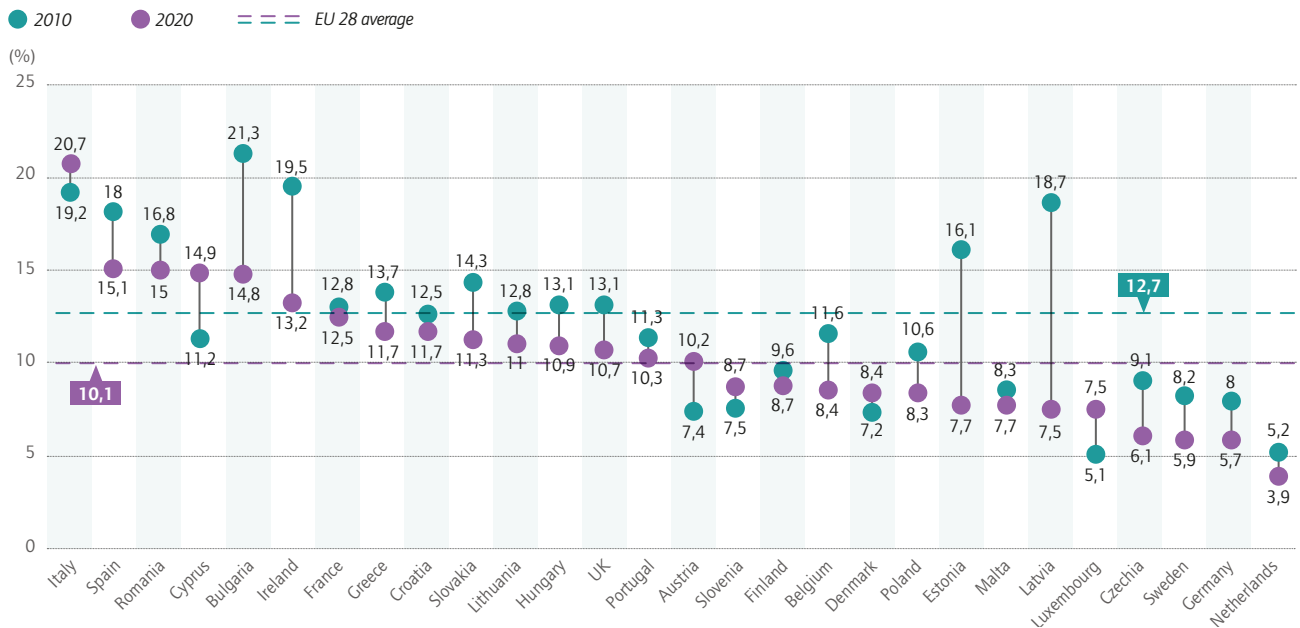


Youth

Young people at risk in labour markets

Figure 2.17 NEET rate (ages 15-24) in 2010 and 2020 (%)



Source: Eurostat [lfsi_neet_q].
Notes: Expressed as percentage of total population. 2019_Q4 for DE; 2020_Q1 for EU28, BE, BG, CZ, HR, HU, MT, NL, PL, RO, FI, SE; otherwise, 2020_Q2.

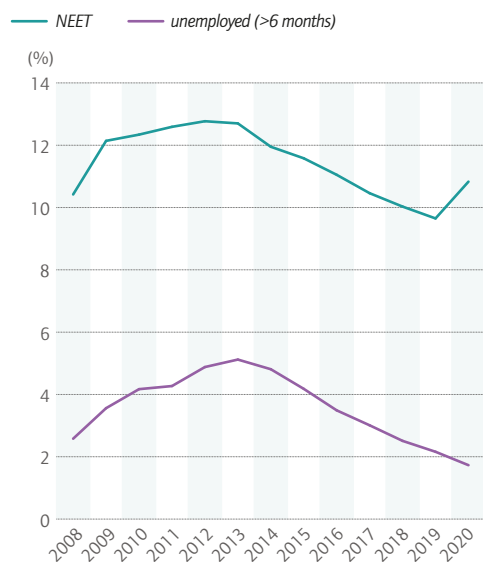
Successfully integrating young people into the labour market is crucial for the economy as a whole but also for young people's later employment outcomes, as entering the labour market during a recession can have long-lasting scarring effects (Bell and Blanchflower 2011; Strandh et al. 2014). This issue has been recognised by the EU with its Youth Guarantee, in which all Member States commit to ensuring that young people (under 25) are not unemployed for more than four months before finding good-quality education, training, or employment.

Figure 2.17 shows that the share of young people who are not in employment, education or training (NEET) has generally come down from the high rates that were seen across Europe in 2010, declining from 13% to 10% in the EU28 overall, albeit with significant regional variations. The situation improved substantially in several countries, such as Latvia, Estonia, Ireland and Bulgaria. However, almost a fifth of young people in Italy are not in employment, education or training, compared to 6% in Sweden, Czechia and Germany, and only 4% in the Netherlands.

Figure 2.18 shows the evolution of the NEET rate across the EU28, and the share of young people who are unemployed and looking for work for longer than six months – this constitutes a persistent fifth of all NEETs, despite the commitment set out in the Youth Guarantee. The NEET rate has been increasing in 2020, most likely as a result of the Covid-19 crisis, but we have not yet witnessed an increase in long-term unemployment in the second quarter of the year.

The Youth Guarantee has been a partial success, as can be seen by the decrease in the NEET rate and in long-term unemployment among young people since 2013, when it was first introduced. From a longer-term historical perspective, however, the NEET and long-term unemployment rates have merely returned to 2008 levels.

Figure 2.18 Youth (15-24) NEET and long-term unemployment rates, EU28 (%)



Source: Eurostat [lfsi_neet_q, lfsq_ugad, demo_pjan].
Note: Q2 for each year and 2020 where available, otherwise 2020(Q1).

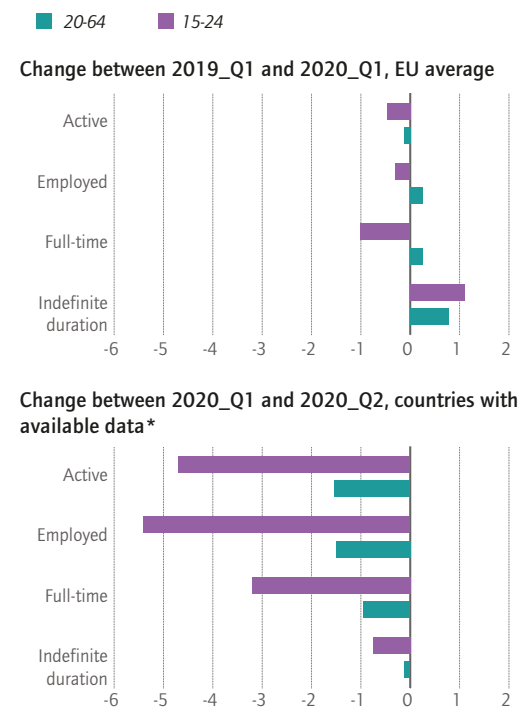
The Covid-19 crisis risks hitting younger generations hardest

Young people have already spent the past decade in precarious positions in the labour market (see ETUI and ETUC 2012, 2013 and 2014), and this will likely only be exacerbated by the current Covid-19 crisis and associated job losses. During the global financial crisis young people were particularly affected; it is crucial that this be avoided in the current crisis to prevent a long-lasting 'scarring effect' on the whole generation, who not only had their education and training severely limited this year but also their transition to the labour market.

Figure 2.19 (top) shows a comparison between the evolutions in the employment situations of young workers and of the general active population from the first quarter of 2019 to the first quarter of 2020. It shows the evolution in the number of economically active people, the number of employed workers, and the number of workers who are on full-time contracts or contracts of indefinite duration. The number of young people active in the labour market decreased by 0.5% (105,000 workers) from 2019 to 2020. While a small figure, in relative terms this is almost twice the decrease of the general workforce (305,000 fewer people active, or 0.3%). Moreover, the number of employed young people decreased by 0.2%, while there was a small increase for the general population. The reduction in young people's employment was mainly in full-time employment (1% reduction). The number of workers in open-ended contracts increased slightly in Europe from 2019 to 2020. However, these changes in the EU28 hide substantial country variation. Labour force activity among the young declined the most in Luxembourg (13%) and Bulgaria, Croatia and Czechia (6-8%), while it increased in some countries, including Estonia (10%), Romania and Malta (3%) and Germany (2%). Similarly, changes in youth employment vary between a 15% decrease (Luxembourg) and a 7% increase (Ireland).

Figure 2.19 (bottom) shows (for a subgroup of countries) how the labour market situation changed from the first to the second quarter of 2020 for

Figure 2.19 Labour market status changes, 2019/2020 (%)



Source: Eurostat-LFS [lfsi_emp_q, lfsi_pt_q].
*SI, IE, ES, PT, LU, EE, IT, CY, FR, SK, UK, LT, AT, LV

youth and for workers aged 20-64. This highlights how much more precarious the situation is for the young. The number of young people active in the labour market dropped by 5% on average – even by up to 10% in Slovenia, Italy and Spain – compared to a 2% decrease for the general population. As this is almost the same as the reduction in employment, it shows a push out of employment altogether for young people. The young are also more likely to lose standard employment contracts (full-time and open-ended) than older workers. The difference between the figures for the young and those aged 20 to 64 likely reflects the relatively successful efforts at retaining employment for the working-age population, through subsidised retention schemes. Young people, on the other hand, are not likely to have quality jobs or are deciding to postpone entering the labour market for longer, if they can. This could have long-term negative effects on this cohort.