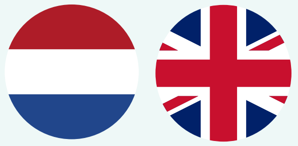

CASE STUDY: The Netherlands comparison

The Netherlands has maintained its NEET rate for young people aged 15-24 as among the lowest in the EU and OECD countries. The rate has remained steadily under 5% since 2015, with the most recent data from 2024 showing a NEET rate of 3.6%. Over this period, less than one in 20 young people in the Netherlands have been NEET, compared to the current rate of one in eight in the UK.

This is despite a pronounced increase in youth unemployment for 15–24-year-olds seen in the Netherlands, as in the UK, following the 2008 financial crisis and the COVID pandemic. Substantially more of this age group are in paid (including part-time) employment in the Netherlands than in the UK. In 2023, the employment rate for 15-to-24-year-olds in the Netherlands was considerably higher than in the UK (76.5% vs 52.9%).

Features of the Dutch system

The Dutch system is characterised by robust institutional structures that promote coordination and collaboration across levels of government, the education sector, and the employment sector, while allowing flexibility in implementation. In contrast, UK efforts often rely on specific programmes that may lack systematic integration.

Wage subsidies and other demand-side employment incentives are key components of the Dutch approach. Active labour market programmes, including wage subsidy schemes, are underpinned by strong employer engagement. This ensures that employers are actively involved in shaping the support measures but are also incentivised to participate.

What can be learned from the Dutch experience

While caution should always be exercised on directly 'importing' public policy from a different country, there are valuable lessons for UK policy makers from the Netherlands:

1. **Coordination within regions: clear regional coordination structures would strengthen the implementation of national level policy change.**

   Youth employment policy in the Netherlands works through a framework of interventions at the national, regional, and local level. Robust institutional structures, through its 35 labour market regions, facilitate consistent national strategic direction while enabling flexibility of implementation at a local level.

2. **Coordination between different levels of government (national, regional, local): policies addressing NEET status in the Netherlands comprise a wraparound package of integrated interventions operating across government levels.**

   To enhance young people's transition into the labour market, these policies integrate:

   - Financial support
   - Tailored career guidance
   - Vocational training
   - Structural reforms

3. **Importance of employer engagement in successfully reducing NEET rates.**

   In the Netherlands, this is institutionalised through the Foundation for Cooperation on Vocational Education, Training and Labour Market, which ensures sustained collaboration between employers and vocational education providers. Active participation of employers is vital in the success of interventions to targeting NEET young people.

Youth Employment 2025 Outlook