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# CATCHING THE TIDE NEW DIRECTIONS FOR YOUTH NEET POLICY AFTER COVID-19

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# CATCHING THE TIDE: NEW DIRECTIONS FOR YOUTH NEET POLICY AFTER COVID-19

DR ROWAN LIGHT\*

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## Table of Contents

INTRODUCTION .....	1
Partnership community programmes that: .....	2
Pastoral care that: .....	2
1. YOUTH NEETS AND COVID-19 .....	3
Introduction .....	3
Youth NEETs in New Zealand .....	3
COVID-19 and youth .....	5
The 2007-2008 Global Financial Crisis and youth .....	6
Conclusion .....	7
2. NEW ZEALAND'S RESPONSE TO YOUTH NEETS.....	8
Introduction .....	8
Youth Service: NEET .....	8
<i>Māori and Pasifika Trades Training (MPTT)</i> .....	9
Box 1. He Poutama Rangatahi .....	10
Meta-analyses of Active Labour Market Policy (ALMP) around youth employment .....	11
Box 2. The Auckland Gap Challenge and the “language of work” .....	12
2020 COVID-19 response .....	13
Conclusion .....	13
3. A NEW WORK INFRASTRUCTURE – COMMUNITY PARTNERSHIP CASE STUDIES .....	14
Introduction .....	14
Case Study 1: Otorohanga, Waikato – community ownership of youth employment .....	15
Case Study 2: Matapihi, Bay of Plenty – the whānaungatanga of work.....	16
Case Study 3: Whāngarei Youth Space – navigating pathways of work .....	16
Case Study 4: Future Visions, South Korea – attending to the “ecosystems of work” .....	17
Conclusion .....	19
RECOMMENDATIONS.....	19
CONCLUSION .....	21
ENDNOTES .....	22

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*All errors and omissions are the author's own.*

## The paper in summary...

*Young New Zealanders face compounding challenges in their transition to work in 2020.* Young people globally are bearing the brunt of the economic downturn—precisely at a time when youth need to take their first steps on the pathway to full, stable employment. New Zealand faces the risk of a “lockdown generation,” with long-term social and economic costs.<sup>1</sup>

*The pandemic is also magnifying generational trends of increasingly limited employment for young people.* Stories that older New Zealanders like to tell of leaving school early to work in the local post office or butchery are a far cry from young people’s reality today. Pathways to work are more limited, competitive, and fragmentary.

*The employment crisis will especially impact those young people already trapped in patterns of Not in Employment, Education, or Training (NEET).* Since 2014, between 70,000 to 90,000 young New Zealanders have been NEET in a given year.<sup>2</sup> Of those, around 10 percent are long-term NEET—having been disengaged for six months or longer.<sup>3</sup> In June 2020 alone, the proportion of people aged 15–24 years who were NEET increased by 2 percent.<sup>4</sup>

Māori and Pasifika youth are over-represented in these NEET statistics, with clusters in regional and urban centers. *COVID-19 risks compounding established patterns of social inequality.*

*Bringing long-term NEETs into pathways of work is a way to jump-start productivity.* While most workers disrupted by the lockdown will find their way back into fulltime work, tapping into a source of disengaged youth, especially in regional centres, will pay dividends for the economy. Moreover, *youth unemployment is not just about individuals:* helping young people to engage with the world of work means supporting the whānau and communities around them—something increasingly important with New Zealand’s ageing population.

*Connecting young people to work is only one part of the challenge.* The Government’s current focus on creating jobs won’t help many youth in long-term patterns of NEET. Young New Zealanders lack a clear “map” to navigate these complex transitions, and are often facing long-term, multi-generational social and financial deprivation; *they need sustained support to become “work ready.”*

*Becoming “work ready” means changing the narrative of youth employment in New Zealand society.* Whānau and communities are often best placed to find local, long-term solutions, providing young people with relationships of trust and support on future pathways of success, not just the period of a government programme. *Government policy needs to help resource and support communities to achieve these quality outcomes.*

*Overall, we need to focus on the pastoral care of youth entering—or returning to—the workforce.* Pastoral care provides the crucial bridge for young people entrenched in patterns of NEET, to overcome shortcomings in current government approaches, and achieve long-term employment outcomes.

### Current strategies

*Current government strategies and programmes are siloed and individualised, with a heavy focus on prevention and training rather than long-term work outcomes.* Results have been haphazard and underwhelming. This paper, instead, supports calls for “fewer, longer, and deeper interventions” that help those experiencing long-term NEET status or are at-risk of doing so.

*The most recent policy focus has been on school leavers rather than long-term unemployed youth ages 20-24 who remain largely detached from the labour market.* The fact that this group persists after five or six years after school illustrates how little government programmes change longer-term outcomes for many young people. Long-term NEETs are burnt out by the system, making them less likely to take necessary risks to upskill and pursue employment.

*Despite being the worst affected by the economic downturn, young people have benefited least from the subsequent recovery package. A general focus on training, resourcing, and job creation will be ineffective without youth-specific strategies that empower community networks to support youth into work.*

*The expansion of He Poutama Rangitahi under the 2020 Budget was hopeful, but lacked indications of the capability or quality of the spending. In this, the paper seeks to tautoko the work of NGOs such as Whāngarei Youth Space.*

**We recommend complementing the government’s design of policy around long-term youth unemployment.**

This entails a new infrastructure of work, one that focuses on *pathways* that prepare young people to be work ready, guided by *pastoral care*, and leveraged through *community partnerships*. **Our three recommendations are:**

**1. Change the narrative of youth unemployment in New Zealand**

- Make long-term unemployed young people an explicit focus in all government COVID-19 recovery projects;
- Commit to smaller cohorts of participants with more quality support;
- Measure outcomes over time that take into account employment, personal development, and relational impacts;
- Promote stories of youth unemployment in terms of aspiration and hope, rather than dependency and failure; and
- Bring the intergenerational relationships of a young person’s life into the discussion and design of work pathways.

**2. Centre community-based models in government NEET interventions**

- Create a framework for community-led programmes that can be used in diverse contexts;
- Promote the success of initiatives such as WYS START; and
- Link “shovel ready” projects to community-based partnerships.

**3. Fund more pastoral care work through He Poutama Rangatahi**

- Establish funding avenues for pastoral “navigators,” distributed through local councils and embedded in community-led programmes;
- Focus care on overcoming barriers, translating workplace expectations and culture, navigating recruitment processes, and personal development;
- Amend MPTT charters to make pastoral care for learners in work experience a prerequisite to funding; and
- Have pastoral care as part of the measurement of outcomes and success indicators.

## INTRODUCTION

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As communities and the Government grapple with the wide-ranging consequences of the COVID-19 pandemic and lockdown, this paper aims to bring a special focus on the needs of our young people, our taiohi. “Taiohi” in te reo Māori comes from the term “tai,” referring to the ebb and flow of the tide.<sup>5</sup> This captures the ways in which young people are defined by change; they “become” full members of their community and society—in part, through new relationships, further education, and fulltime employment.

In 2020, we face the risk of a “lockdown generation,” with long-term social and economic costs to New Zealand.<sup>6</sup> Young people are bearing the brunt of the economic recession. The sectors that tend to employ young people like hospitality and retail have been worst hit by the downturn. As businesses look to weather the storm, they are less likely to take on new workers, with entry-level internships, graduate or trainee roles being the first to disappear.

As the 2007-2008 recession showed, when young people can’t enter the work force, they lose the crucial first steps to building a secure life of work. They are forced into precarious, limited, or irregular work arrangements to play catch up. This “scarring” is projected through lower earnings over a lifetime, stunted career progression, greater financial insecurities such as lower rates of home ownership or superannuation investment, and mental and physical health problems.<sup>7</sup> As longitudinal studies show, when young people are economically inactive at an earlier age, they are more likely to be inactive as adults.<sup>8</sup>

This disruption will likely exacerbate entrenched patterns of youth Not in Employment, Education, or Training (NEET); that is, young people who have lost contact, at least for a time, with pathways to work. Since 2014, between 70,000 to 90,000 young New Zealanders have been NEET in a given year.<sup>9</sup> Of those, around 10 percent are long-term NEETs—having been disengaged for six months or longer.<sup>10</sup> Because the most significant pay increases and promotion occur in the early stages of a person’s career, long-term NEET experiences signal a massive waste of potential.<sup>11</sup>

The Government’s response to the COVID-19 pandemic has provided important opportunities for young people, with hundreds of millions of dollars dedicated to creating

new jobs, boosting apprenticeship opportunities, and supporting tertiary studies. More needs to be done. As youth policy before the pandemic shows, there are considerable challenges in linking youth with pathways of work, education, and training—especially those already embedded in patterns of inactivity and disengagement. Foundation programmes for youth NEETs across government agencies focus heavily on training, without attending to the barriers young people face to achieving quality, stable, and purposeful employment.

This paper explores several key questions:

- What are the distinctive needs of young people in the COVID-19 recovery?
- How can we leverage the recovery to best support long-term youth NEETs?
- How can we best connect youth with jobs and help them become “work ready”?

Current government programmes are siloed and individualised, with a heavy focus on immediate training rather than long-term work outcomes. This paper, instead, supports calls for “fewer, longer, and deeper interventions” that help those experiencing or at risk of long-term NEET status. A special focus on long-term NEETs as an important group of disadvantaged New Zealanders is a way to better resource communities wanting to respond to challenges posed by COVID-19. Whatever the “future of work” holds, it’s communities that will provide the best foundation for these young people.

Media attention during the pandemic has focused on stories of highly-skilled workers facing sudden unemployment. Youth, especially Māori and Pasifika, now have the double challenge of beginning entry level jobs while competing with an influx of skilled, highly employable adults.<sup>12</sup> Conversely, the pool of young New Zealanders who are long-term NEET will almost certainly increase, while remaining as intractable to government policy as ever before.

In response, this discussion paper offers principles drawn from evidence and stories of youth employment in New Zealand.

- *Section 1* outlines the ongoing impact of the COVID-19 pandemic and lockdown on young people, pointing to the need to pay special attention to youth and their transitions to work.

The history of the 2007-2008 Global Financial Crisis (GFC) provides a way to unpack the ramifications of the global downturn in 2020.

- *Section 2* evaluates the benefits and limitations of the Government's current approaches to youth NEETs. Studies of Active Labour Market Policies (ALMP) around youth point to the difficulties governments face in applying these policies, and the importance of initial stages of work experience in breaking cycles of youth unemployment.
- *Section 3* offers a series of case studies that explore different aspects of pathways into work for young people: community-led approaches; the whānau of work; the role of pastoral care; and framing work pathways in terms of the broader relationships of family and community.

From the case studies come shared and inter-connected lessons: work pathways need to be thought of as a process, one which requires special attention and pastoral care, which links young people's personal and family circumstances to the workplace. Work pathways are transitional and take time, effort, and risk by both the young person and businesses. Because young people are members of communities and whānau, the story of becoming "work ready" needs to be one that promotes whānau and communities as part of the solution, in partnership with government.

Protecting and rebuilding *pathways* that help young people make sense of their place in New Zealand society requires the missing pieces of NEET policy: *pastoral care* and *partnerships* between communities, supported by government. This means:

## Partnership community programmes that:

- Identify the most at-risk youth or those who are long-term disengaged from work;
- Connect "stakeholders" such as families and whānau, schools and training institutes, rūnanga and local councils, hapū and iwi, businesses, and government agencies;
- Provide relationships of trust and kindness;
- Attend to diverse cultural and well-being needs;
- Focus on long-term outcomes and support young people on future pathways of success; and

## Pastoral care that:

- Employs "navigators" from wider whānau or community whose job is to lead community-based initiatives and/or mentor young people as they enter or re-enter the workforce;
- Focuses on a young person's personal development (such as work habits and attitude) rather than just successful training or certification for a certain job;
- Seeks intergenerational transformation through a young person's transition to work, bringing whānau and communities along for the journey; and
- Provides a bridge as young people take the necessary risks to navigate the workplace.

*The community-led pastoral care that centres personal development is crucial to improving youth NEET policy in New Zealand. We need to meet young people in the personal and family circumstances they find themselves, guiding them into the best pathways for them and their communities. We achieve sustainable pathways through support and aroha and by committing to the long term aspirations and development of our young people.*



# 1. YOUTH NEETS AND COVID-19

## Introduction

Since 2004, the category of “Youth NEET” (Not in Employment, Education, or Training) has been used as a way of assessing youth study-to-work transitions. The term recognises multiple post-school transitions, as well as focusing government policy, more positively, on getting young people into work rather than simply reducing welfare benefits.

Focusing on youth NEETs also pinpoints complexities of labour market participation in the 21<sup>st</sup> century that indicators such as “joblessness” and “employment” do not quite capture. There is a wider pattern of disruption of youth employment, as analyst Massimiliano Mascherini outlines.

*While the integration of young people into society has been traditionally imagined as a sequence of steps from school to work, it is now recognised that such linear transitions are being increasingly replaced by diversified and individualised trajectories from school to work.<sup>13</sup>*

Indeed, “modern youth transitions tend to be complex and protracted, with young people moving frequently in and out of the labour force.”<sup>14</sup> Consequently, government responses need to address the wider attitudes, practices, and conditions, as well as specific educational or training pathways, that help young people live fulfilling lives in their communities. The economic crisis caused by the COVID-19 pandemic, like its antecedent in the 2007-2008 global recession, magnifies these trends.

This section aims to set up the circumstances of youth NEETs in New Zealand, underscoring the unique challenges presented to youth during periods of economic recession. Persistent NEET trends and patterns of limited employment suggest that “New Zealand is not fully preparing a share of its youth for the world of work.”<sup>15</sup>

## Youth NEETs in New Zealand

New Zealand’s youth NEET rate sits just below the OECD average, compared with other countries.<sup>16</sup> Our rates of youth aged 15-24 NEET in New Zealand have persisted at around 90,000 since 2008. In 2016, 10.3 percent of

New Zealanders ages 15 to 19 were “long-term” NEET, meaning they had been disengaged from pathways of work, education, or training for six months or more.<sup>17</sup> In the September 2019 quarter, the NEET rate of youth aged 15-24 years rose to 10.6 percent, up 0.3 percentage points from 10.3 percent last quarter—numbering some 69,000 young people.<sup>18</sup> The increase was “entirely driven by 4,000 more 20-24-year olds who were NEET;” the NEET rate for 20-24-year-olds rising to 13.5 percent, up from 12.5 percent last quarter.<sup>19</sup> This growing, older cohort of youth NEETs invites some fundamental questions about the outcomes of current youth NEET programmes.

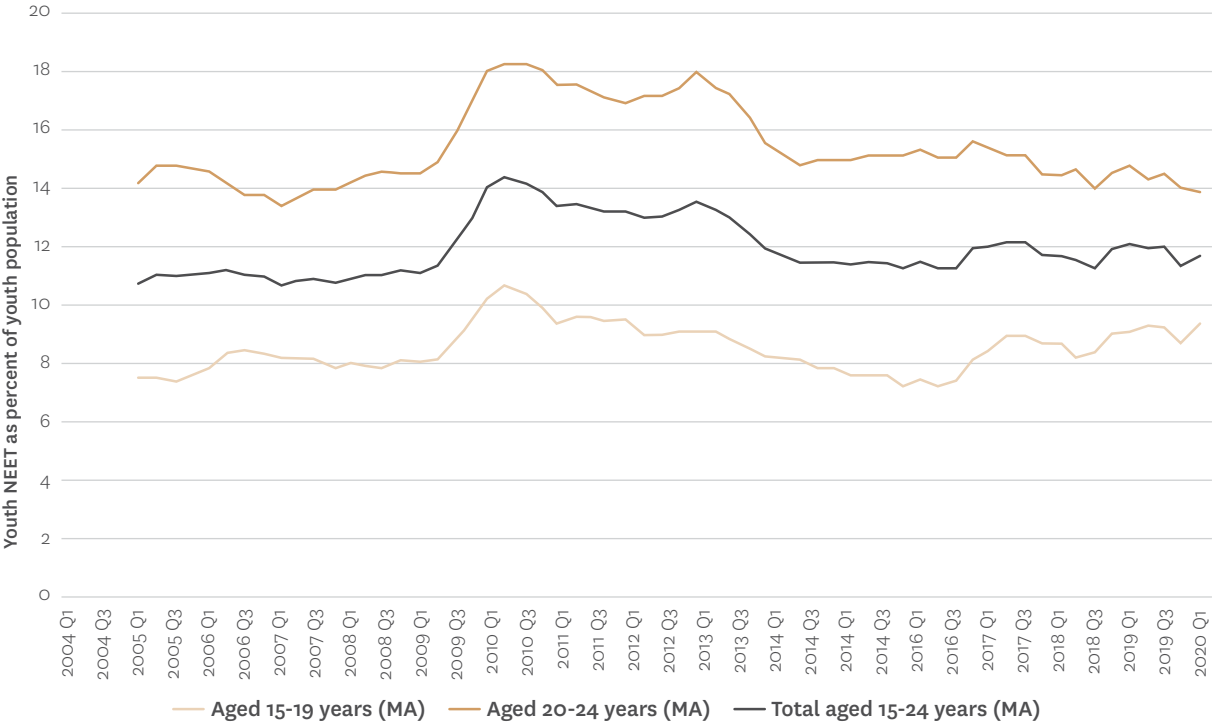
There is a range of experiences within the general NEET rate. Using Household Labour Force data, *Figure 1* (over leaf) shows trends of NEET over time, as a percentage of New Zealanders aged 15 to 24. The NEET rate fluctuates over the course of a given year, reflecting that some 3-5 percent of young people leave school at the end of each year and become NEETs for a few months before finding work, undertaking training, or further education. There was a decline in rates of NEET from 2012 to 2015; since 2015, however, the rate has remained unchanged. This is despite, as Alan Johnson notes, unemployment rates in the overall workforce falling during this period.<sup>20</sup> There has been some marked volatility since 2018; by the first quarter of 2020, we can already see indications of a decline in employment opportunities for youth.

The geographic distribution tells a story as well. *Figure 2* (over leaf), using a detrended, four quarter rolling average shows differences in NEET rate in regional New Zealand. There are persistent regional clusters of NEETs in Northland, Bay of Plenty, and Gisborne/Hawke’s Bay.<sup>21</sup> According to mapping by the Ministry of Business, Innovation, and Employment (MBIE), nearly 60 percent of the NEET population live in Auckland, Wellington, and Canterbury, which reflects the concentration of working-age New Zealanders in our major urban centres.<sup>22</sup> In 2018, there were 29,400 youth NEETs living in Auckland, 38 percent of the national total. 70 percent of these were aged 20 to 24, with the highest rates among Pasifika youth (8900 people or 18 percent), and Māori youth, at 17 percent.<sup>23</sup>

There are limits to the “NEET” category and HLF measurements, which omit many young people in “hidden unemployment.” These include the “discouraged unemployed” interested in, but not actively seeking,

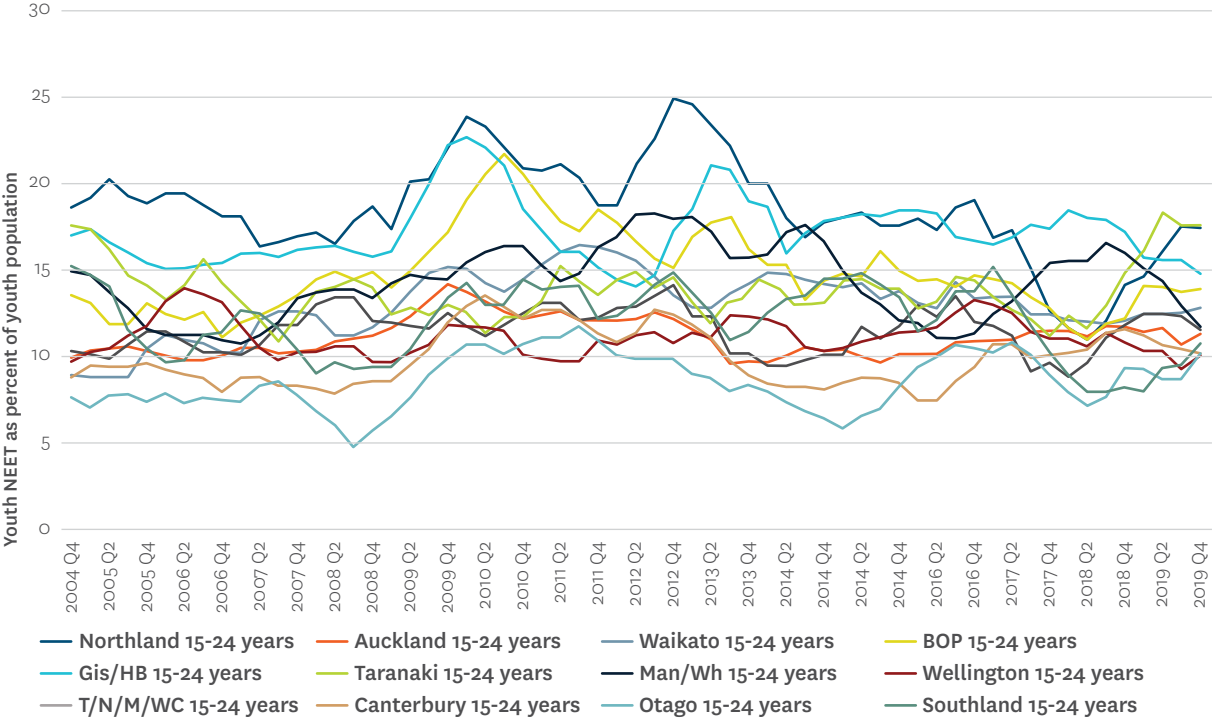


Figure 1. Rate of youth who are not in employment, education, or training in New Zealand, 2004-2020, percent of people aged 15-24 (NEET rate).



Source: Statistics New Zealand / HLF198AA

Figure 2. Rate of youth who are not in employment, education, or training in New Zealand, 2004-2020, percent of people aged 15-24 (NEET rate) by region.



Source: Statistics New Zealand / HLF198AA

work.<sup>24</sup> Education and training pathways also soak up large numbers of young adults whose problems with gaining employment are only delayed.<sup>25</sup> The lower rate of youth participation in the labour force, Johnson argues, is not “about changing the preferences of 15-to-19-year-olds to remain in training and education rather than to go into work;” instead, “this decline is due to the lack of opportunity for work as a result of the tighter job market.”<sup>26</sup>

Moreover, recent “exploratory data analysis” by analysts David Earle and Mandy McGirr indicates that up to 30 percent of the working-age population (ages 16-65) experience limited employment during the year.<sup>27</sup> “Limited employment” can refer to casual work, working persistently at minimum wage, or long-term underemployment. Of New Zealanders aged 24, “8 percent had been in limited employment every year since they were 16 and can be considered at high risk of lifetime limited employment—the proportion was 16 percent for Māori youth and 10 percent for Pasifika.”<sup>28</sup>

There are wide-ranging economic and social costs to being youth NEETs. Gail Pacheco and Jessica Dye, in 2013, estimated the costs of youth NEETs to productivity (measured in foregone wages overtime) at around \$27,000 per person from 2014-2017.<sup>29</sup> The loss of stable work also impacts on young people’s social relationships.<sup>30</sup> Researchers Dan Woodman and Johanna Wyn, for example, point out that youth experiences of leisure become fragmented and being able to engage in social networks and friendship groups becomes increasingly difficult.<sup>31</sup> Sylvia Dixon found that three years after an initial long period of NEET, 25-45 percent of the recorded sample experienced another long, continued or new period.<sup>32</sup> Overall, as the Department of Labour put it in a descript as apt today as it was in 2009, young people who are NEETs “miss the opportunity to develop their potential at an age that heavily influences future outcomes.”

The overrepresentation of Māori and Pasifika youth speaks to the ways that the experience of youth NEETs are not equal across New Zealand society. An MBIE 2019 report showed that, based on 2018 data, nearly 18 percent of all “Māori and Pacific youth” (between the ages of 15 and 24) were NEET (nearly twice the rate of young Pākehā and Asian New Zealanders), and Pasifika youth are similarly over-represented in rates of limited employment.<sup>33</sup> This is, in part, because 40 percent of all Māori NEETs are caregivers (compared to only 20-33 percent in other communities) which is, in turn,

explained by the greater role Māori women perform in households caring for children of others and dependent adults, and shouldering other responsibilities.<sup>34</sup> Youth NEET experiences, therefore, cannot be neatly explained by a simple failure to choose work pathways; neither can it be ignored that NEET experiences risk compounding established patterns of social inequality.

## COVID-19 and youth

How the COVID-19 pandemic will affect young NEETs in New Zealand is an evolving picture. The UN’s International Labour Organisation (ILO) warns of a “lockdown generation” that is currently experiencing a “triple shock”—the virus destroying employment prospects, disrupting education and training, and putting obstacles in the way of new workers.<sup>35</sup>

Youth unemployment in New Zealand has skyrocketed. In the first month of the lockdown, Ministry of Social Development (MSD) data shows nearly a 50 percent increase in the number of 18-19 year olds claiming the Jobseeker-WorkReady (JSS) benefit since the December 2019 quarter.<sup>36</sup> Some 53,000 young New Zealanders are now on JSS, by far the largest demographic. Almost half (45 percent) of new applicants in the first month of the lockdown were in their 20s. Although media has focused on the disproportionate spike in claims by Pākehā workers (65 percent compared to 43 percent in the previous year), disadvantaged groups, such as Māori and Pasifika, continue to be over-represented in these statistics.<sup>37</sup> By the June 2020 quarter, the seasonally adjusted proportion of people aged 15-24 years who were NEET increased from 10.5 to 12.5 percent.<sup>38</sup>

The experience of young New Zealanders mirrors international data, where, globally, one in six young people have stopped work since the onset of the pandemic.<sup>39</sup> Those who remain in employment have seen their working hours decline by almost a quarter, reflecting the fact that young people tend to work in at-risk sectors such as hospitality and retail, often on casual contracts.<sup>40</sup> In Australia, young people have felt the brunt of job losses: 18.5 percent of workers under 20 and 11.8 percent between 20-29.<sup>41</sup>

The lockdown has also disrupted patterns of education and training; with initial analysis suggesting young people are already putting off decisions to pursue advanced education. Research by the Centre for Independent

Studies (CIS) suggests low performance students in New South Wales schools are most at-risk of losing out from the disruption of distance learning during the lockdown.<sup>42</sup>

The impact is more than economic. A survey of young people's feelings towards the pandemic and its consequences suggests "Generation Z" or New Zealanders ages 18-25 are markedly more anxious, less resilient, and liable to be struggling with their mental health compared with older generations.<sup>43</sup> A more substantive study tracking the mental health data of 3,155 young Australians by the Australian National University (ANU) points to a similar spike in mental health problems in people under 35, with nearly a quarter reporting severe psychological distress in April 2020.<sup>44</sup>

Governments have yet to adequately respond to the specific needs of young people, despite the fact that, as CIS senior researcher Glenn Fahey notes, young people will be the ones carrying the significant debt taken on by governments to respond to the immediate fallout of the pandemic.<sup>45</sup> They lack the "financial buffer" enjoyed by older generations. As this "will have a long-lasting impact on young people's lives," Fahey argues, "we need to consider what we can do to address the needs of our youth."<sup>46</sup>

## The 2007-2008 Global Financial Crisis and youth

While not the result of a global pandemic, the 2007-2008 recession or Global Financial Crisis (GFC) provides important lessons for understanding the impact of economic downturn on young people and their employment outcomes.

Statistics New Zealand identified six impacts on the labour market after the crisis:<sup>47</sup>

- people worked fewer hours;
- the number of jobs available fell;
- unemployment rose;
- more people went into study;
- there were fewer, and smaller, wage rises; and
- people held onto their jobs leading to slow labour market turnover.

One of the major consequences of the recession was an increase in the youth NEET rate.

Internationally, nearly all OECD countries saw an increase after 2008 in the number of young people who are NEETs, with "the biggest and fastest increase seen among 20-24-year-olds."<sup>48</sup>

Domestically, New Zealand overall saw a substantial increase in youth NEETs, and in Auckland, the total numbers increased from 20,900 in December 2006 to a peak of 31,800 in December 2009 (an increase of 52 percent).<sup>49</sup> Pasifika youth, in particular, appear to have been affected with a significant increase in the NEET rate from 14 percent at December 2007 to 21 percent in December 2009. There were 150,000 15 to 19-year-olds in jobs immediately before the GFC, but only 120,000 in late 2016. As Johnson notes:

*Just prior to the GFC, the labour force participation rate for 15- to 19-year-olds was just under 56 percent, but by mid-2013 the rate fell to less than 42 percent and had only recovered to 46 percent by mid-2016. If current job figures were applied against this higher participation rate of 56 percent, the youth unemployment rate would be over 30 percent, instead of the official rate of 20 percent.<sup>50</sup>*

Just like now, at the time of the financial crisis young workers tended to be concentrated in high-risk sectors like hospitality and retail. Those that retained work were more likely to be on limited or casual contracts. In 2008, for example, over a third of all temporary workers were age 25 or younger.<sup>51</sup> Rather than transitioning to stable employment, patterns of limited or precarious work persisted for longer: in 2012, temporary workers continued to be dominated by the young, with 60 percent of all casual workers aged under 35. Similar patterns existed for temporary agency workers (61.5 percent), fixed-term workers (47.7 percent) and seasonal workers (50 percent) (again for the under 35s).<sup>52</sup>

As older New Zealanders returned to work (often in entry-level roles), or put off retirement during the economic downturn, the opportunities for young people to find suitable work shrunk.<sup>53</sup> As sociologist Robert MacDonald observes, "The fluidity, complexity and precariousness of labour market experiences [of young people] ... [meant that] churning between insecure low-paid jobs, poor quality training schemes and unemployment was the norm."<sup>54</sup> The number of apprenticeships, especially in construction and agriculture, also plummeted—reflecting historic patterns of trade training being particularly susceptible to recession.<sup>55</sup> The MBIE's

Sarah Crichton found that around a quarter of failed apprenticeships in 2009 was due to businesses having to change or shrink—meaning they could no longer sustain apprentices.<sup>56</sup>

Tertiary training was an important lifeboat. In fact, by 2012, across all OECD countries, 82 percent of 15–19-year-olds and 38 percent of 20–24-year-olds were participating in some form of full-time education.<sup>57</sup> There is evidence, however, that this has not improved long-term access to the labour market. Instead, tertiary programmes, especially those offering basic skills training, operated as kind of “warehousing” effect: taking unemployed youth out of the labour market while not actually meeting the needs of employers.<sup>58</sup>

Those disengaged from school were worst hit by the GFC. A comparison of New Zealanders born in 1991 and 1994 found that 2008 school leavers (i.e. those born in 1991) took up to four years longer to reach the levels of income than it would school leavers a few years later, as one example.<sup>59</sup> Those who performed poorly or dropped out before completing NCEA Level 2 were more likely to become long-term NEET.<sup>60</sup>

A small number of young New Zealanders moved to Australia during this period, which might have reduced the rate of youth unemployment.<sup>61</sup> In 2020, this is partly mitigated by New Zealanders returning from overseas. The disruption in immigration is also an unknown quantity: the loss of international students who might have otherwise competed for entry-level work might open up work opportunities to young people ages 25 and below. The data here is mixed—a 2013 review by McLeod and Maré found that international students tend to fill jobs of a more short-term, transitional nature; however, it’s unclear how this impacts on the long-term outcomes for young New Zealand workers.<sup>62</sup>

Poorer households whose adult workers experienced the recession and disruption of the 1990s were doubly affected; an intergenerational challenge especially significant in light of studies that show family and whānau are crucial networks that pass on knowledge about entering the workforce and managing finances.<sup>63</sup>

There are few New Zealand-based studies of how the GFC affected youth attitudes. One possible proxy, however, might be the spike in suicide over 2010 and 2011, of which young people, especially males, are over-represented.<sup>64</sup>

The UK’s Prince’s Trust conducted three surveys of British youth in 2009 and 2010 which found that unemployed young people were “significantly more likely to feel ashamed, rejected, lost, anxious, insecure, down and depressed, isolated, and unloved,” than their employed peers.<sup>65</sup> As sociologist Simon Pemberton summarised:

*They were also significantly less happy with their health, friendships, and family life than those in work or studying, much less confident of the future, and more likely to say that they had turned to drugs, that they had nothing to look forward to, and that their life had no direction. Many reported having suicidal thoughts.*<sup>66</sup>

This captures the way in which joblessness has broader ramifications than just economic productivity. As Professor Alan France concludes, “young people [after the crisis] [were] confronted by a labour market ... that operate[d] against them and expose[d] many of them to a future of insecurity, uncertainty and exploitation.”<sup>67</sup> “Scarring” occurred as multiple levels; impacting social networks that might otherwise provide health and well-being, and creating further stigma for youth who have “failed” by not connecting with or completing work pathways.

## Conclusion

The pandemic is not only preventing young people from entering into pathways of work, but also exacerbating already-present patterns of youth disengagement in the New Zealand workforce. Jobless numbers are likely to exceed those in 2007 and 2008. Finance Minister Grant Robertson, for example, has warned that New Zealand is likely facing an economic shock “a quantum greater” than that of the GFC.<sup>68</sup> Plotting the social and economic impacts of the COVID-19 pandemic on young people and placing it alongside the 2007–2008 global recession shows how young people are affected differently by market disruptions. The particular needs of young people, especially those ages 20 to 24, calls for specific policies dedicated to helping young people transition to pathways of work. Because those young people disengaged from education are most at risk of falling into long-term NEET patterns, the COVID-19 crisis will inordinately impact already disadvantaged youth and their communities. This requires urgent action as we risk economic and social scarring of a “lockdown generation.”

## 2. NEW ZEALAND'S RESPONSE TO YOUTH NEETS

### Introduction

Since 2014, Active Labour Market Policies (ALMP) aimed at youth have evolved to target specific subgroups of youth NEETs and develop interventions of different points along “pathways to employment.” Two key pieces of the current NEET ALMP “infrastructure” are the *Youth Service: NEET* and the *Māori Pasifika Trade Training (MPTT)* schemes. Both are paradigmatic of government NEETs policy, focusing on early interventions, emphasising training, and reducing welfare participation among young people. An overview and evaluation of these programmes shows the mixed impact of government interventions, and the need for smaller, more targeted initiatives for entrenched long-term youth NEETs. Despite considerable money being spent as part of the COVID-19 recovery, improving outcomes for young people also requires changing the scale, structure, and focus of programme design. This section also assesses a third, newer government initiative—He Poutama Rangatahi—and then places NEET programmes in the wider context of meta-analyses of ALMP interventions in relation to young people.

### *Youth Service: NEET*

*Youth Service: NEET* is the primary government programme for interventions to assist youth NEETs. The stated aim of the Youth Service is to support 16 and 17 year-olds during their post-school transition to avoid their “graduating” to unemployment benefit at age 18.<sup>69</sup> Under the Youth Service, the MSD contracts community-based social services to identify and then support young people to *enter* and *remain* in training (including on-the-job training) or education.

Youth Service providers can be diverse in their make-up and community focus. Blue Light, Counties Manukau Sports Foundation, and Quality Education Services all operate in different parts of Auckland and with distinct stakeholders. Blue Light is focused on working with police to create positive experiences for youth to reduce early offending; whereas the Sports Foundation and Education Services focused, as their names suggest, on developing young people through sporting and tutoring opportunities.

The Youth Service is part of a wider suite of programmes that includes Youth Payment and Young Parent Payment, which focus on youth ages 16 to 18 who are already receiving benefit or income support. Programmes like *Mana in Mahi* offer support to young people on the benefit, as well as funding and resources to employers hiring young people, especially in construction, forestry, and hospitality industries.<sup>70</sup> Resourcing here includes helping employers recruit youth; connect new workers with any on-the-job training; and act as a go-between youth workers and employers.<sup>71</sup>

A key outcome of the Youth Service has been the creation of a pathway to the Youth Guarantee Fees-Free scheme, the government’s dedicated national “transition” scheme.<sup>72</sup> The Youth Guarantee Fees-Free scheme has become the de facto destination for youth identified as NEET by the Youth Service providers. Youth Guarantee Fees-Free scheme provides fee-free tertiary foundation education and training programmes, with a focus on helping participants gain Levels 1 and 2 over two years.

### Evaluation

Evaluations of *Youth Service: NEET* have shown underwhelming results. MSD’s evaluation of the first 18 months of the Youth Service in operation, in 2014, found that just 50 percent of participants managed to gain any additional NCEA credits despite this being the main focus of the programme.<sup>73</sup> 15 percent of these participants gained Level 2. 17 percent had already met the requirements of NCEA Level 2 prior to starting Youth Service, however, meaning they should never have qualified for the programme in the first place. This renders the outcomes of the Youth Service even less impressive.<sup>74</sup>

In their 2017 review, Dixon and Crichton found that, despite attempts to improve incentives, Youth Service was poorly targeted and had, at best, limited benefits for young people.<sup>75</sup> The programme “did not raise participants’ employment rates, and their benefit receipt rates were slightly raised rather than lowered.”<sup>76</sup> Only around half of the participants ages 16 to 17 in Youth Service from 2012 to 2014 were “high-risk” youth. In fact, about a “third of all new recruits to Youth Service were enrolled in school when recruited, and among these high-school students, only about 30 percent were drawn from the highest-risk 20 percent of the youth population.”<sup>77</sup> Youth Service providers were choosing the low-hanging fruit—youth with some level of visibility and engagement



already—over those deemed to be in the “too hard basket,” such as those off the radar of social services and in need of more careful guidance and attention.

When compared with young people who shared Youth Service participants’ characteristics but did not participate in Youth Service, Dixon and Crichton found that “[Youth Service] had a positive impact on education and training enrolment rates, although the effects were modest in size and not sustained much beyond one year.”<sup>78</sup> For example, after six months of starting Youth Service the “proportion who were enrolled in education or training was 9 points higher, 4 points higher 12 months after, and not significantly different 18 months after.”<sup>79</sup>

Participation in Youth Service was also associated with marginally higher benefit receipt in the following two years.<sup>80</sup> The impact on benefit rates increased though time with 31 percent of Youth Service participants (compared with 27 percent of the matched comparison group.) Moreover, Youth Service “reduced participants’ employment rates in the first year” (reflecting their higher rate of retention in education) and did not have any significant impact in the second year.<sup>81</sup>

This general evaluation suggests education alone is a poor indicator of outcomes. Young people re-enter an uncertain job market, except that they’ve lost those opportunities to build work experience because they’ve been locked into training.<sup>82</sup> While participants were engaged in training they missed out on work experience and it is this work experience which is more relevant for shifting young people from NEET status to stable employment.

The problems around the Youth Service and Youth Guarantee Fees-Free programmes are symptoms of an evolving suite of policy solutions that are, according to the evaluation, quickly developed and funded but with little strategic thinking or evidence. One of the Youth Service providers paints an evocative picture of this haphazard government response to youth NEETs:<sup>83</sup>

*It’s building an aeroplane in the air. It has been about continual clip-ons/add-ons. Continuous policy change and continuous catch up. ... We continuously have to catch up with a group that we left out in the first place.*

Despite dedicated funding, the effectiveness of government NEET interventions remain unclear. This

was corroborated by an MSD annual review of 2016-2017 data that found, of rated employment assistance interventions, only the Youth Service rated as negative. The review found that although Youth Service did “achieve the objectives of increasing education retention and increasing NQF 2 qualifications gained,” these did not improve subsequent outcomes.<sup>84</sup> There was, instead, “raised time on income support, reduced time in employment and fewer participants achieving an Level 3 qualification than the comparison group.”<sup>85</sup> Youth Service is not a programme that supports long-term NEETs to navigate the complex transition to work.

## *Māori and Pasifika Trades Training (MPTT)*

The *Māori and Pasifika Trades Training (MPTT)* initiative was established by the Government in 2014 as a response to the overrepresentation of Māori and Pasifika in overall youth NEET rates. The programme provides fees-free tertiary places to help Māori and Pasifika 16 years and older attain NZQF levels 1 to 4, necessary for qualifying for industry pre-employment trade training.<sup>86</sup>

The strength of MPTT is the partnership model that “builds connections between iwi, hapū, community groups, employers, and tertiary education organisations (TEOs), including industry training organisations (ITOs).”<sup>87</sup> Communities play an important role in supporting Māori and Pasifika learners “on their journey to achieve their educational and economic aspirations,” reflected in a focus on including employers from the beginning of the training, matching learners and their needs to the needs of employers; and the support provided for transitions to sustainable, skilled work.<sup>88</sup>

Since 2014, the number of MPTT participants have increased from 1,189 new learners per year to over 2,400 in 2017. In 2017, around 3,000 Māori and Pasifika learners were being trained in sixteen MPTT-approved consortia, the largest being located in Auckland, Waikato, Hawke’s Bay, and Wellington.<sup>89</sup> The Auckland MPTT Initiative, since opening in 2015, has trained 3,213 Māori and Pasifika, with 56 percent (as of end of 2018) either in apprenticeships, trades-related employment or further study.<sup>90</sup> While eleven consortia are TEO-led, two are community-led, and three are iwi-led. Funding for MPTT has increased from over \$5 million to over \$13 million in 2017.<sup>91</sup>

## Evaluation

A 2017 assessment of the MPTT initiative by the Martin-Jenkin group, commissioned by the Government, indicated generally positive results: for example, “10 percent of MPTT learners who first enrolled in 2014 (and 9 percent who first enrolled in 2015) have an apprenticeship, compared with 6 percent of non-MPTT learners.”<sup>92</sup> Given the trade training focus of the programme these results are unsurprising. A big part of this success has been the way that MPTT attend to learners’ cultural needs, which shapes the design of pastoral care support, course delivery, and communications.<sup>93</sup>

There are some drawbacks to the MPTT initiatives as well as difficulties in evaluating outcomes for MPTT participants. The Martin-Jenkin review reported that the definition of success was itself murky. Some consortia consider that “apprenticeships are not a realistic outcome for some of the labour markets that MPTT is currently operating in,” implying that not all trainees will have opportunities to continue into full-time work. Conversely, “the current focus on apprenticeships and industry training do not capture all the positive outcomes that are being achieved,” which might include the positive impact on communities—there has been no way, for example, to measure anecdotal evidence of the benefits of learning and training for the families and wider whānau of participants.<sup>94</sup>

There is also ongoing debate over the role of MPTT consortia *after* a participant’s period of study is completed. Martin-Jenkin found that “transition to work support (job brokerage) is uneven. Although some consortia see on-going support as an important part of MPTT, others lack sufficient resourcing or do not see it as within the scope of the programme.”<sup>95</sup> In part, funding levels and incentives do not allow consortia to support learners in-work. Because brokerage fees are paid once the learner enters formal workplace-based training, incentives are low for ongoing support:<sup>96</sup>

*The current focus on apprenticeships and the incentives for TEOs to maximise course completions often leads to tension and difficult decisions having to be made—weighing up the immediate value of an employment outcome for the learner and their whānau, compared to the value of course completion (which is likely to lead to better learner outcomes over the long term, as well as ensuring TEOs receive full funding).*

The “tension” points to how provider behaviour is conditioned by the payment structure, potentially leading to unanticipated outcomes. Assessing these incentives and making changes if necessary is an important step towards connecting MPTT with community needs.

The Youth Service and MPTT are two pillars of the youth NEETs policy infrastructure. Training has been a key

### Box 1. He Poutama Rangatahi

Established in 2017, He Poutama Rangatahi aims to connect young people aged 15-24 with employers, with a special focus on at-risk youth in Te Tai Tokerau, Eastern Bay of Plenty, Gisborne/Tairāwhiti and Hawke’s Bay.<sup>97</sup> The agency supports projects that: 1) highlight current interventions which could be scaled up or redirected; 2) identify gaps in support and pastoral care for both young people and for employers; and 3) develop ways to fill those gaps.<sup>98</sup>

An example of a regional youth initiative supported through He Poutama Rangatahi is Eco Toa (“Ecological warrior”), a five-month intensive programme that seeks to train youth NEETs in parts of Te Tai Tokerau in “green jobs” such as pest control, weed eradication, planting and forestry. The initiative costs around \$400,000 and is funded through He Poutama Rangatahi as part of the government’s commitment to increased regional growth.

An additional \$121 million over four years has been dedicated to expanding He Poutama Rangatahi as part of the 2020 budget. The 2020 boost in funding aims to consolidate the programme in regional New Zealand and speed up its establishment in urban centres such as Auckland, Hamilton, and Christchurch. The government hopes expanding He Poutama Rangatahi will “kick-start” the recovery by targeting young people “on the margins” of the workforce.<sup>99</sup>



way of reducing the number of youth NEETs, without clear long-term outcomes. In fact, evaluations point to these programmes' limited impact: they are poorly incentivised, haphazardly developed, and provide little facility for assessing long-term outcomes. In practice, both programmes have mainly operated to occupy a few thousand youth NEETs at a time. Although this has given good PR to governments wanting to reduce the overall NEET rate, it suggests there are on-going design issues with NEET policies.

## Meta-analyses of Active Labour Market Policy (ALMP) around youth employment

The difficulties in reaching and supporting entrenched, long-term youth NEETs in New Zealand is made clearer in the wider perspective offered through meta-analyses of Active Labour Market Policy (ALMP), in New Zealand and globally. ALMP researcher Jochen Kluge, for example, summarised how “young people appear to be particularly hard to assist” through ALMP interventions:<sup>100</sup>

*It is not clear if it follows from this disappointing result that youth programs should be abolished, or rather that such programs should be re-designed and given particular attention. It might also be the case that active labor market policies are not at all the appropriate policy for this group, and public policy should therefore focus on measures that prevent the very young from becoming disadvantaged on the labor market in the first place.*

Kluge's conclusions that prevention is the best approach offers little respite to young New Zealanders and communities experiencing long-term patterns of NEET or limited employment. The broader literature also questions the use of large-scale youth programmes, which fail to show any positive employment effects, in contrast to much smaller, targeted initiatives.<sup>101</sup>

This paper argues these policies are better to be re-designed, rather than completely abandoned. In their rapid review undertaken for the Ministry of Education, Earle and McGirr analyses an array of ALMP in relation to youth employment. In *Figure 3*, they categorise these into different types of ALMP and a synthesis of findings around their effectiveness.<sup>102</sup> “Effective” was defined by whether interventions improved employment outcomes.<sup>103</sup>

Figure 3. ALMP in connection to youth, with findings.

Type of ALMP in connection to youth	Synthesis of findings
Job search assistance	Most effective or effective
Work experience or on job training	Most effective or effective
Subsidies, and public and private forms of job creation	Mixed effectiveness
Skills training programmes	Ineffective in general, sometimes harmful

Source David Earle and Mandy McGirr, Not just about NEETs: A rapid review of evidence on what works for youth at risk of limited employment, Ministry of Education, Wellington, 2019.

Skills training is the least effective ALMP for young people at risk of becoming NEETs or falling into limited employment, especially when it is not combined with other interventions. Conversely, assisting people in finding jobs, work experience, or job training component, were found to be the most effective.

Earle and McGirr argue that lacking work experience and non-cognitive skills are “key to why some young people experience limited employment over time.”<sup>104</sup> Both non-cognitive skills and work experience relate to “employer signalling”—“the process of a job seeker sending the right messages to employers about their work capabilities and motivations via a mix of information that employers can understand and trust.” Candidates need to be able to convey what they have learnt in previous jobs, as well as explain “negative parts” of their work history, such as periods of unemployment or convictions.

### *Box 2. The Auckland Gap Challenge and the “language of work”*

In 2014, the Auckland Co-Design Lab developed a project to understand and evaluate “the reasons behind the lack of connection between local employers and young people in South Auckland,” in collaboration with Auckland Council’s Southern Initiative and sponsored by MBIE and MSD.<sup>105</sup> Employers struggle to recruit young people with “the right attitude,” while young people find applying and encountering workplaces is like “entering a foreign country with unfamiliar and invisible practices, language and rules.”<sup>106</sup>

The study found that the “challenge” faced by South Auckland employers and young people is “a complex clash of norms and expectations,” rather than just a matter of “attitude,” which could be overcome through “greater preparedness and proximity between different groups” involved.<sup>107</sup> The designers identified a vicious cycle of youth employment: bad experiences deepened the “gap” between employers and youth workers; in turn, the lack of engagement between the two groups removed the opportunity for greater understanding of the difficulties and challenges faced by young workers, such as balancing whānau and community with employment obligations, as well as the strengths provided by a diverse workforce.

At the heart of this “gap” was a breakdown in communicating expectations and values around work life. Employers assume that “workplace culture” is something that young people can learn alongside the rest of the workforce; a web of unspoken practices, norms, and rules that can actually make a young person feel alienated and unable to ask for support.<sup>108</sup> This was especially apparent in the crucial on-boarding process of recruitment, a source of frustration for both young people and prospective employers rather than a pathway to work. The recruitment process “holds the biggest opportunity for whānau, community, educational providers and employers to create new ways to create mutual understanding and successful connections.”<sup>109</sup>

The Lab designers pointed to the need for a focus by stakeholders involved in a young person’s “pathways of transitions” to help develop and teach a “language of work” that both young people and employers understand. Because there are multiple stakeholders, there is a danger that no one takes leadership over youth transitions. “Everyone thinks something ought to be done - but no one owns it.” Businesses take different positions on this; parents get it but are not sure what to do; and schools try but are doing it “on the side.”<sup>110</sup> “A robust roadmap” is required, one that brings “the different parties together and building understanding of and empathy for one another’s point of view helps to collapse the gap.”<sup>111</sup>

Overall, work experience is “a key mechanism through which people’s employment capability, motivations and/or official employment status can be changed.”<sup>112</sup> Conversely, “lack of work experience stands out as a major employment barrier for young people who leave school with low or no qualifications and for young people who come from family backgrounds of limited social capital,” including limited personal and family network connections to potential employers.<sup>113</sup> A young person can overcome external forces (such as background and labour market forces) and become personally more developed; they can also be better recognised by potential employers; more able to self-reflect on performance and experiences; and better signal to future employers—learning to translate the relevance of past work to new job applications. Crucially, “classroom-based experience combined with a generic secondary school-level qualification does not appear to be an adequate substitute for work experience.”<sup>114</sup>

Maxim Institute’s senior economic researcher Julian Wood, in his recent policy paper *Back to Work*, argues ALMP targeting youth are likely to deliver less “bang for buck,” because NEET transition infrastructure such as the Youth Service and MPTT risk “stigmatising” participants.<sup>115</sup> “Participation in an ALMP often signals to employers that the younger participant is of particular low skill or productivity,” Wood argues, while those most in-need of assistance are those who have already struggled with formal education.<sup>116</sup> “Re-entering some form of formal education via an ALMP, therefore, is unlikely to bring any employment or income benefits because they will likely encounter similar educational challenges as before,” Wood concludes.<sup>117</sup>

## 2020 COVID-19 response

The Government’s COVID-19 economic response does little to mitigate the current limitations in youth NEET policy or resolve the wider problems indicated in meta-analysis of ALMPs. Instead, the 2020 Budget included young people in three main areas that, for the most part, relies on the established infrastructure of youth NEET pathways, with the lockdown having amplified current emphasis in NEET policy on training.

The first \$1.47 billion component consists of protecting, supporting, and expanding tertiary education and training schemes, especially in critical industries. This includes \$50m for a Māori Apprenticeships Fund and “increasing the volume of Trades Academy places in secondary schools by 1,000 places a year from 2021,” with free trades training and apprenticeship subsidies.<sup>118</sup>

The second \$282 million component of the 2020 Budget focuses on resourcing, that is, helping sectors respond to workers’ needs and vice-versa. Examples include funding for a new online career advice system, as well as the promotion of existing resources such as the Youth Ready Employer Programme “toolkit,” designed to improve attracting, engaging and retaining young people in the New Zealand workplace, and produced through collaboration with Auckland Business Chamber, MSD, and international consultants.<sup>119</sup>

Youth are also included, as a third component, within the ambit of the government’s job-creation initiatives, especially in primary industries—ranging from manual work in horticulture and agriculture to professional roles in engineering, science and management—estimated

to create up to 50,000 jobs. Aside from the \$121 million expansion of He Poutama Rangatahi, there is little indication as to whether job creation projects will bring long-term NEETs into the workforce. Instead, the economic recovery will, at best, benefit or recruit young people—as shown in the cases of Youth Service and MPTT—already engaged in finding new work or retraining.

## Conclusion

Despite the evidence from current Government ALMP programmes for young people, there is little to directly assist young people in the 2020 Budget. The Government is committing significant funding to jump-starting economic recovery. Many young people will benefit from the support and continuity needed to complete training and tertiary education. Only the expansion of He Poutama Rangatahi explicitly addresses the specific needs and challenges facing these young people; however, the capability and quality of this spend is unclear. The assumption that young people will be picked up as part of the broader wave of employment in primary industries, for example, is not reflected in the GFC experience. Rather, as the ALMP meta-analyses show, government spending will reach those who are already likely to find their way in the recovery.

*Training* is important but might trap young people without connecting work pathways. *Resourcing* continues to focus on the government’s role as a connector of supply and demand. The Government decision to switch from wage to hiring subsidies provides opportunity for young people, although it remains to be seen whether there will be conditions for young people as part of this. Free trade training and apprenticeships are not likely to improve outcomes for long-term NEETs—those young people who have already struggled with NCEA qualifications at the front-end of youth transitions. Those who overcome barriers to training and work will now be competing for places with the recently unemployed looking to pivot and retrain.

The current NEET infrastructure offers wrap-around services, with strengths in training and education that are effective at reducing NEET numbers, but not necessarily long-term employment outcomes. This is partly due to the “policy problem” of NEETs, especially those entrenched in long-term patterns of unemployment; by definition, these are young people disconnected

from government agency networks. It is not simply a matter of “booting them off the couch.”<sup>120</sup> Rather, these young people, obscured from view, are unlikely to seek government support. Young New Zealanders lack a clear “road map” to navigate these complex transitions. It is these pathways or avenues of future employment that this paper now turns to address.

### 3. A NEW WORK INFRASTRUCTURE – COMMUNITY PARTNERSHIP CASE STUDIES

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#### Introduction

Government initiatives and ALMPs focus on prevention and intervention for youth ages 15 to 18, but less so on helping those already entrenched as long-term NEETs aged 20 to 24. There is a lack of support for getting youth “work ready,” while the needs of job seekers and employers are dynamic and changing. Governments and communities need to identify the initial entry points to work, think about how to connect disengaged young people to these programmes and foster “employability,” as well as how to sustain and support new workers during periods of transition.

A special focus on youth in the post-COVID-19 recovery period demands new approaches that engage key components in the lives of our young people—from local government, communities, businesses, training institutes, and families. Case studies can be one way to identify solutions. Case studies provide evidence and stories that centre young people’s experiences and circumstances, rather than the design of large-scale government programmes around incentives. This section explores four case studies—three in regional New Zealand, and one overseas example—to assess the different “gaps” in the Government’s current NEET policy design. The role of community partnerships and the need for pastoral care are two crucial themes that emerge across the cases. Community-led programmes are small, local, and intensive, and best able to respond to the needs of particular young people, while providing space for pastoral care roles.

## Case Study 1: Otorohanga, Waikato – community ownership of youth employment

Otorohanga in the central North Island is a useful starting point for community responses to youth employment. Otorohanga District Council implemented a community-led youth employment strategy, before the GFC and just as “youth NEET” was becoming a policy focus. As summarised by Boven, Harland, and Grace:<sup>121</sup>

*In 2004 Otorohanga businesses were struggling with skill shortages. Despite offering good trade jobs and apprenticeships they could not find locals to employ and were forced to look elsewhere and overseas. Some businesses were thinking of leaving town. A small group of passionate business and local people, along with the newly elected Mayor Dale Williams, investigated why school leavers were not taking up these opportunities. They found young people were leaving the District to take up preemployment qualifications and study but were not coming back. Potential trades people were in effect being exported. The business community was not connecting tightly with the high school and opportunities to put careers advice in front of young people were not being created. To make young people more attractive to businesses and local businesses more attractive to young people, a suite of eleven projects was launched.*

*Since November 2006, youth unemployment has been virtually eliminated, with [less than five people] aged under 25 years registered as unemployed. Businesses have relocated to the area because of the support offered to employers and the resource of young, trained workers. Back in 2005, youth were responsible for nearly half of all resolved crime, now less than one in five crimes is perpetrated by young people. Otorohanga is a safe, tidy, vibrant community with minimal graffiti or vandalism... Young people are now involved in rugby teams, they are buying houses, participating in the community and in decision making. All of these benefits have come out of supporting young people in the transition from compulsory education to the next stage of their life, and by giving young people the opportunity to stay and work in the area.*

The positive economic outcomes over the early 2010s suggests the youth work projects shielded local youth from the impact of the recession. Analysis by Dustow,

Dixon, and Nana pointed to how, in a ranking of territorial authorities, “Otorohanga District was identified as the biggest climber in 2010 moving up 46 places from 64th to 17th place overall.”<sup>122</sup> Most of this performance was due to “growth in full-time equivalents (FTEs) and GDP growth over the past year.”<sup>123</sup> Otorohanga District Council spent around \$70,000 in total from 2005 to 2011 on its youth employment programme, much less than the \$15,000 being spent *per annum* prior to 2005 dealing with the fallout of youth disengagement from work—such as painting out graffiti and repairing broken fences.

Mayor Williams would later outline seven key principles behind the success of the programme:<sup>124</sup>

1. *Community working together towards a common goal:* bringing together the key stakeholders—businesses, local government, schools, agencies, young people—and prioritising the common good of the community;
2. *Job opportunity guarantees:* providing job security so that young people know what jobs are available, how to attain them, and assurance the jobs will be there when they finish;
3. *Transitional support:* supporting young people to choose from myriad pathways that they encounter as they exit compulsory education;
4. *Address barriers to employment:* understanding that young people are different and face distinct barriers to work;
5. *Pre-employment training:* involving businesses in shaping training for young people;
6. *Mentoring:* mentoring young people with dedicated people, as “getting a job is the first step; keeping it is the next”; and,
7. *Celebrate achievement:* signalling to young people that the community is proud of them.

Quoting a youth judge, Williams concluded that in addition to providing a stable and growing local economy “the key to cutting through youth problems is employment: when a young person has a job, they have three things: routine, self-esteem, and income. With those three things, the youth will be alright.”<sup>125</sup> This case study showcases a hugely successful community partnership model, demonstrating how collaboration between local government, businesses, and community leaders can mitigate the impact of economic recession.

## Case Study 2: Matapihi, Bay of Plenty – the whānaungatanga of work

The suburb and peninsula of Matapihi, nestled in the heart of Tauranga, provides an example of the difficulties of youth NEETs engagement. Government measurements tell one story: high employment, low incomes, limited internet access, and a significant population of youth NEETs.<sup>126</sup> Yet, for its community, Matapihi is a beautiful and safe place to live. Te Kura o Matapihi is a thriving immersion school, with students that whakapapa to the three Matapihi marae, and whānau networks provide housing and other forms of support.

Confounded by this divide between government NEET stats and the community's aspirations for their youth, community leader Tio Faulkner worked with his whānau trust to create a training and work programme for 18 young men. A one-week block course provided forestry skills training and accreditation taught by Rotorua-based polytechnic staff, followed by twelve weeks of work experience helping clear local land. In return, the young men had to commit to paying back the costs as they worked.

Ranging from 18 to 28, these were young men deemed “unemployable.” They were disengaged from employment and welfare, subject to various social problems, and “off the grid.” Getting them “work ready” meant setting up a whole “life infrastructure”—finding birth certificates, registering for bank accounts, and learning to fill out time sheets. Faulkner found himself as the head of a whānau—cooking their meals, driving them to work, equipping them with Personal Protective Equipment, and checking in on them.

Faulkner observed immediate differences. Participants started to take responsibility for themselves and their work. They walked taller. After the first month, they talked about having a sense of purpose each day. They cared for their own equipment and looked out for each other, taking turns, for example, giving the health and safety “tool box talk” each shift. At Christmas, they were able to give money to their families and Faulkner says the regular work helped connect these young men back to their whānau and community.

Faulkner is now talking with government agencies to set up a fully-funded pilot programme. Before COVID-19, the MSD agreed in principle to a 3-month programme, for fifteen young people, at \$80,000—postponed during the lockdown.

The programme succeeded where the government's array of social policy had failed in large part because of “the whānaungatanga of work”—the relationships that come from shared experiences which provides people with a sense of belonging. The block course was run out at Whareroa Marae in Matapihi, a familiar and safe place for them to learn without the stigma of failure. As part of the training and work experience, Faulkner included a module on tikanga Māori and local hapū history. This holistic approach was intensive, personal, and targeted—something difficult to replicate with large-scale government initiatives.

As well as the benefits of a whānau-marae-hapū model, the Matapihi initiative shows the value of mentors from the community who are able to connect the various stakeholders in a young person's pathway to work—the whānau, local businesses, course teachers, and the youth themselves. Moreover, being “work ready” was less about specific skills needed to carry out a certain job, and more to do with the aspects of work culture, such as time management, technological literacy, and driving licenses. Matapihi and Tio Faulkner show that resilient communities who hold out hope and aroha for their young people and their futures are well placed to do the difficult job of getting our young people engaged with learning and work.

## Case Study 3: Whāngarei Youth Space – navigating pathways of work

The Whangārei Youth Space's (WYS) START programme was introduced in 2019 under He Poutama Rangatahi. START—Support, Training, Action, Relationships, and Transition—aims at supporting youth NEETs into work, with the programme designed as “an employment focussed mentoring programme which sees “Navigators” journeying with youth on a pathway into sustainable employment through intensive pastoral care, and one-on-one sessions.”<sup>127</sup> At-risk youth are identified by staff working with participants, whānau, and businesses,



and building “wrap around” support for youth as they transition to work. Participants are guided by dedicated mentors or “Navigators,” while training and social networking is provided through workshops and seminars. The Government has committed \$880,000 of funding over 2.5 years for the programme.

An important function of the WYS START programme is a “triage approach” with the WYS team working with young people, key whānau or family members, and employers together. WYS CEO Ryan Donaldson explains that “the reasons why [WYS] have taken on this approach was that we recognise that for young people to find sustainable future pathways in employment or education, they need additional support not only from the youth worker but also from their whānau as these are typically people who will be on their journey forever.”<sup>128</sup>

As an example of this triage approach, a young person’s grandmother worked alongside the dedicated Navigator to motivate their grandchild to get up and out of bed every morning at 6am to get ready for work, which proved hugely successful. The employer relationship with the Navigator is also key, in that the Navigator acts as the relational buffer between the young person and employer, offering assistance with HR discussions and helping the young person reflect on their work experience. Donaldson says how “this relationship has been a safety net for a lot of young people on our programme to date.”<sup>129</sup>

Triage also focuses on building a young person’s wider relationships and aspirations. A Navigator providing pastoral care can guide a young person in thinking about the long-term benefits of their future pathways, not just for themselves but the specific needs of their family, whānau, and/or communities. This “navigating” of a young person’s journey into adulthood is fundamental. Reflecting on his own experience, Donaldson observes that “this relationship helped develop my maturity and decision making and subsequently led me to pursue a career doing similar work for other young people in my community.” In this sense, the triage approach is aspirational: it helps young people envision a better future for themselves.

## Case Study 4: Future Visions, South Korea – attending to the “ecosystems of work”

In 2017, the NEET rate reached 18.4 percent in Korea, compared with the 13.4 percent cross-country OECD average. “The share is lower than the 22.1 percent recorded in Korea in 2000, but represents an increase from the low point of 17.9 percent in 2014”—suggesting a persistent rate of NEET experience.<sup>130</sup>

The Vision Plan Program was launched in 2016 as South Korea’s first public programme dedicated to directly assisting Korean youth NEETs. The pilot programme was developed by a non-government agency and ran from 2016 to 2018, with a review published in 2020.<sup>131</sup>

A total of 1,780 young people participated in the three-year pilot programme, 866 of whom were aged 20–22, through 11 community centres.<sup>132</sup> Participants were recruited from low-income households, identified through welfare offices, community centres, school-based social workers, and youth counselling services. Participants enrolled, on average, for 21.5 months, with an evaluation every 12 months. This programme was highly targeted; given that the population of South Korea is 50 million, the equivalent participation in New Zealand would equate to around 180 young New Zealanders.

The programme aimed to develop tailored, self-growth plans for participants. These plans were developed out of a series of meetings, consultations, and counselling sessions. Participants worked with mentors to outline interests, attitude, talents, and desired careers. Through consultations, program leaders worked with participants to develop “individual service plans,” creating a series of action points based on goals.



Figure 4. The process of a 1-year cycle of the Vision Plan Program.

Participants Recruitment	Intake Counselling	Assessment	Consent	Establish Self-growth Plan	Service Provision and Participation	Monitoring and Evaluation	Termination
<ul style="list-style-type: none"> <li>Recruitment PR</li> <li>Making Referral</li> <li>Outreach</li> </ul>	<ul style="list-style-type: none"> <li>Information gathering about participant and family</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate change priorities</li> <li>Participant need assessment</li> </ul>	<ul style="list-style-type: none"> <li>Draw up letter of agreement (with rights and duty of the participation)</li> </ul>	<ul style="list-style-type: none"> <li>By service goals (monthly plan)</li> </ul>	<ul style="list-style-type: none"> <li>Activities by self-growth plan</li> </ul>	<ul style="list-style-type: none"> <li>Self-monitoring by self-growth plan</li> <li>Outcome evaluation by participants' changes</li> </ul>	<ul style="list-style-type: none"> <li>Case close by service evaluation (when needs are met)</li> <li>Drop out (due to moving, military enlistment, out of contact)</li> </ul>

Source Mihee Park et al, "An evaluation of the youth employment support program in South Korea: Focusing on the outcome of preventing NEET," Children and Youth Services Review, 110 (2019).

"Case managers played the role of supporting and helping participants find the information needed to develop their own growth plans."<sup>133</sup> These ranged from pathways to vocational training to mental health services—depending on the age.

Figure 4 outlines a typical 1-year cycle in the Vision Plan Program. The programme was structured around a collaborative, "ecological" perspective of youth NEETs and their work pathways. The programme aimed to intervene and assist across three levels: personal, family, and community.

1. *Personal* - Service plans were tailored to fit a participants' stage in life. For example, those in the early transition to youth adulthood, ages 14-19, might have emphasised career planning, mentoring, and academic support services, helping participants prepare for the transition. Those ages 20-24, later stages of transition, more specific career plans might be needed, or pathways to foundation courses and vocational training. Each plan could also meet specific practical skills.
2. *Family* - "Because many from the youth sector have issues stemming originally from families or their relationship with them, services to families are an essential part of the Vision Plan Program." Family components might include special support for youth parents, and/or the teaching of parenting skills; connecting families with financial support services, including government resources and job support. Workshops on how to support young people for families; wider initiatives like family camps.

3. *Community* - "Community intervention is intended to lay the groundwork for the youth to make a successful transition to adulthood in the community." This focuses on building connections with the wider community, to reduce social exclusion. The 11 centres built networks with government agencies, educational institutions, NGOs, and youth organisations; these in turn, led to greater understanding among local government, to further help with young people's issues.

The 2019 review of the Vision Plan Program outlined a number of pros and cons of the initiative. In terms of negative outcome, the review recorded "lock-in effects:" with participants reducing their engagement with job placements due to the short-term focus on developing the individual plans, reducing their time spent on building employment relationships.

More positively, the "ecological approach" raised participants' intentions, motivations, and networks that lead to better work outcomes. The programme was able to help youth deal with the various problems they faced *outside* of the work place; including a lack of social and cultural capital, family support, and help needed to overcome physical or mental health issues.

The review found that participation in "Vision Plan Program decreased the probability of being NEET, while increasing the intention of finding a job," when compared with a non-participant cohort.<sup>134</sup> Similarly, on this comparison, the review found that, over the period of the pilot, the programme reduced the youth NEET rate from 17.1 percent to 12.5 percent. Participants' intentions

“to find a job increased by 8.3 percent compared to non-participants, during the three-year programme period.”<sup>135</sup>

The value of this case study is the large number of older youth NEETs, rather than focusing on the “preventative model” utilised by New Zealand’s Youth Service.<sup>136</sup> The catch-up of youth NEETs was significant due to the range of community stakeholders engaged in the initial phase of identifying youth NEETs, drawing on the mixed public-private model. Strengths of the programme were its “ecological framework” which supported youth across personal, family, and community levels; a focus on “work readiness” around attitudes, motivations, and intentions behind work; the diverse spread of youth participants through the non-government agencies that ran the programme. Arguably, the focus on long-term gains through changes in mentality and habits is worth the risks of “locking in” youth during such a crucial period. Above all, because the project is collaborative, any attempt to implement aspects of the Vision Plan in New Zealand would need to pay attention to the context and tikanga of New Zealand youth NEETs. The smaller size also speaks to the emphasis on “quality over quantity” needed in NEET policy design.

## Conclusion

Case studies provide a variety of perspectives and models of youth transitions to work. Each attend to distinct aspects of the experiences of NEETs. Rather than a uniform response, different public and private partnerships are needed to develop and tailor specific responses to specific communities. There is, however, a broad emphasis here on the necessity, if difficulty, of developing models of “work readiness” through work experience and on-the-job training, which is developed in concert with community needs and input. Small, targeted programmes seem to work best here, rather than the large-scale, homogenous programmes that are likely to miss those youth most at risk of becoming long-term NEETs or already “off the grid” from government agencies and initiatives. Moreover, communities are best placed to assist young people, but need government to support them in this work, helping to provide expertise and resources. Smaller, community-led initiatives which have a stake in the future of their local young people are better placed to provide them with the necessary pastoral care and relationships of trust they need to succeed.

## RECOMMENDATIONS

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Based on the empirical evidence and stories from the case studies explored in this paper, we have derived three key principles: changing the policy story we tell about young people, the need for community-based models of youth work transition, and the use of pastoral care to overcome barriers to employment and help young people disconnected from work navigate this process of becoming work ready.

### 1. Change the narrative of youth employment pathways in New Zealand

Current policy approaches to youth employment are siloed, individualised, and patchwork. There is also a notable absence of specific interventions for older youth NEETs, ages 20 to 24, and a lack of attention to measuring outcomes overtime that capture the process of becoming “work ready.” Long-term, unemployed young people should be an explicit focus in all government COVID-19 recovery projects. This requires moving away from large-scale programmes to smaller interventions and committing to more discrete, local cohorts of participants. In turn, government agencies need to measure long-term outcomes that encompass work placements, and personal and family changes. Promoting stories of youth employment success is important in overcoming the rhetoric of the “problem” of lazy or dependent young people. Multiple generations of a young person’s life need to be brought into the discussion—so helping whānau come on board and support their youth. This is crucial to confronting the challenges posed by the “future of work” and how our young people are able to meet these challenges.

### 2. Centre community-based models in government NEET interventions

There are multiple community-led programmes currently being funded in New Zealand. These are successful because they’re small, targeted, and local, drawing together local networks of training, education, and work which support intergenerational connections. Learning from community-based initiatives means taking these lessons and developing a flexible framework which can be used by diverse communities. For example, the Matapihi case study is an example of successful

government-community cooperation. A dedicated, online toolkit and portal for communities to initiate their own partnership programmes would be one solution. Moreover, community-based projects are better placed to bridge the training provided through MPTT and the diverse requirements of local businesses, as well as identifying and talking with youth on the ground about their obstacles and aspirations, and tailoring responses accordingly. The example of the Whāngarei Youth Space and the START programme should be promoted in regional and metropolitan areas. Regional councils should look to identify, support, and partner with established organisations like WYS.

### 3. Funding more pastoral care work through He Poutama Rangatahi

A pastoral care grant for funding pastoral care roles in community-led models would go a long way to resourcing communities to respond to long-term youth unemployment. This means developing a flexible framework for those who fill this role in a given place—that is, a pastoral care that can fill the specific cultural and local requirements of a given community. Examples of pastoral care roles are “navigators”—as indicated in the case studies—with a focus on overcoming barriers, translating workplace expectations and culture, navigating recruitment process, and personal development (such as work-life habits and attitudes, to helping young people reflect on how their work impacts on their whānau and communities for the better.) Pastoral care is a key way to reach the most disengaged young people, as well as ameliorating the stigma around the circumstances and experiences of long-term NEETs. Part of the emphasis on pastoral care could be building into MPTT charters the need to provide and support learners in work experience and placements, and having pastoral care as part of the measurement of outcomes and success indicators. Funding could be distributed through local councils.

## CONCLUSION

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*Catching the Tide* argues that the COVID-19 economic recovery is both an immense challenge and opportunity for youth NEET policy in New Zealand. There is a need for urgent action, if we are to avoid a “lockdown generation.” At the same time, we can see the capacity for young people and their communities to meet social and economic challenges, when given the necessary supports and resources.

Our taiohi, however, will struggle to navigate tumultuous and uncertain times. The transitions to work are far from clear. Becoming “work ready” is a process of developing the habits, as well as skills, needed for a given workplace.

New Zealand currently funds a range of programmes and services dedicated to improving youth employment outcomes, with involvement from a range of agencies and public-private partnerships.

The evaluations of current programmes suggest the capability and quality of government spending is underwhelming at best. ALMP meta-analysis points to the difficulties in intervening in youth employment. There is a need for fresh approaches and designs when it comes to ALMPs and youth in New Zealand.

The case studies provide some clues to this approach. Stories of individuals and communities driving change, building personal relationships, and connecting different parts of society—communities such as hapū and iwi, local government, polytechnics, trusts, and businesses—point to something lacking in current approaches to youth NEETs in New Zealand.

These initiatives worked because they are small, intensive, and local—ideal for targeting clusters of long-term youth NEETs. The Government is already investing significant funding for the COVID recovery; part of this should be focused on resourcing and funding local communities wanting to pursue similar initiatives.

A new investment is needed that supports youth to “settle in” to work, as they build new habits, attitudes, motivations of work—something that must consider personal and community circumstances. Rather than just certification or developing certain skills, this means developing “intangibles” of work-readiness comes from a mix of work experience, on-the-job training, and pastoral care.

This time of transition, this process of “becoming” for young people, is more than just about jobs. It is about the new relationships, personal development, and connections to family and communities that bring a meaning and purpose to work pathways over time. Creating lasting, secure, and meaningful employment for young people must be central in our response the pandemic. As such, we call for the next Government to embrace policy recommendations and principles that rebuild pathways to work and connections in young peoples’ lives, focusing on pastoral care and partnerships between communities.

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