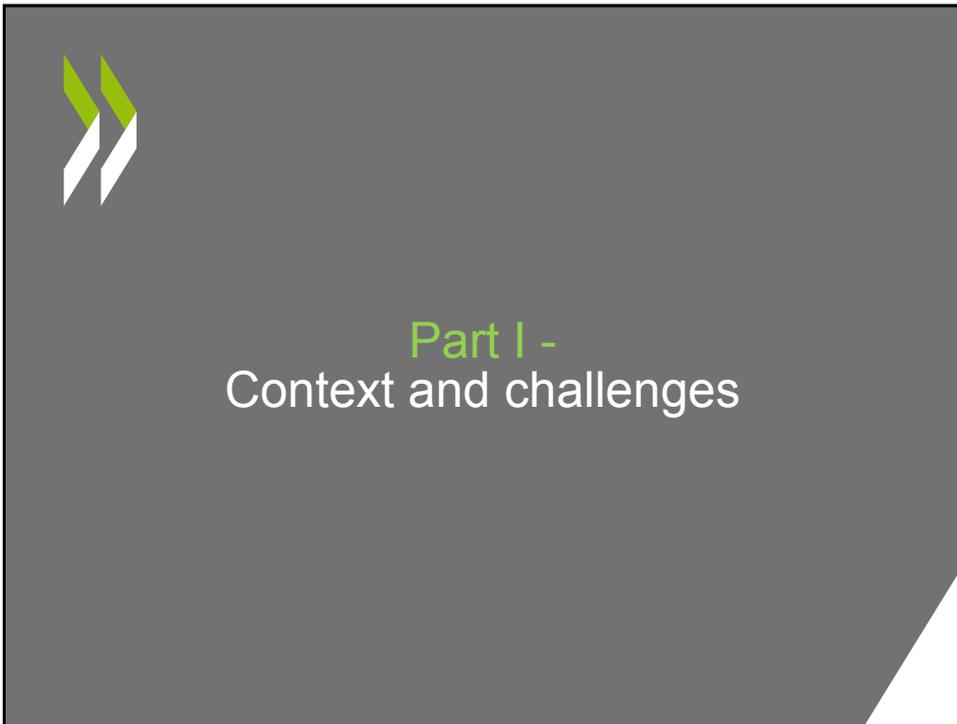
Investing in Youth
Norway

Oslo, 5 April, 2018

  @OECD_Social

Stefano Scarpetta, Director
Stéphane Carcillo, Head of the Jobs and Income Division
Directorate for Employment, Labour and Social Affairs

The graphic features a white silhouette of a person's head in profile, facing right. From the back of the head, several thick, colorful arrows (pink, green, blue) emerge and curve upwards and to the right. The background is a solid yellow color.





Part I -
Context and challenges

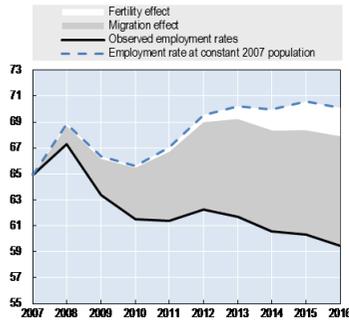
The slide has a dark grey background. In the top left corner, there is a stylized logo consisting of two white and green shapes. The text 'Part I - Context and challenges' is centered on the slide.



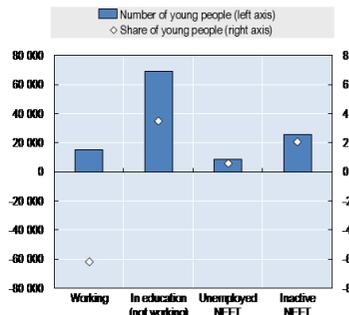
Context and challenges High but declining youth employment

- Youth (15-29) labour market conditions are favourable in OECD comparison, but the youth employment rate has declined by 7 ppts since its peak in 2008
- This reflects rapid youth population growth because of high immigration; the absolute number of young people in work has *increased*, but so has the number of young people not in employment, education or training (NEET)

Observed youth employment rate, and youth employment rate assuming zero population growth, 2007-16



Change in activity status of young people, in absolute numbers (left axis) and percentage points (right axis), 2008-15



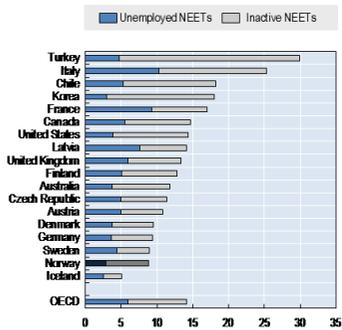
Source: OECD calculations based on the OECD Employment Database and Statistics Norway population statistics.



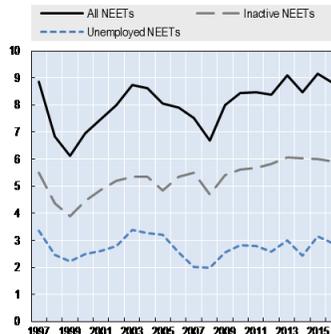
Context and challenges Low NEET rate, but widespread inactivity

- The NEET rate in Norway is one of the lowest across OECD countries (9% vs. OECD average of 14%)
- 2/3 of NEETs are *inactive* and this share is *growing*; these young people are generally further from the labour market, and often not in touch with public services

Unemployed and inactive NEETs, as a percentage of all 15-29 year-olds
Selected OECD countries, 2016



Norway, 1997-2016



86 000 NEETs in 2016, 2/3 of them are inactive

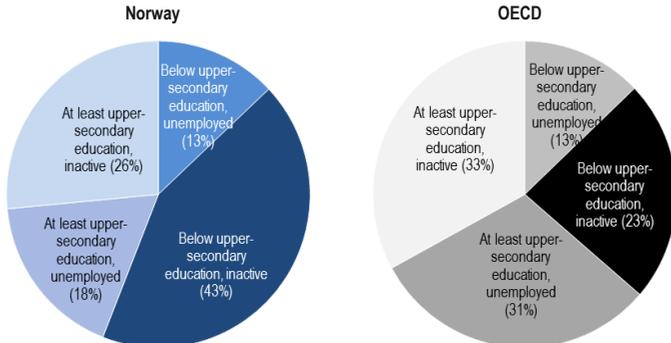
Source: OECD calculations based on the EU-LFS, national labour force surveys and OECD (2016) *Education at a Glance*



Context and challenges High school drop-outs are particularly at-risk

- Young people without an upper-secondary degree account for **56%** of all NEETs in Norway, a much greater share than in the OECD on average (36%)
- Those without an upper-secondary degree face a risk of being NEET that is **seven** times higher than for university graduates (numbers for 25-29 year-olds)

Breakdown of NEETs (15 to 29 years) by educational attainment and activity status, as percentages, 2015



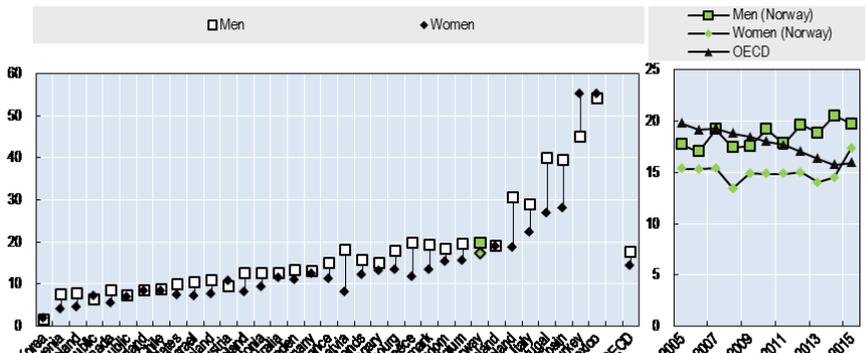
Source: OECD calculations based on the EU-LFS, national labour force surveys and the OECD Education Database



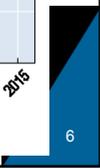
Context and challenges ... and early school leaving rates are quite high

- The share of young people **without upper-secondary** degree is higher in Norway than in the OECD on average and shows no sign of declining

Percentage of 25-34 year-olds with below upper-secondary education
OECD countries, by gender, 2015



Source: OECD calculations based on the EU-LFS, national labour force surveys and the 2015 IRLFS database





Context and challenges But NEETs face various forms of disadvantage

Migrant background



NEETs are **twice** as likely as other young people to have come to Norway as migrants

Ill physical health



NEETs are more than **nine** times as likely as other young people to report poor health

Poor mental health



NEETs are **six** times as likely as other young people to report feeling depressed

Intergenerational disadvantage



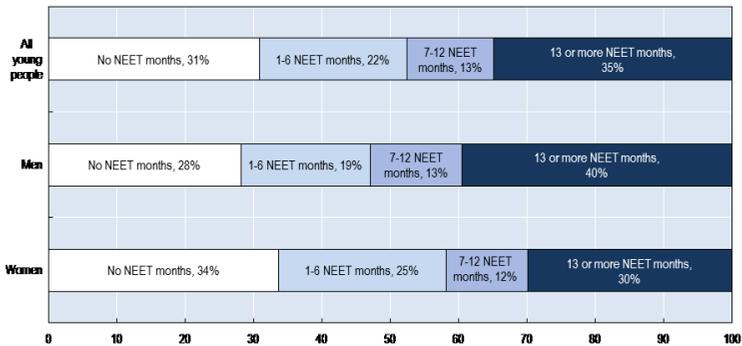
NEETs are **twice** as likely as other young people to have a father who was not working when they were 16 years old



Context and challenges Many youth spend at least some time as NEETs

- Over **two-thirds** of all young people have a NEET spell between the ages of 16 and 24; over **one-third** remain NEET for **more than a year** in total;
- Among young people without a high school degree, the share of long-term NEETs (>12 months) is **70%**; it is twice as high for migrants as for natives

Young people's total time spent as NEETs between the ages of 16 and 24 (1990 birth cohort, 2006-13)



Source: OECD calculations based on register data delivered by Statistics Norway.

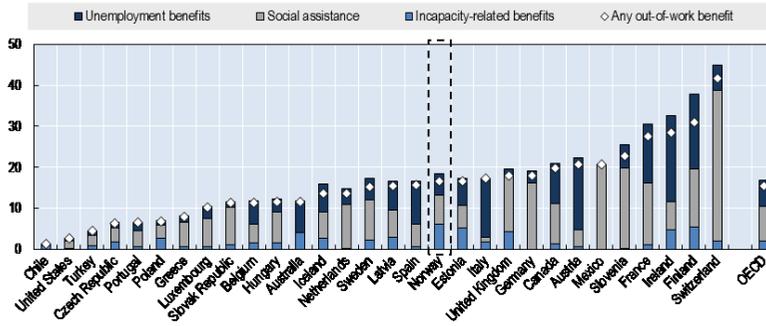


Context and challenges

Receipt of incapacity-related benefits is widespread

- Norway has the highest receipt rate of **incapacity-related benefits** across the OECD; a **countercyclical receipt** pattern of incapacity benefits indicates that they serve as income support for difficult-to-employ youth in bad times
- There's moreover been a gradual shift in receipt patterns from the temporary Work Assessment Allowance to the permanent Disability Benefit

Percentage of 16-29 year-olds receiving out-of-work benefits, 2016



Source: OLSU calculations based on data from the EU-SILC and national household surveys.



Part II - Main policy conclusions



Main policy conclusions

1. Promoting school completion and quality VET

Combatting early school leaving has long been a priority in Norway:

- Norway is very successful at ensuring that compulsory school graduates transition into upper-secondary education (enrolment nearly universal)
- The “**Follow-up Services**” are highly effective at tracking high school drop-outs: 94% of NEETs in their target group are successfully contacted

... but the challenge remains:

- **Completion rates are low** especially for students in vocational education and training (VET): only 63% graduate within two years of the regular programme duration (72% in Sweden, 80% in Austria)

Explanations:

- VET is relatively academic: first 2 years mostly school-based, only then do young people start their 2 years of apprenticeship
- The transition to an apprenticeship is often difficult: 30% of applicants did not find a training place in 2016

11



Main policy conclusions

1. Promoting school completion and quality VET

Norway should consider strengthening the labour market ties of the VET system

- Combine school- and work-based training from day one to better align VET provision with labour market demand
- Permit students to specialise on an occupation during the school-based part of VET to raise the attractiveness of training and make apprentices' skills more relevant to employers

... making the hiring of apprentices more affordable to employers

- Encourage the social partners to reconsider apprentice remuneration to flatten the wage structure in the second year such as to better align apprentice wages with their productivity

... and improving the VET system's inclusiveness for weak students

- Continue expanding lower-level VET tracks to prevent drop-out of academically weak or more practically minded students

12



Main policy conclusions

2. Employment and training options for NEETs

Support for NEETs is comprehensive and highly integrated

- NAV offices serve as “**one-stop shops**” for employment and social services and are generally well-equipped to support young jobseekers
- NAV carefully **profiles** all jobseekers to identify barriers to education or work and effectively targets resources to the most disadvantaged jobseekers

The *New Youth Effort* has the potential to improve support for NEETs

- Recent studies have cast doubt on the effectiveness of the old Youth Guarantee: insufficient awareness of contents among NAV caseworkers; not user-centred; no systematic outcome measurement
- The New Youth Effort addresses some of these shortcomings promising **personalised support** to all youth within eight weeks of registration

A recent reform tightens access to the Work Assessment Allowance

- Clarified eligibility criteria, strengthened follow-up support, reduced maximum benefit duration, etc.

13



Main policy conclusions

2. Employment and training options for NEETs

Norway should take further steps to promote the labour market integration of youth with reduced work capacity

- **Clearer guidance** for the caseworkers responsible for work capacity assessments and better guidelines /compliance monitoring for GPs assessing disability
- Strengthened support for highly disadvantaged social assistance recipients, including by expanding the **Qualification Programme**

... improve the effectiveness of labour market measures

- Re-assess reliance on **work experience** measures and expand use of training programmes (upper-secondary qualifications, language classes for migrants)
- Increase the use of rigorous impact evaluations to measure programme effects

... and expand data collection and exchange

- Facilitate **data exchange** between educational authorities and NAV
- Intensify reporting on local-level programme implementation

14



Thank you!

Contact: Stephane.Carcillo@oecd.org

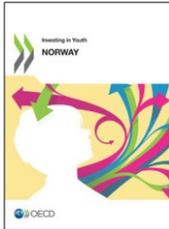
Follow us on

 @OECD_Social

Access *Investing in Youth: Norway* online: <http://oe.cd/youth-norway>

Earlier volumes of the *Investing in Youth* series have been published for [Brazil](#) (2014), [Latvia](#), [Tunisia](#) (both 2015), [Australia](#), [Lithuania](#), [Sweden](#) (all 2016) and [Japan](#) (2017).

Check also the OECD's flagship publication *Society at a Glance 2016* with a focus chapter on NEET youth: <http://oe.cd/sag>



OECD Directorate for Employment, Labour and Social Affairs: www.oecd.org/els