

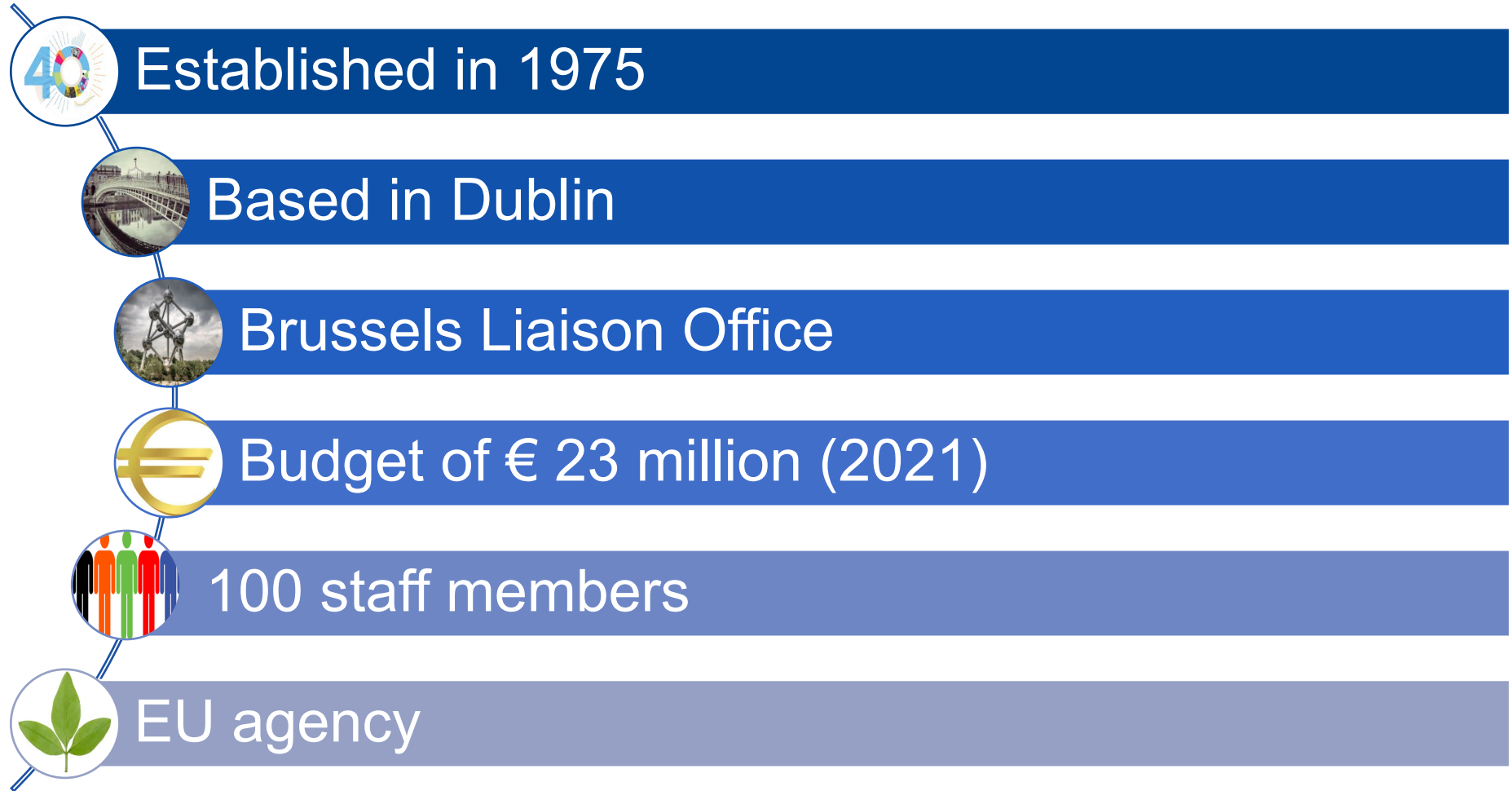
NEETs in Europe and the Impact of the Pandemic

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First, who are we?



Fun(damental) facts



Who are the

NEET *s*

Why we are talking about NEETs

- As a **consequence of the economic crisis**, the issue of youth unemployment has arrived **at the centre of the European policy agenda in 2010**.
- Deeply concerned about the risk of a **“lost generation”** researchers and government officials started to adopt **new ways of estimating** the prevalence of labour market **vulnerability** among **young people**.
- **Young people Not in Employment, Education nor Training.**
- **Is not really new:** Howard Williamson and the South Glamorgan University research in 1994 then adopted in the Bridging the Gap report in 1999 by the UK government.

The definition of NEETs

- In April 2010, the **Employment Committee of the European Commission** and its Indicators Group agreed on a definition of NEETs and methodology for a standardized indicator for measuring the size of the NEET population among Member States whose implementation was then performed by Eurostat.
- **The NEET indicator:**
the share of young people aged (?) who, regardless their educational level, are not in employment, education or training.

$$NEET_{Rate} = \frac{\text{Number of young people not in employment, education or training}}{\text{Total population of young people}}$$

NEETs in the policy agenda

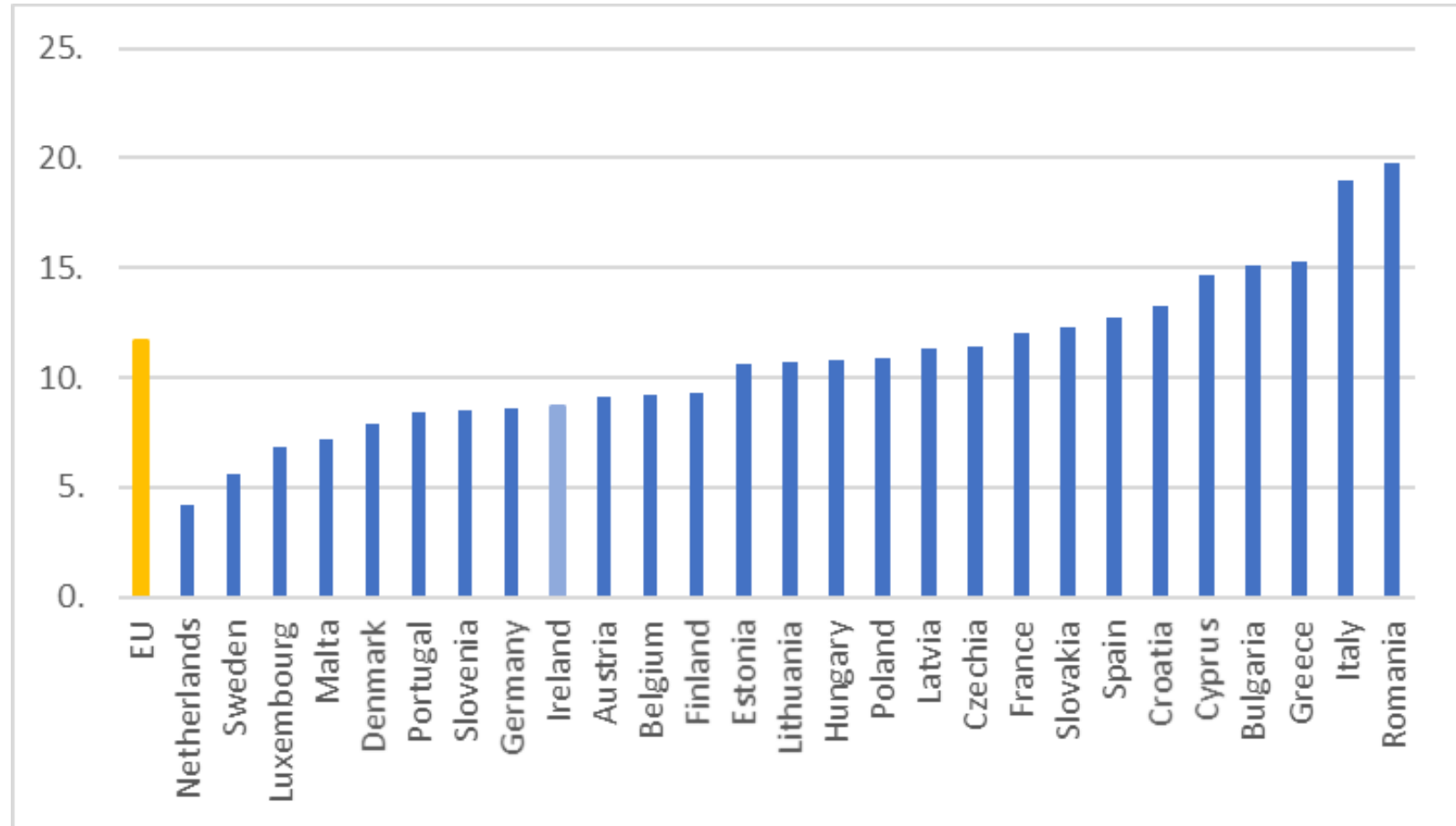
- It made a first appearance in **2010** with the EU2020 agenda and the **Youth on the Move** initiative.

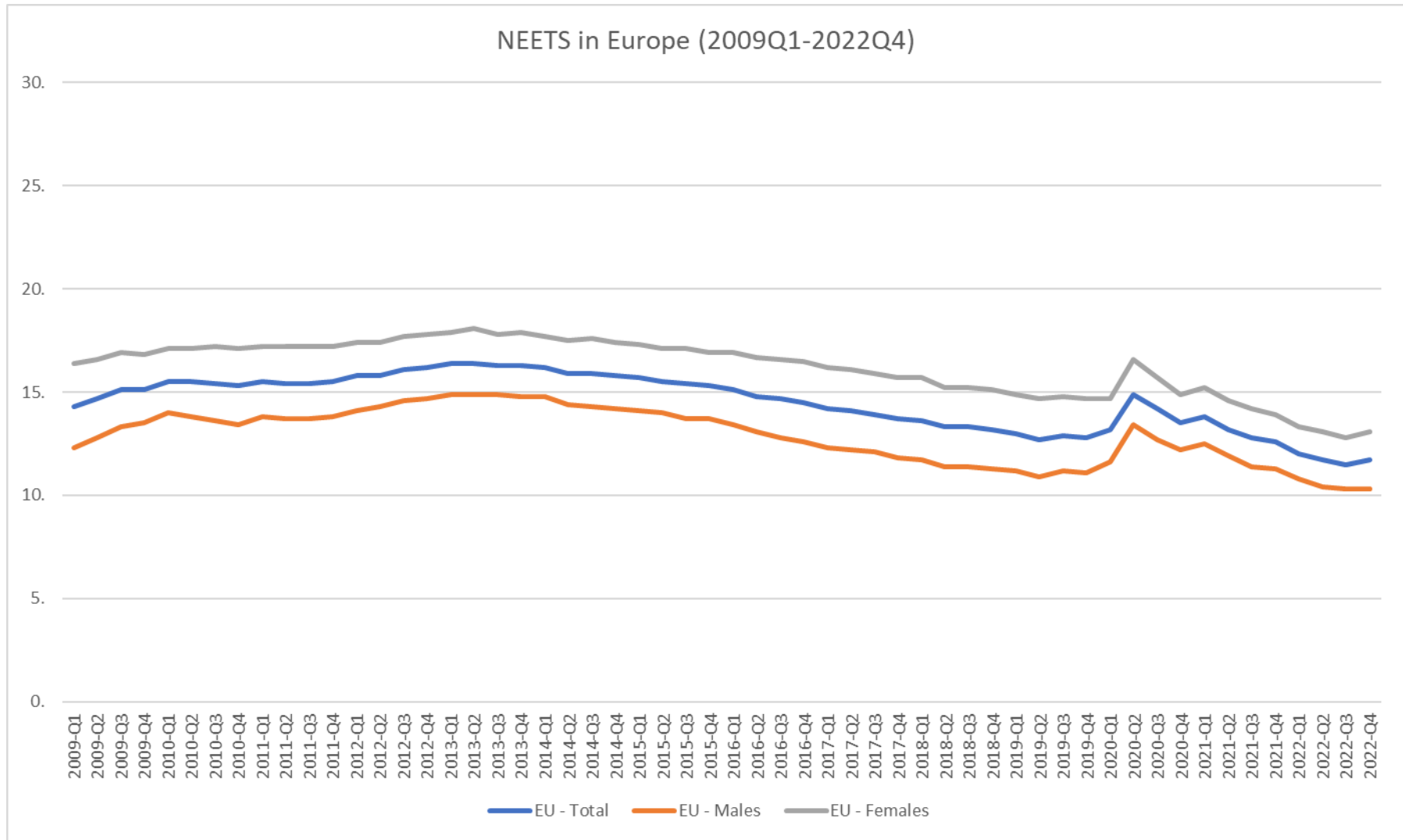
‘unleashing all young people’s potential’ and emphasises the importance of reducing the ‘astonishingly’ high number of NEETs in Europe

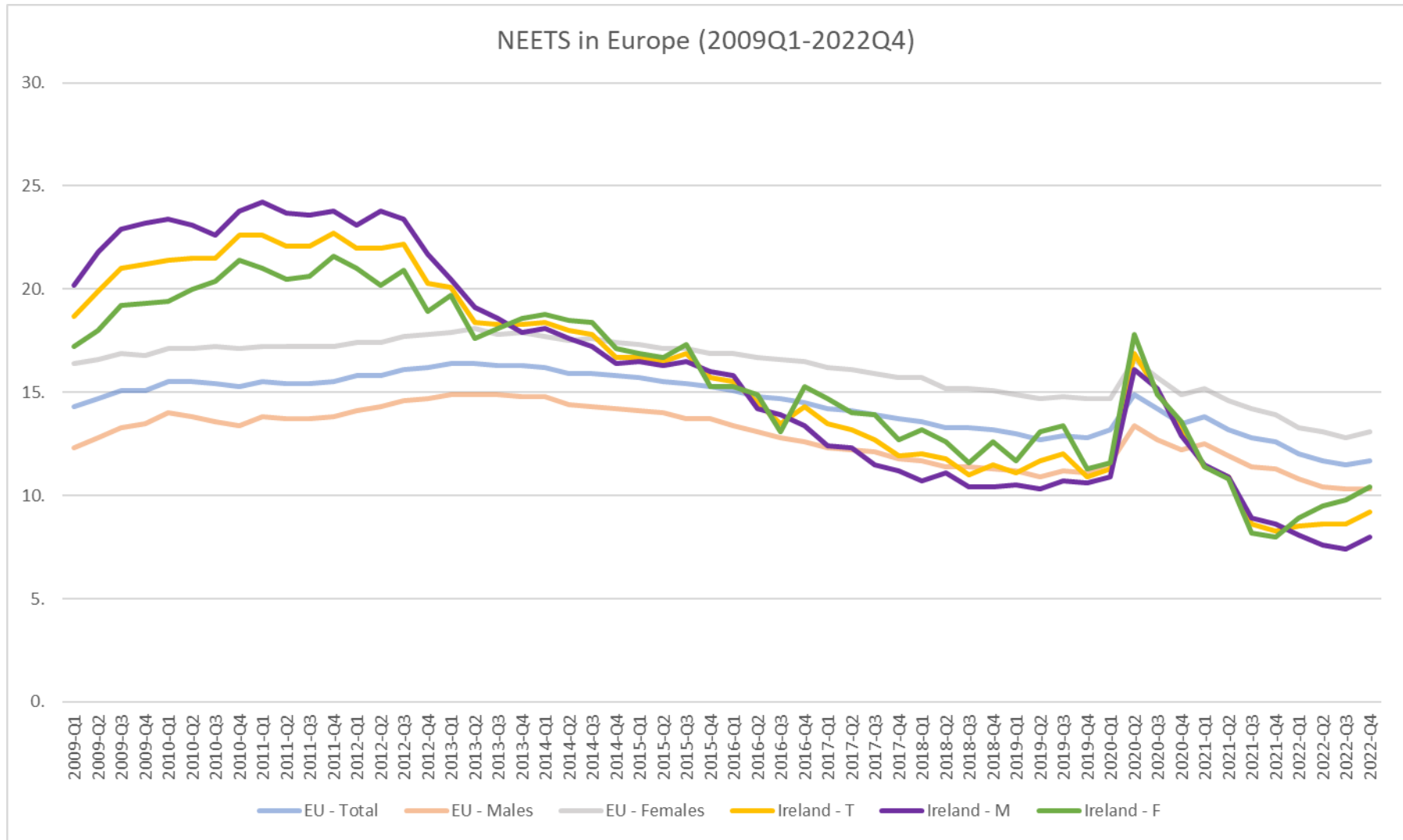
- Then, a constant *crescendo!*
- 2011: **Youth Opportunity Initiative.**
- 2012 **Youth Employment Package.**
- 2013 **Youth Guarantee:** the first initiative to place explicitly the reduction of the NEET rates as policy target.
- ...
- 2020 The **reinforced youth guarantee.**

NEETs in Europe in 2022

- 11.7% of young people in Europe are NEETs
- 8.7 million of individuals aged 15-29
- Approximately the entire population of 6 small/medium Member States: (MT, LU, CY, EE, LV, LT)

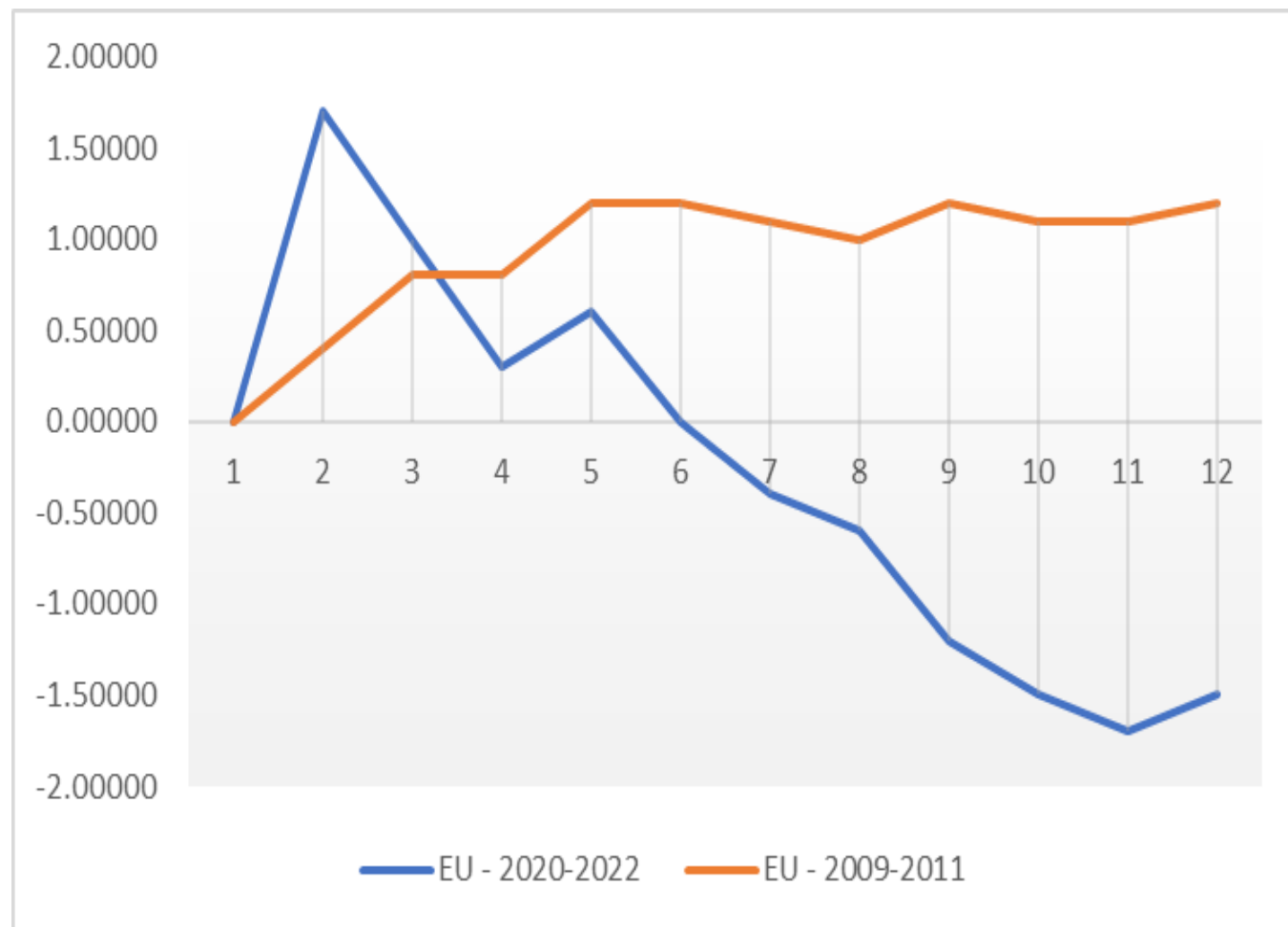


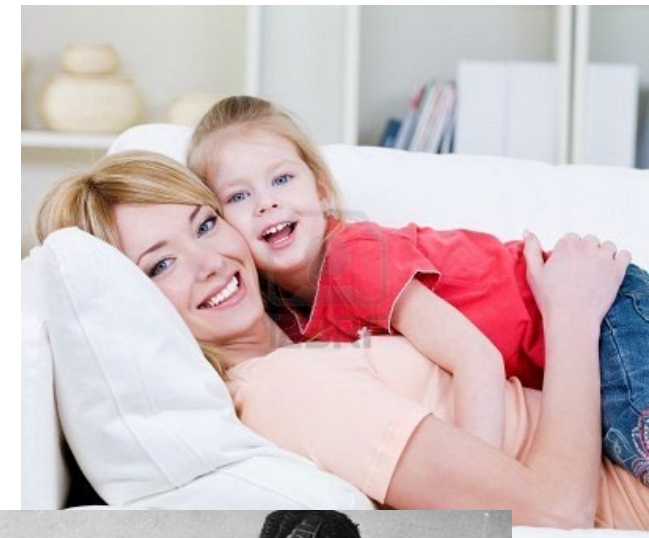




NEETs, has history repeated itself?

- The 2008-2013 recession revealed the additional vulnerability of youth in regard to labour market participation.
- The impact of COVID-19 was intense but short.

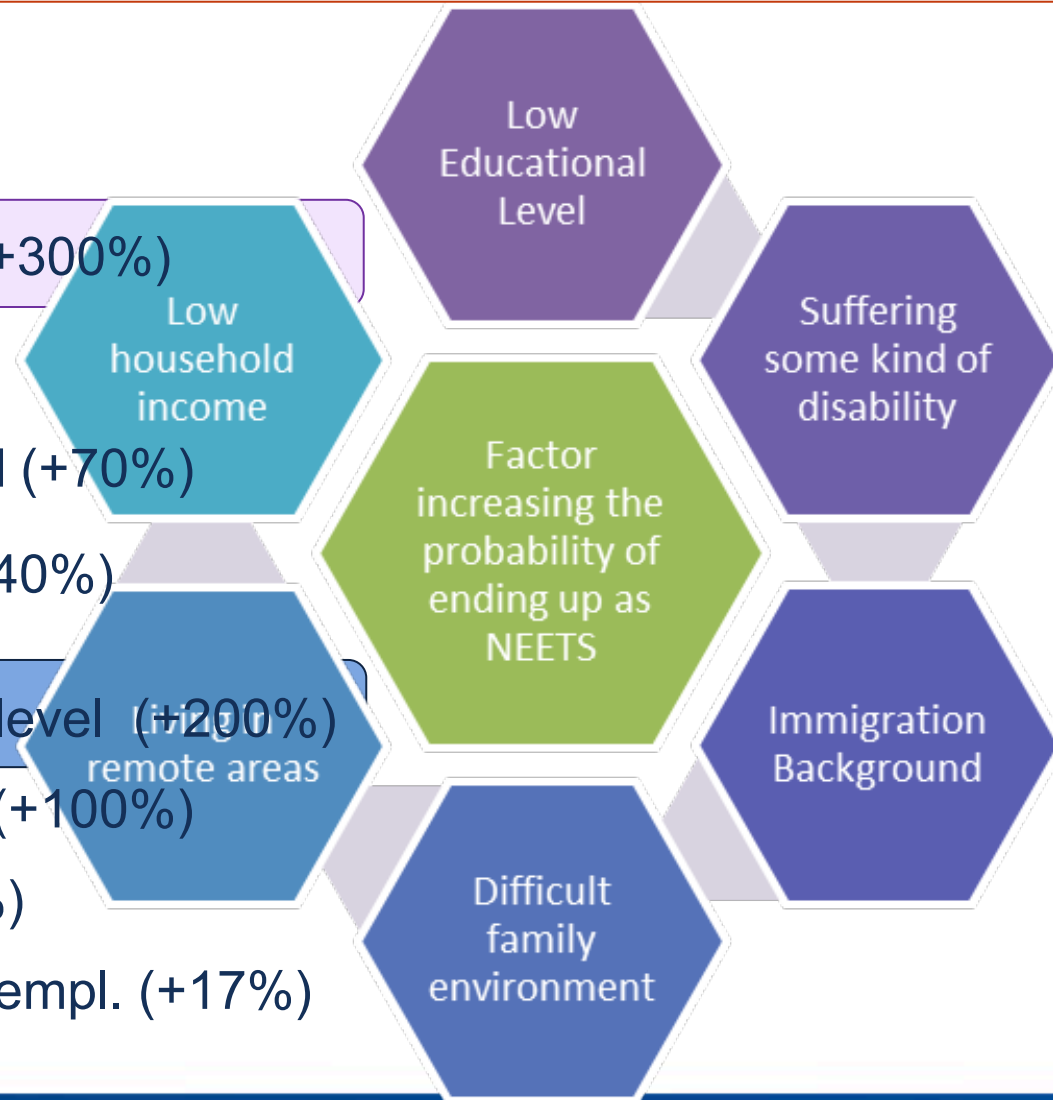


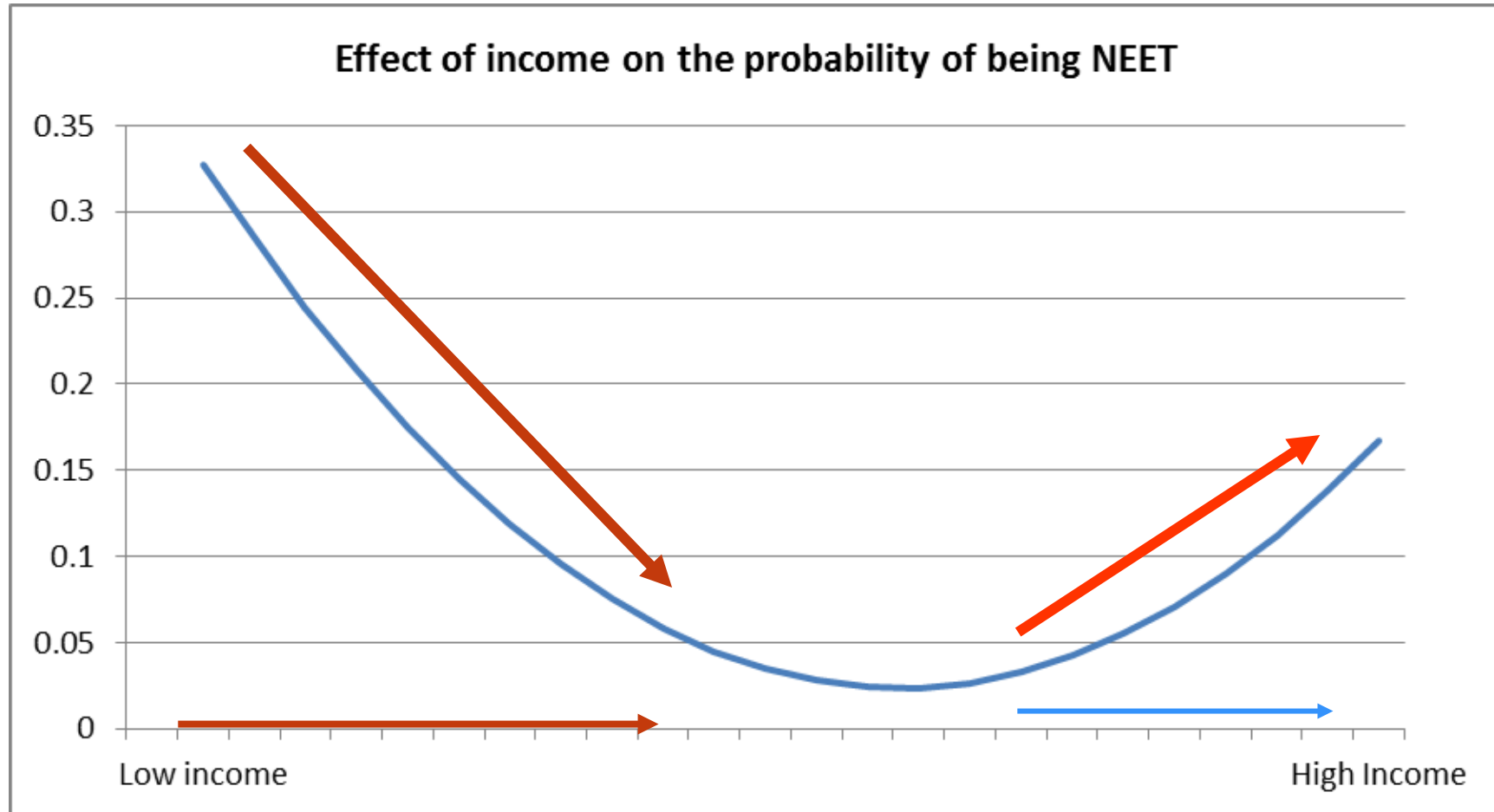


- **Vulnerable and non-vulnerable youth**
- **Not** in a accumulating **human capital** through formal channels.
- More likely to **cumulate several disadvantages**.
- More likely to experience future **poor employment outcomes**
- More likely to **dangerous lifestyles** and to experience **mental and physical health** problems.

Potential risk factors of ending up NEETs

- Low educational level (+300%)
- Women (+60%)
- Immigration Background (+70%)
- Suffering Disabilities (+40%)
- Parents with Low educ. level (+200%)
living in remote areas
- Low household income (+100%)
- Divorced parent (+40%)
- Parents experienced unempl. (+17%)





Value added and limitations of NEETs for policymaking

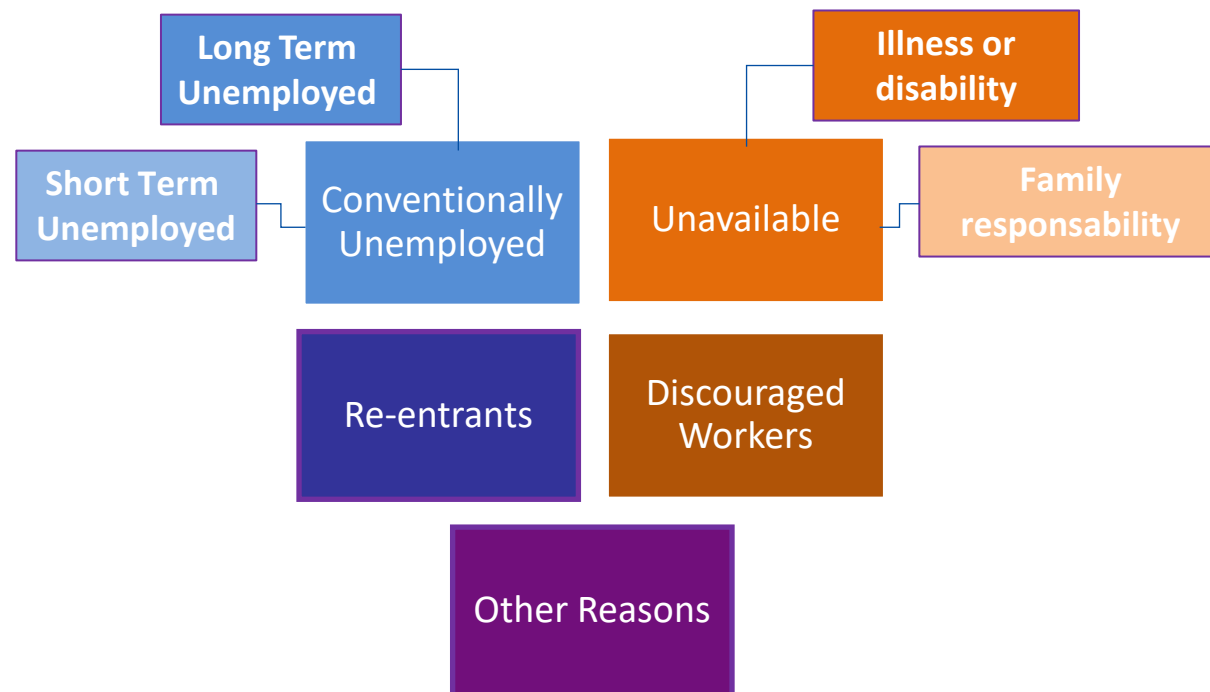
- NEETs has a **powerful catalytic effect in attracting the attention** of public opinion, researchers and policymakers over the multifaceted nature of young people vulnerabilities.
- In comparison with youth unemployment the concept of NEETs has the **clear advantage** to put **special populations** like young mothers or young people with disabilities **at the centre of the policy debate** on youth without further marginalising them under the label of “inactive”
- **Heterogeneity is the main value added and the main limitation**, especially when using NEETs for policymaking.

The need of a disaggregation

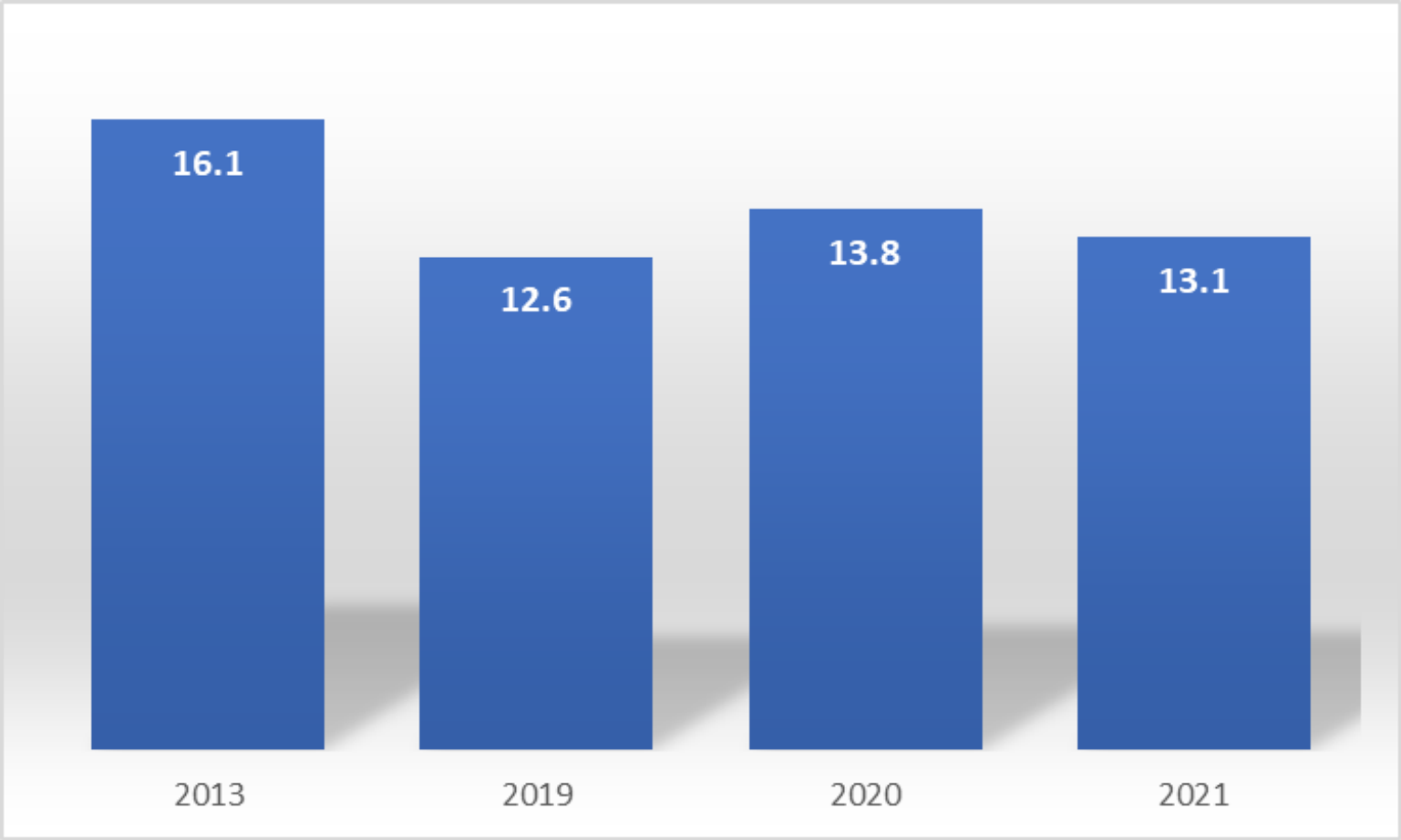
- Putting the reduction of **NEETs rate as a policy target**, such as for the youth guarantee, **means to prepare a policy offer to re-integrate all young people.**
- This **go beyond unemployment** but **encompass all the groups** included under the NEETs category.
- **Policymakers** and social partners **are right to set the reduction of NEETs** as a target of their policies, as it happened with the youth guarantee, however they must therefore set their interventions by **disaggregating the NEET category** and account for the characteristics and needs of the various sub-groups.

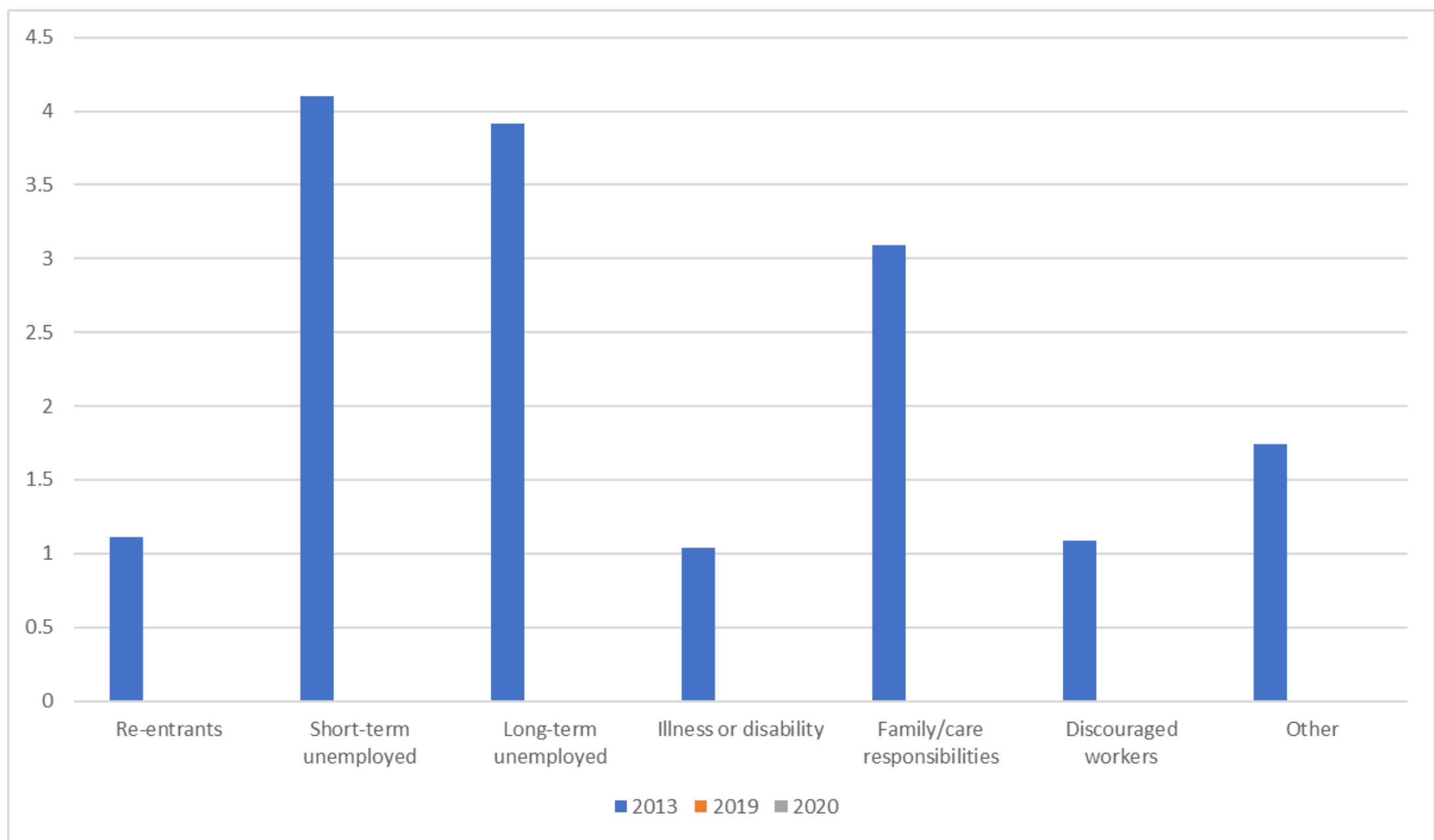
Disentangling NEETs heterogeneity.

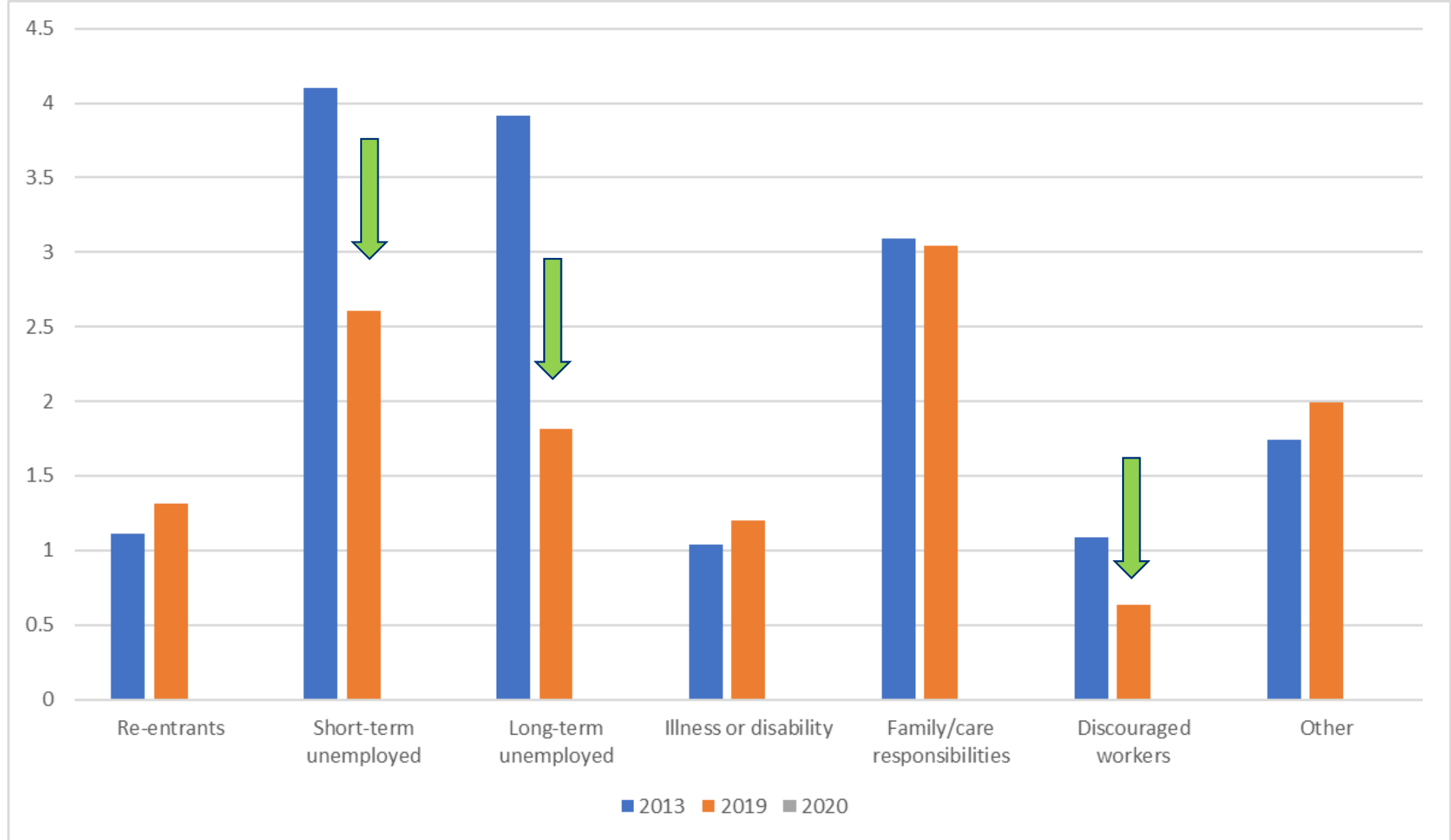
- In order to understand who they are, the indicator need to be disaggregated in sub-categories.
- Using EU-LFS and adapting theoretical model to data availability, this categorization was created:

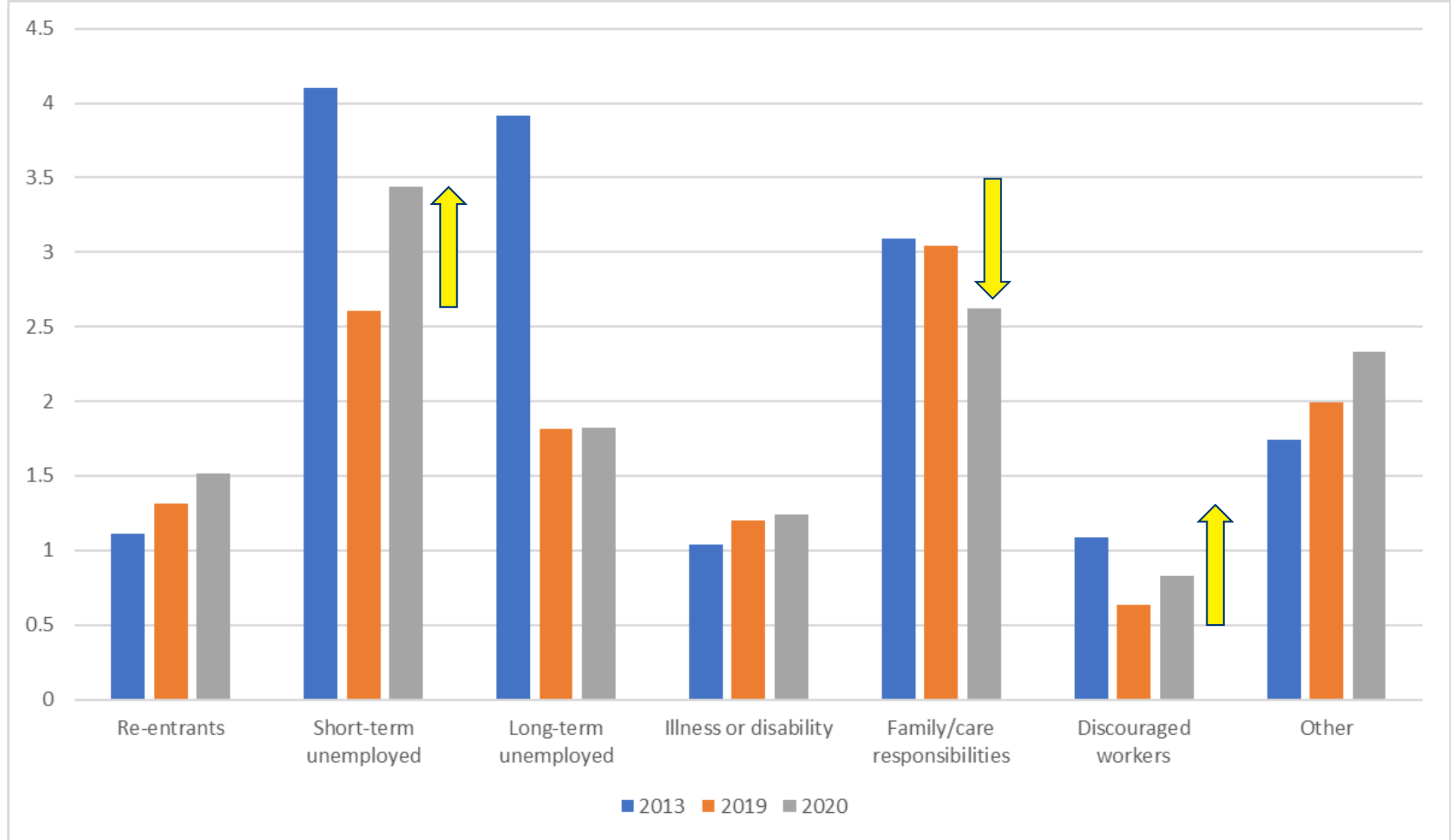


NEETs rate in EU27







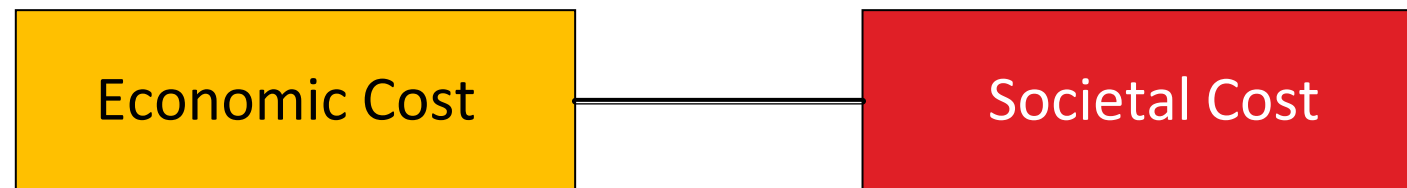


Diversity across Europe

	Re-entrants	Short-term unemployed	Long-term unemployed	Illness or disability	Family/care responsibilities	Discouraged workers	Other
AT Austria	11%	32%	7%	11%	23%	1%	14%
BE Belgium	20%	20%	12%	12%	18%	3%	15%
BG Bulgaria	3%	9%	9%	7%	44%	11%	17%
CY Cyprus	8%	31%	12%	12%	31%		8%
CZ Czech Republic	5%	16%	3%	5%	60%	1%	10%
DE Germany	13%	67%	20%	NA	NA	NA	NA
DK Denmark	11%	28%	4%	24%	8%	1%	24%
EE Estonia	13%	35%	4%	9%	35%		4%
ES Spain	8%	34%	17%	11%	10%	4%	16%
FI Finland	9%	34%	4%	21%	17%	3%	12%
FR France	14%	27%	13%	8%	10%	4%	23%
GR Greece	5%	21%	36%	5%	8%	3%	22%
HR Croatia	7%	37%	13%	9%	18%	3%	12%
HU Hungary	1%	20%	7%	8%	30%	9%	13%
IE Ireland	25%	19%	6%	17%	19%	5%	9%
IT Italy	17%	14%	16%	5%	14%	12%	22%
LT Lithuania	4%	33%	5%	14%	20%	5%	7%
LU Luxembourg	22%	33%	11%		11%		22%
LV Latvia	14%	27%	11%	11%	30%	3%	5%
MT Malta	11%	33%	11%	11%	22%		11%
NL Netherlands	11%	26%	5%	30%	9%	4%	15%
PL Poland	4%	18%	4%	17%	51%	4%	3%
PT Portugal	12%	34%	14%	11%	9%	7%	13%
RO Romania	2%	20%	10%	3%	33%	6%	26%
SE Sweden	11%	39%	3%	21%	11%	2%	14%
SI Slovenia	14%	29%	14%	11%	21%		11%
SK Slovak Republic	1%	21%	16%	11%	39%	10%	1%
EU27	11%	25%	13%	9%	19%	6%	17%

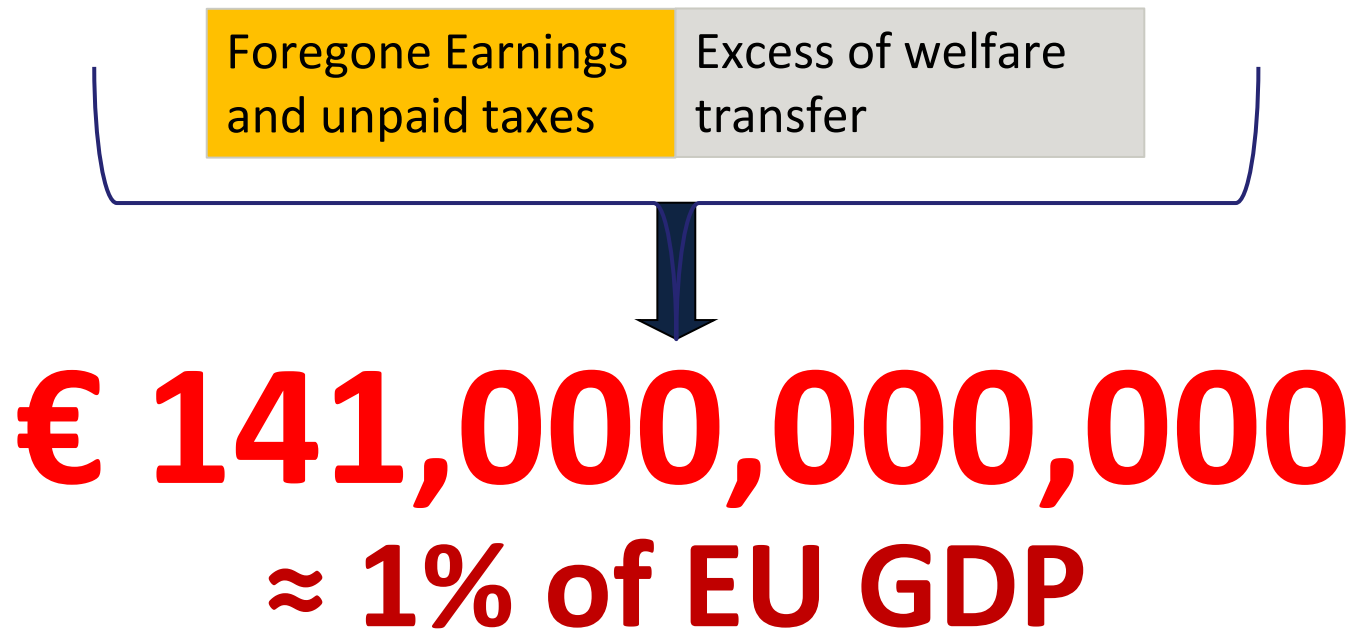
The cost of NEETs

- Spending protracted period outside labour market and education may lead to a **wide range of negative social conditions**: future poor employment participation, exclusion and disengagement, risk of dangerous lifestyles.
- These outcomes each have a **cost attached to them** and therefore being NEET is not just a problem for the individual but also for societies and economies as a whole.



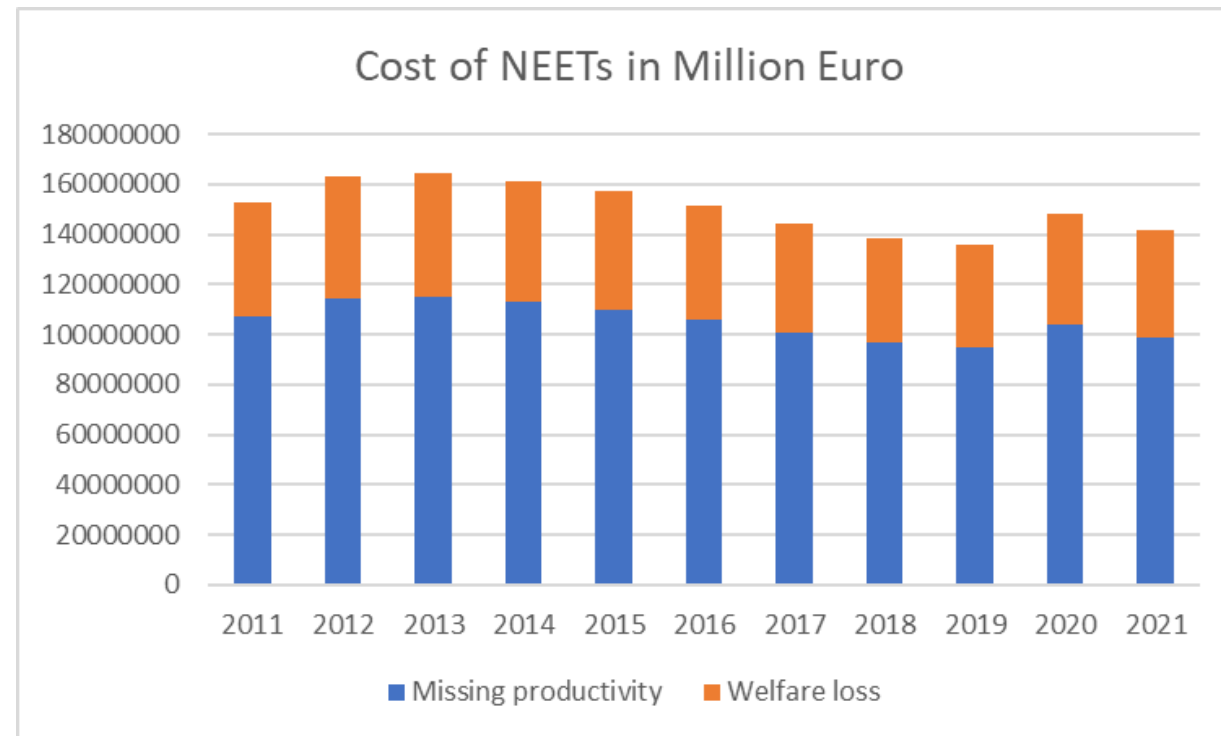
Computing the cost of NEETs

- What was the **loss for EU economies in 2021** due to the our inability of integrating young NEETs into the labour market?



Cost of NEETs 2011-2021

In 10 years more than 1.6 Trillion have been lost for our inaction of including youth in the labour market

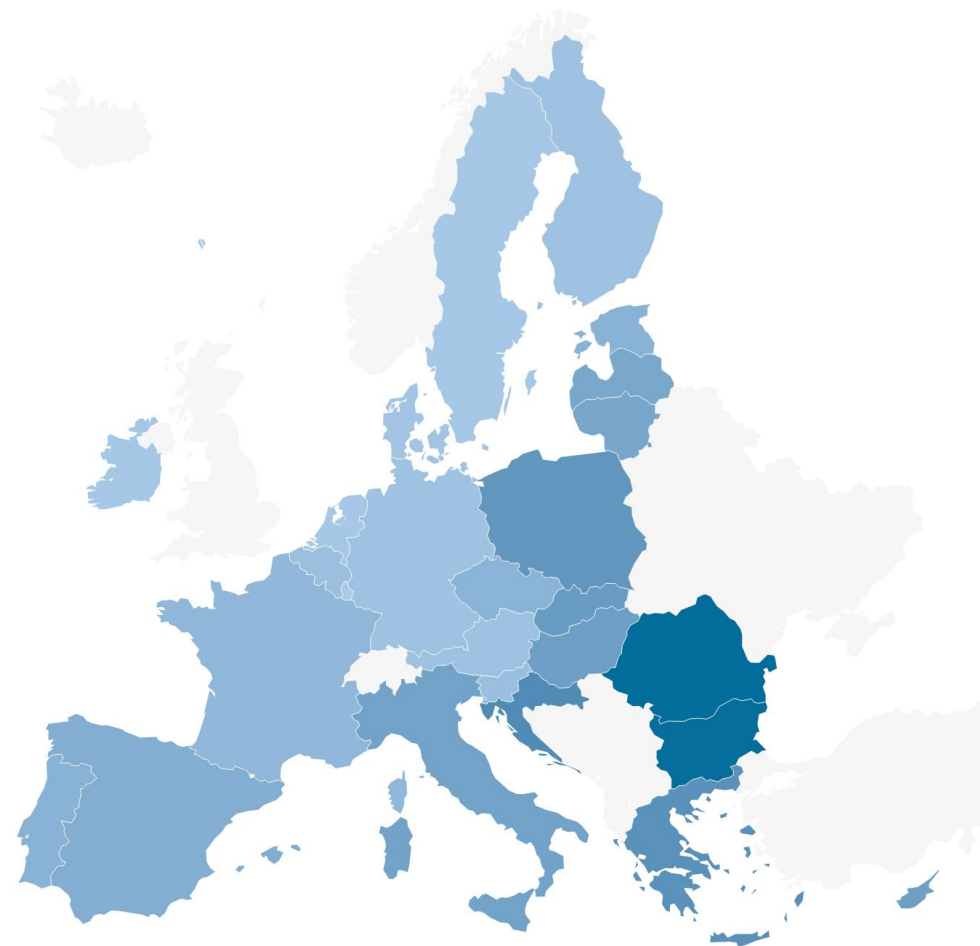


Cost of NEETs as share of GDP 2021

Cost of NEETs (% GDP)



Luxembourg	0.2
Netherlands	0.3
Sweden	0.3
Ireland	0.3
Denmark	0.4
...	
Poland	2.1
Greece	2.3
Croatia	2.6
Bulgaria	3.8
Romania	3.8



The social cost of NEETs

- Concerns on disaffection of NEETs: *are they likely to opt-out from the participation to the democratic and civic society engagement of our society?*

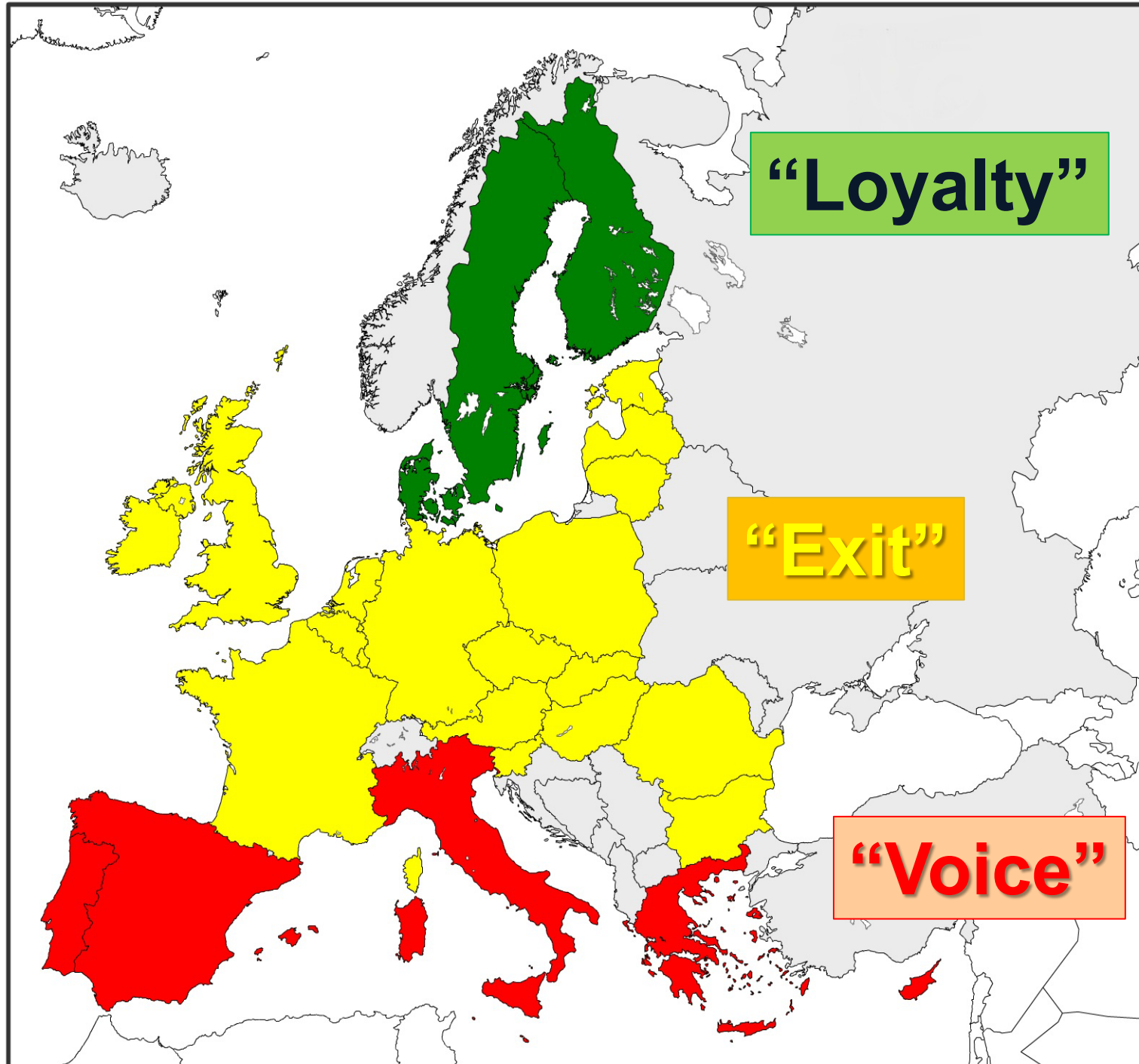


- **Young People** scored considerably **lower** compared to the other age categories **in several of the dimensions** considered

- At the EU level, **NEETs** and in particular those who are **unemployed**, scored even lower in all the dimensions considered.

So... are NEETs opting out from our societies?

- The conclusion is not so easy, in fact we found different behaviour in the various European clusters and more research is needed in this sense..



“Loyalty”

“Exit”

“Voice”



Conclusions

- The **future** of Europe **depends** upon the future of its **young population**.
- While youth was the most affected population by COVID19, its effects have been quickly reabsorbed. Differently than the 2008-2013 economic crisis.
- **NEETs** entered quickly at the **centre** of the **policy debate**.
- The **consequences** of being NEETs are **dramatic** for the **individual** and the **society** as a whole.
- **Member states and the EU are right to set target to reduce the NEET**. However, **policy** actions need to be **tailored for the characteristics of the sub-groups** and **each MS have to adapt its own strategy** on the basis of its NEET population.