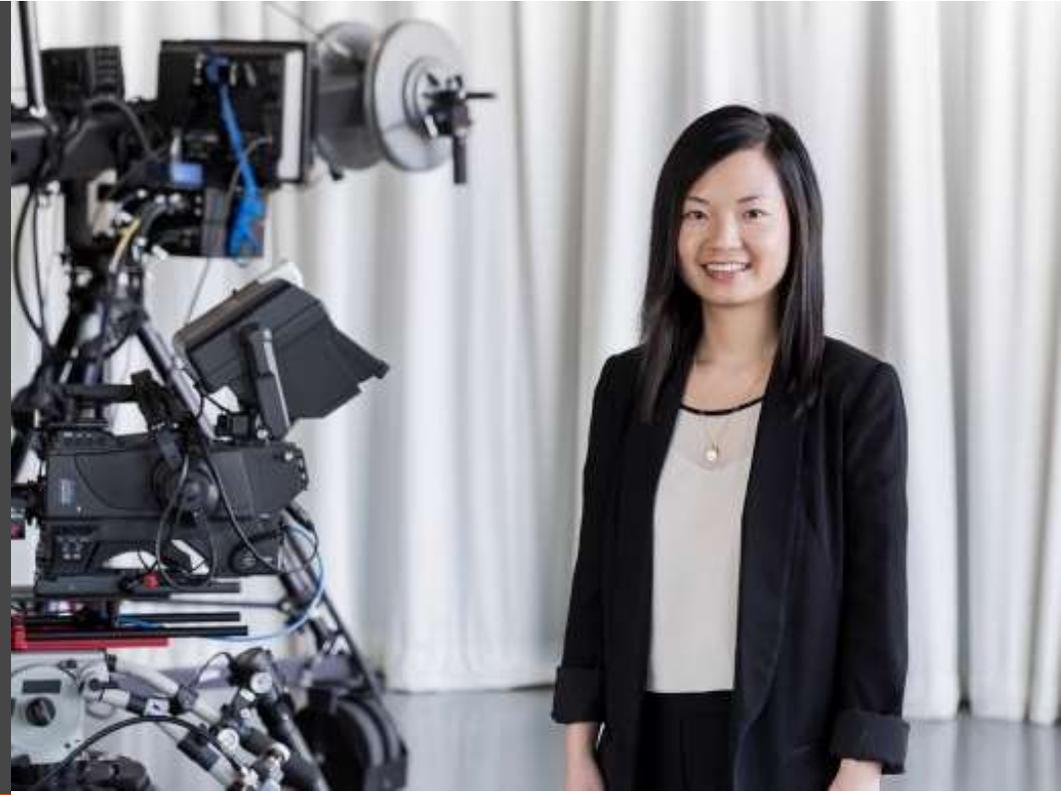


# The future is bright for the majority of young people in the Netherlands

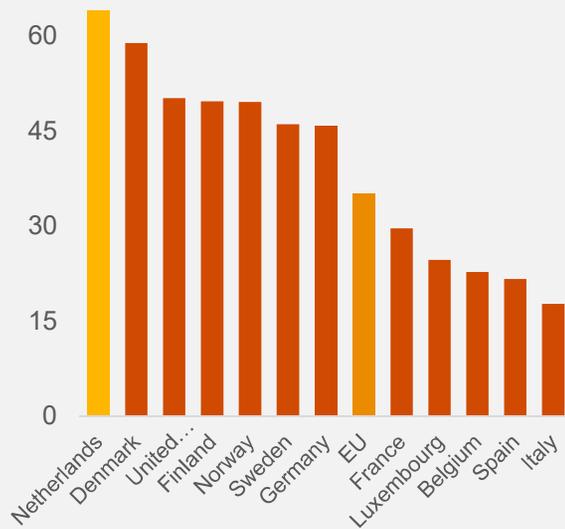


March 2019

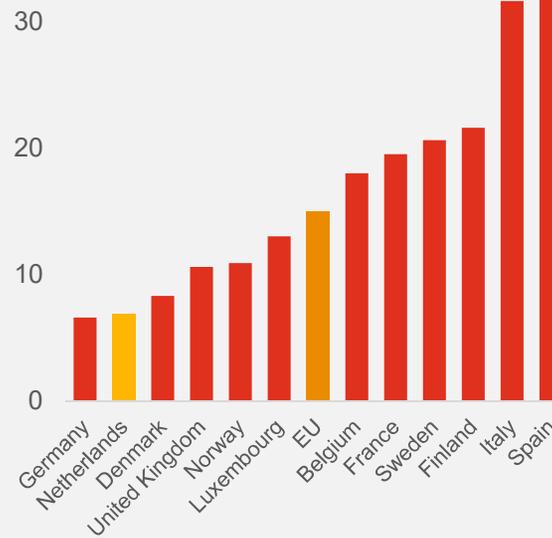


# Labour market position of young workers in the Netherlands is great

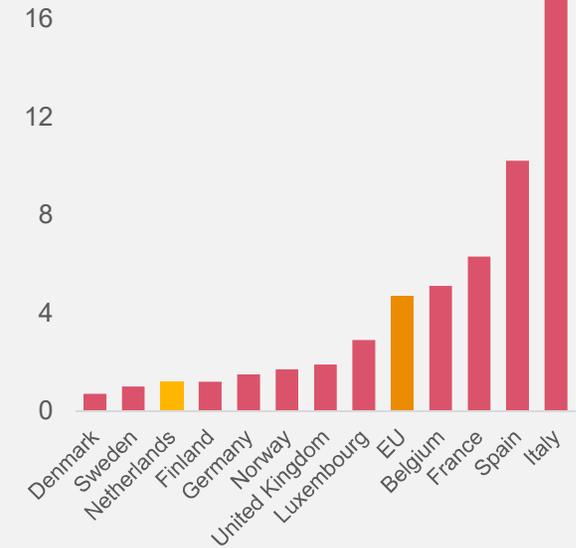
The Netherlands is doing very well regarding the position of young workers. Among western European countries, the country has the highest employment rate, second lowest unemployment rate and third lowest long-term unemployment rate for 15-24 year olds.



**Employment rate**  
of 15-24 year olds (%) in Q2 2018



**Unemployment rate**  
of 15-24 year olds (%) in Q2 2018



**Long-term unemployment rate**  
of 15-24 year olds (%) in 2017

Source: Eurostat, ifsq\_ergan. Employment rates are the number of persons in employment as a % of the total population of the same age group.

Source: Eurostat, ifsq\_urgan. Unemployment rate represents unemployed persons as a % of the labour force (the total number of people employed and unemployed).

Source: Eurostat, yth\_empl\_120. Youth long term unemployment rate represents the number of unemployed persons who are unemployed for 12 months or longer as a % of total unemployed persons.

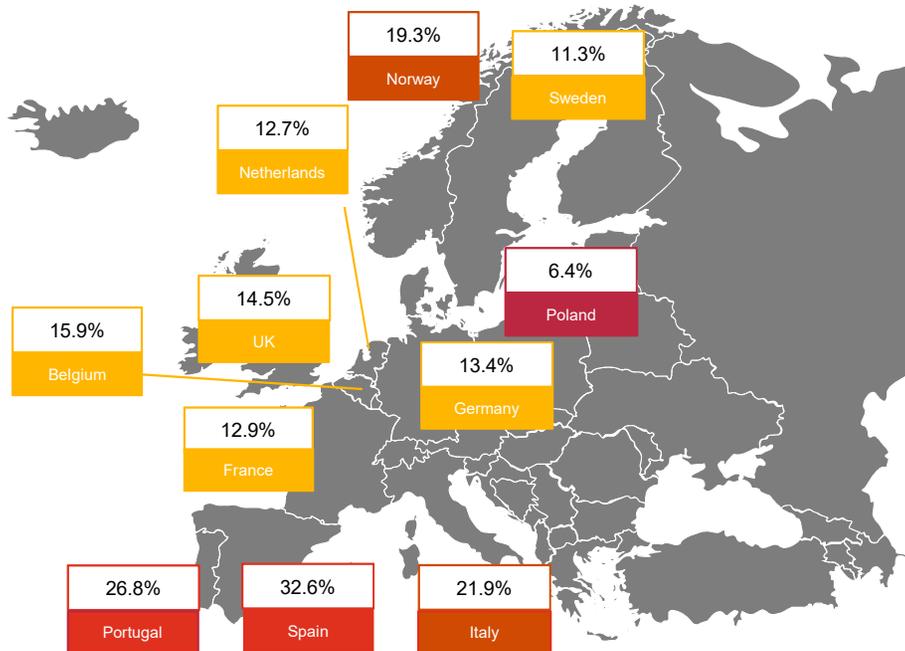
Young workers in the Netherlands

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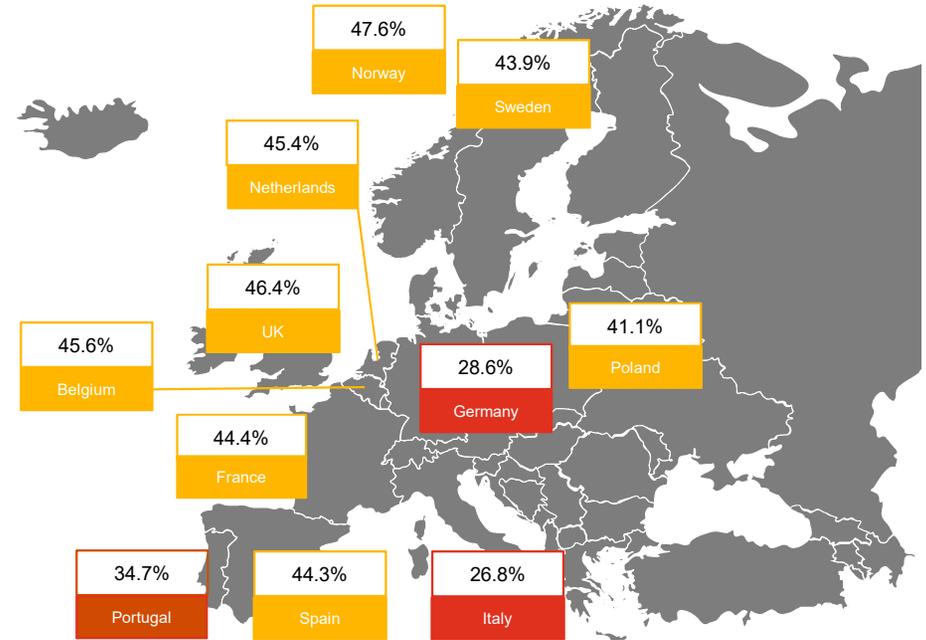
# Majority of Dutch youth is skilled or highly educated

In the Netherlands, young workers are relatively high skilled. Compared to other European countries, only a small group of young workers in the Netherlands is low-skilled. The majority has either finished vocational education or higher education. Over 45% of Dutch young workers aged 25-29 are currently highly educated, a significant increase from 37% in 2007.

Percentage of lower-educated young people (aged 25-29) in 2017



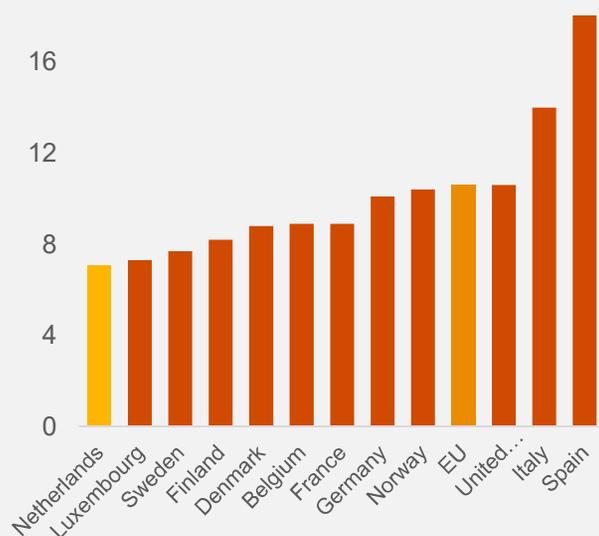
Percentage of higher-educated young people (aged 25-29) in 2017



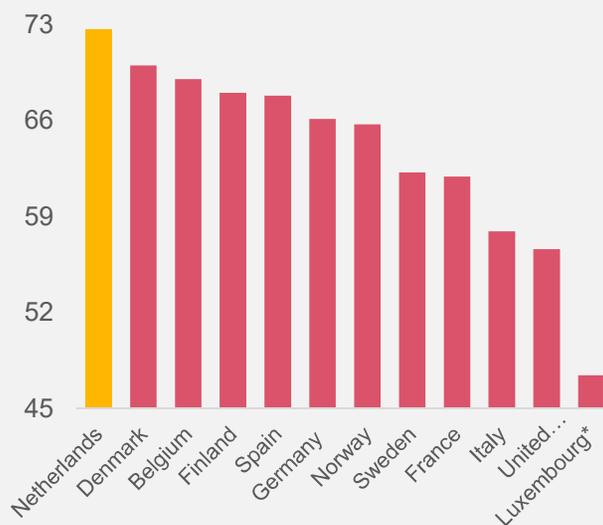
Source: Eurostat, edat\_ifs\_9903. Lower-educated compared to ISCED-levels 1-2 (primary education and lower secondary education). Higher education compared to ISCED-levels 5-8 (tertiary education)  
Young workers in the Netherlands  
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# Majority of Dutch youth is either in school or at work

The Netherlands continues to improve its educational enrolment rates, ranking first among the western European countries. It also tops the list of highest shares of population in education and lowest NEET (not in education, employment or training) rates among 15-24 year olds.

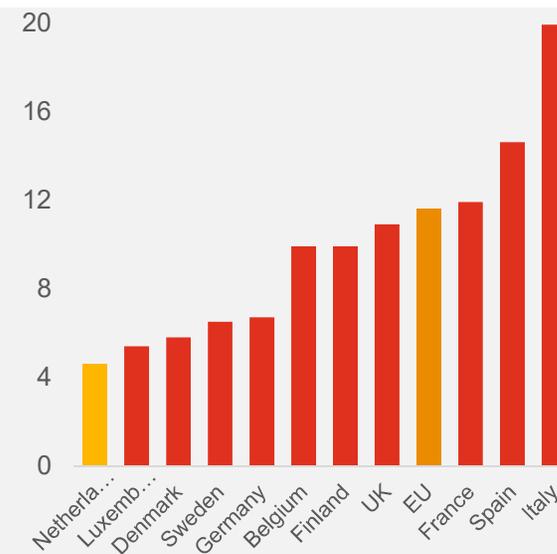


**Early leavers from education and training of 18-24 year olds (%) in 2017**



**% of population in education of 15-24 year olds (%) in 2016**

\* In 2015 (most recent data). EU data not available.



**Not in education, employment or training (NEET) of 15-24 year olds (%) in 2017**

Norway data not available.

# Taking a closer look at the youth not in education or employed

Despite the fact that the Netherlands is doing rather well relative to other European economies in keeping the youth in education or at work, there are some concerns regarding specific groups.

## Characteristic of young people not in education, employment or training

- There is a large inflow and outflow among the young people not in education, employment or training (NEET). One-third finds a job or attends education again within **three months**.
- Almost one-third of the NEET group are actively looking for work, and are immediately available. Health issues are a main reason for being NEET: approximately **23%** of NEETs indicated that they are sick or have a disability.
- Compared to their peers, NEETs are nearly **twice** as likely to have one or more children.

### NEETs are more likely to have a migration background ...

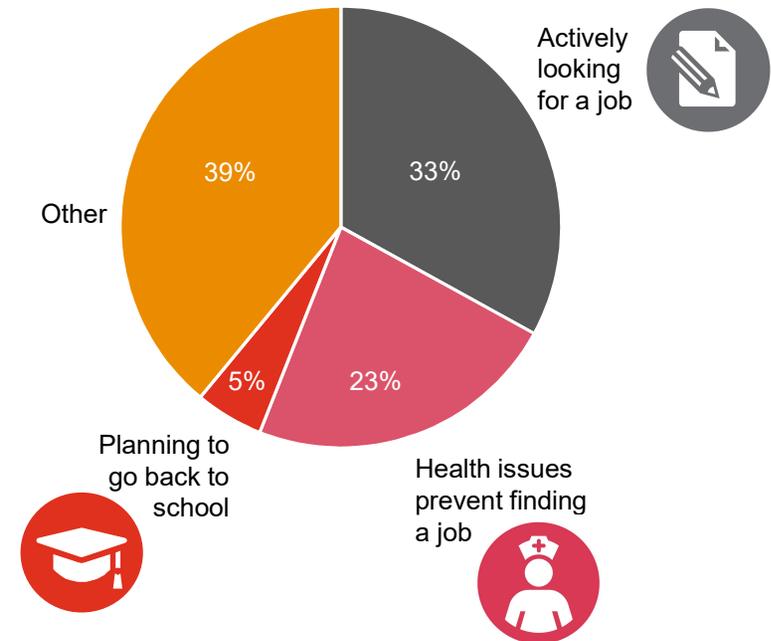
NEETs with **native** background



NEETs with **migration** background



### Of those not in education, employment or training, % are ...

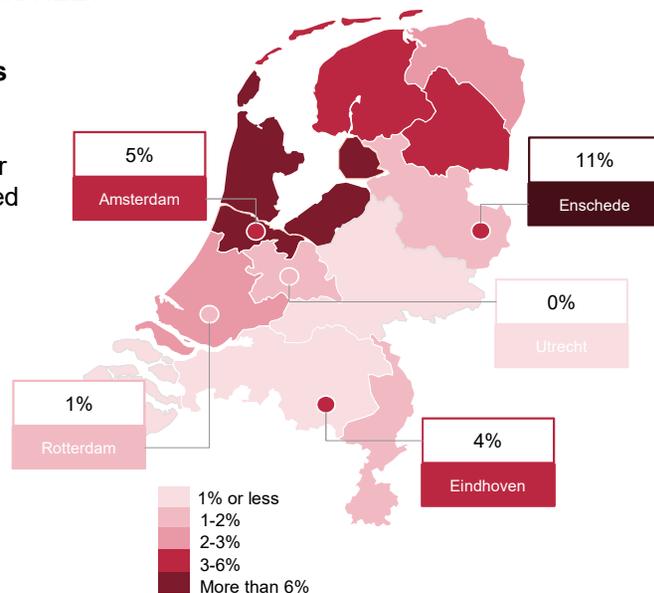


# Regional differences in youth opportunities

## Attending a school with a very low quality of education is a good predictor of becoming NEET...

The highest rates of schools with a low quality of education were observed in Flevoland (6,4%) and Noord-Holland (6,1%), the lowest in Gelderland (0,5%) and Zeeland (0,0%). Pupils who attend schools with a low quality of education are more likely to become NEET.

**Map: Share of schools with 'bad' quality of education<sup>1</sup> in the total number of entities<sup>2</sup> per province and for selected cities in 2017.**

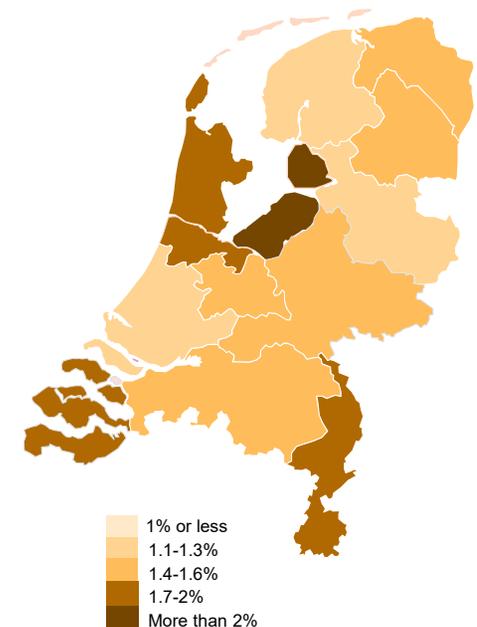


1 – as defined by Inspectie van het Onderwijs; 2 – as defined by Dienst Uitvoering Onderwijs (DUO).  
 Source: CBS, 2018, NEETs: jongeren die geen opleiding volgen en niet werken  
 Source: Ministerie van OCW, 2017, Bijlage bij brief schooluitval, d.d. 21 februari 2017  
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## ... as well as leaving school without diploma or qualifications

Over 50% of NEETs have no qualifications and are so-called early-school-leavers. The incidence of early school leavers is largest in the four largest cities, but is also high in Flevoland, Zeeland and Limburg.

**Map: Share of early school leavers in secondary education and vocational education in 2016.**

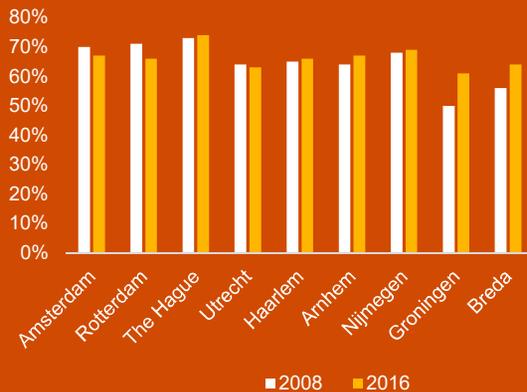


# Segregation in education - and income - is on the rise in cities

In the Netherlands, segregation in education is increasing in urbanized areas. Segregation is a combination of residential segregation and segregation in school choice, with the latter prevailing in smaller cities. In primary education, segregation has started to increase along socio-economic lines. Parents often opt for schools with pupils with a similar background. The segregation in vocational education and training (VET) is the strongest compared to other educational levels.

## Educational level of parents main indicator for segregation

The educational level of parents contributes most to segregation in primary education. If schools were to have a balanced distribution of pupils, then 40-70% of the pupils should change schools. Note that the segregation based on parents' educational level is decreasing in some of the largest cities and increasing in the smaller ones.



## Different kind of segregation in cities with different sizes

Big cities like Amsterdam, Rotterdam and The Hague have the highest level of segregation in education. This segregation is made up of two effects:

- Dissimilarities between different living districts
- Differences between schools within a given district.

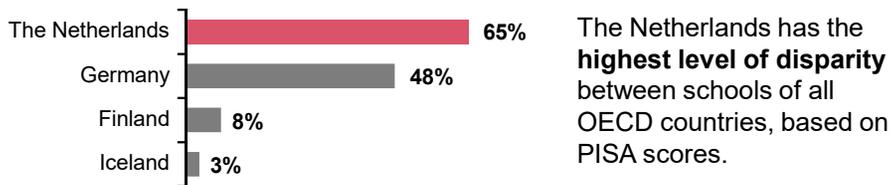
The highest level of segregation through **the choice of school** within a given district has been observed in **Enschede** and **Dordrecht**, where it is 1.5 to 2 times higher than in big cities.



# Inequality in education is rising, spurred by differences between individual schools and by parent involvement

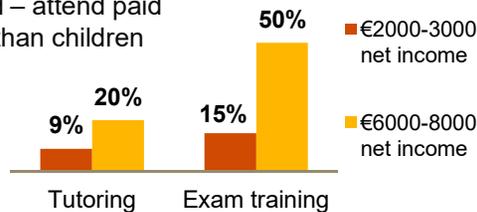
The social mobility problem in the Netherlands is often linked to the increasing inequality within the education system. This inequality is supported by increasing differences between individual schools, programmes and a growing influence of, and intervention by, parents on the one hand and lack thereof at the other. Although differences between schools and in parental involvement in school matters are not new, differences have grown in recent years.

**In the Netherlands, schools with comparable pupil populations differ greatly with regard to test scores and success rates.**



**Children from higher educated parents receive additional support in education more often**

Children from high-income families – often families where both parents are highly educated – attend paid tutoring and exam training more often than children from modal income families.

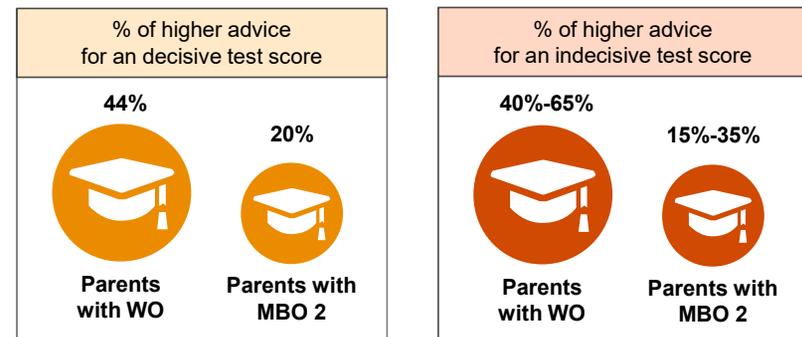


Source: Inspectie van het Onderwijs, The State of Education in the Netherlands 2015/2016  
 Source: SEO, 2018, Licht op schaduwonderwijs  
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**The education level of parents has a strong influence on the school career of their children.**

Pupils with academically educated parents are **20 to 30 percent more** likely to receive an advice that is **higher** than their test score and **20 to 30 percent less** likely to receive a **lower advice** (than pupils with parents who have no education, an MBO 1 or an MBO 2). **Parent's education level plays an even higher role when the test score is inconclusive.**

Pupils with lower-educated parents get lower recommendations for secondary education, are more likely to select a broader or lower-level transition class, attend higher education less often, and are more likely to drop out.



# Youth with a migration background face greater disadvantages in finding an apprenticeship or a job

## Inequality affect graduates with non-Western migrant backgrounds most.

In Dutch VET, the position of students from non-Western backgrounds is vulnerable when compared to native students; they have an **11.5% lower success rate** in finding a training place or a job after completion.

For VET students with a migration background, it remains difficult - albeit slightly less than in the past years - to find an apprenticeship. 68% of students with a native background found an apprenticeship after only one job interview, compared to 48% of students with a migration background. After three job interviews, 89% of native students found a apprenticeship, compared to 76% of students with a migration background.

89%

native



76%

migration background



of students found an apprenticeship after three job interview

6%

native



20%

migration background



of vocational study learning track (or BOL) graduates are still unemployed one year after graduation

## Migrant background determines job opportunities of VET graduates

Graduates with a non-Western migrant background – especially VET graduates – have more difficulty finding a job than the other groups of graduates. 6% of native Dutch graduates of the school-based vocational track (BOL) are still **unemployed** one year after graduating, compared to **20%** of BOL graduates with a non-Western migrant background. **Having a migrant background is a much greater cause of inequality than the parents' education level**, and the inequality has been increasing in recent years. In 2001, the difference in the unemployment rates of native Dutch and non-Western MBO graduates was 5 percentage points, compared to 12 percentage points in 2015.

# Young workers are attracted to work for a variety of reasons, such as development opportunities, workplace diversity and new incentives

This section examines three ways businesses can improve prospects for young workers, such as through the provision of training and development opportunities without discrimination or bias, and exploring desirable compensation packages.



## Offering high-quality training opportunities

High-quality training opportunities attract better talent and improve staff retention rates.



## Achieving a diversity of perspective

Firms should prevent discrimination and ensure opportunities are open to workers from disadvantaged backgrounds to gain a diversity of perspective. Our research found that 86% of female millennials consider prospective employers' policies on diversity, equality and inclusion before applying to a firm



## Incentivising young workers through other means than compensation

Many younger workers are interested in other forms of compensation beyond their basic wage. Examples include businesses scrapping strict uniform policies and no limits on annual leave.

# Contacts



**Jan Willem Velthuisen**  
*Chief Economist, PwC Europe*  
E: jan.willem.velthuisen@pwc.com



**Richard Goldstein**  
*Public Sector industry leader*  
E: richard.goldstein@pwc.com



**Bastiaan Starink**  
*Partner People & Organisation*  
E: bastiaan.starink@pwc.com

**For more information about our Economics and People and Organisation services please visit:**

<http://www.pwc.nl/nl/themas/de-economie.html>  
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**This study forms part of our wider Megatrends research programme:**

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Many thanks to the PwC experts who contributed to this study, including, but not limited to Alexandru Socolov en Anita Hagen.

