Cowork4YOUTH | Collaborative and Sharing Workspaces Policies for Youth in EEA Peripheral Regions

# Baseline Study on Impact of Youth Employment Policies

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# Executive Summary

## Research Objectives and Approach

The main objective of this baseline study, the first output from Cowork4YOUTH project, funded by the EEA and Norway Grants Fund for Youth Employment (cowork4youth.org) is to present descriptive evidence on the impact of youth employment policies across the four study countries (Ireland, Greece, Spain, and Italy) for the period 2008 to 2020. The focus of the project, and of the baseline study, is on: a) tourism-dependent, island or remote coastal regions, and b) areas facing energy transition, decarbonisation, or intense industrial decline.

The purpose of this research is to provide a solid baseline on which subsequent outputs of Cowork4YOUTH can be built. In this study, i) employment rates, ii) unemployment rates, iii) long-term unemployment rates, iv) NEET rates, and v) inactivity rates are examined, both overall and by gender. We also calculated sectoral youth employment shares for economic sectors that correspond to the region types being focused on in the project. All indicators have been calculated using annual European Union Labour Force Survey (EU-LFS) microdata.

What follows is a summary of the principal findings arising from the study, some of the main policy responses over the period, and the key policy implications from the research.



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## Key Findings

A key overall finding from this study is that even though the countries examined share similar issues, there is considerable variation in the composition of these challenges both within and between countries. The research also highlights that differences run between men and women.

The findings suggest that the European-led Youth Guarantee (YE) and Reinforced Youth Guarantee (RYG) policies may have been overshadowed by significant national policies of labour market liberalisation pursued in the early years of the Great Recession, particularly in Greece and Ireland. Countries cut labour costs and protections as a means of adapting to the changing macroeconomic climate but, in doing so, disproportionately affected young people.

The general trend in national employment is significant deterioration in the years following 2008. The crisis peaked earliest in Ireland, followed by Greece and Spain at broadly similar times and later in Italy. No country had returned to pre-recession levels of youth employment by 2019. Rates of youth unemployment remain between 20-30% for all countries except Ireland (9.1%) in 2019. The drop in youth unemployment has been strongest in Spain and Greece, effectively halving since 2013. Long-term youth unemployment rates are marked by recovery to or close to pre-recession levels except in the case of Greece.

NEET rates show signs of recovery except for Italy where they have failed to descend significantly from 2014 levels. In both Spain and Ireland males dominated NEET rates after the peak of the crisis, but in more recent years females have constituted the larger percentage of NEETs.



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Unlike the other indicators, there is a general upward trend of inactive youths in all countries, including a higher rate for females.

One of the main findings was the identification of large variations in the make-up of the above categories (employed, unemployed, long-term unemployed, NEETs) with regard to the characteristics of the young people who constitute them in the four study countries.

In relation to the regional examination undertaken, youth employment in the selected tourism-dependent regions ranges between 24.4% and 43%, slight decline since 2008 in Italy and Spain.

In key energy transition regions, youth employment has shown a slight decline since 2008 in Greece and Italy, whereas in Spain there is evidence of a slight increase prior to COVID-19.

Associated with the first region type, the Food & Accommodation sector has grown since 2008 and now employs the highest proportion of young people of the four selected sectors examined for each country in the study. Manufacturing, associated with the second region type, has remained relatively stable, but relative youth employment shares in this sector have declined since 2008, except in Italy.

## Main Policy Responses

This baseline study has identified a number of key youth employment policy responses implemented by the four study countries to address the severe impact of the Great Recession, both individually and also collectively under the European Youth Guarantee (YG). Among other things, this research has



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served to highlight the different effects that such a European policy can have due to divergent conditions in individual countries (e.g., economic, social), including variations in institutional settings (centralised versus multi-level governance systems).

Taking each country separately, Greek youth employment policy is characterised by an early and relatively substantial response to the financial crisis (minimum wage cuts). This policy response had an enduring impact on youth employment through a focus on low wage and low value-add employment, mainly in the tourism sector. The initially limited-outreach implementation of the YG has been somewhat improved by amendments in more recent years.

Due to institutional factors (i.e., multi-level governance system), the Italian policy response is more varied, and there is variation in both the design and effectiveness of policy responses across the country. Nevertheless, one important element of its YG is the focus on person-centred planning of employment support. Compared to the other study countries, Italy was also later in its implementation of policies to assist youths (2014/2015). The main labour market reforms in Italy may have had positive impacts on the prevalence of temporary and apprenticeship contracts, but they have not met expectations in terms of the youth labour market, particularly with regard to wage contraction.

In Spain, many measures already implemented were incorporated into the National System of Youth Guarantee (NSYG) in 2014.

Spain's key policy responses focused on initial employment or experience upon leaving education or training. Although the polices may have succeeded in certain aspects, they have also been linked to the prevalence



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of temporary contracts in Spain. In addition, the formulation of the criteria for some of the implemented policies may have contributed to the exclusion of beneficiaries from further policies. The more recent 'Shock Plan for Youth Employment (2019-2021)' has, however, prioritised guidance and training.

Ireland did not take immediate action, but eventually focused on structural reforms to remove barriers to employment, before implementing strategies to create new jobs and to support those who lost their jobs. The Irish employment activation system was reformed, and a principle of mutual obligation and sanctions was introduced. Unemployed youths were prioritised in the new system. Under the YG, many different initiatives were introduced; their effectiveness is not well documented, but labour market indicators suggest that some of the measures have been effective. Nevertheless, even before the onset of COVID-19, employment had not reached pre-crisis levels, and the 'quality' of the jobs created for youths, and in general, remains unclear.

## Policy Implications from the Study

The key research findings from this study also have a number of wider policy implications. For example, disparity in male and female employment rates, as well as NEET rates, indicates the need for targeted policies, particularly in the case of Italy and Greece where gender differences in employment are more apparent. Long-term youth unemployment is also a particular issue in Greece, whereas Italy must contend with obstinately high NEET rates.

The continued lagging of tourism-dependent regions in comparison to the national employment rate represents a challenge, while the relative growth of the Food and Accommodation sector in all countries has clear implications for wage levels and temporary employment contracts. Another factor that



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should be taken into account in future policies, is the lack of job growth in manufacturing. This is a concern for Greece, Italy and Spain where 'Engineering, Manufacturing and Construction' is one of the most studied fields for young people.

The European YG has brought a relative convergence of national policy responses, but there is no clear consensus on its effectiveness. Based on the analyses undertaken in this study, only some youth labour market indicators have reached pre-recession levels in the four study countries.

The measured indicators also obscure the very important differences between countries regarding labour quality, with Spain and Italy notably contending with high levels of temporary employment contracts, and Italy and Greece with high levels of long-term unemployment. Ireland has had the strongest overall recovery since the crisis, but youth employment still remains significantly lower than its levels in 2008.

There is a need for youth labour market policy at the EU level to attend to the different needs that have been identified in this report for each country, and to allow for a greater focus on aspects of labour quality. This has already been the direction of the Reinforced Youth Guarantee and remains particularly important in light of the effects of COVID-19. There may be indications of recovery in various youth measures (e.g., NEET rate) in Europe, but there is still a need to focus on the quality of work being created for young people.

In conclusion, compared to previous generations of youth, today's young adults are encountering a shortage of stable, full-time, fair-waged, essentially good quality jobs, along with the implementation of austerity programmes to deal with the fall of the Great Recession. Thus, large



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numbers of young people have tried to enter the labour market during a protracted recessionary and recovery period when formal-sector jobs have been dwindling, and in an era where relatively stable, full-time jobs are giving way to contingent and precarious jobs.

Furthermore, history has shown that economies that rely excessively on a single economic sector, like the regional economies included in the present study, are more vulnerable to structural change as well as various crises, leaving few options for inhabitants, regardless of employment status. Strategies to diversify local and regional economies could potentially reduce such liabilities.

However, we should also keep in mind that already existing inequalities between countries, regions, social groups, etc., will continue to affect the effectiveness of policy responses in the face of new crises. Thus, there continues to be a place for policies around social protection. In this regard, since individuals categorised as NEETs may keep moving in and out of various temporary, part-time, insecure jobs in one or multiple industries, with stints of unemployment and re-skilling in between, they also need sufficient social protection to match the increasingly flexible, changeable, and insecure labour market that they face. This is possibly the only way to ensure some degree of social cohesion in Europe, and some minimum level of protection for the younger generations.



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# 1. Introduction

## 1.1. Overview of Research Project

Collaborative and sharing workspaces: policies for youth in EEA peripheral regions (Cowork4YOUTH) is a joint research project among seven European partner institutions[1] that has two main objectives:

i) to increase knowledge on the impact of existing policies that are in place to increase youth employment opportunities in less developed European Economic Area (EEA) regions; and

ii) to offer policy suggestions that will enhance youth employment opportunities in these regions.

The project focuses on two types of non-metropolitan regions in four European countries, Greece, Italy, Spain and Ireland. The two types of regions are:

i) tourism-dependent, island or remote coastal regions,[2] and

ii) regions facing energy transition, decarbonisation, or intense industrial decline.

As will be illustrated in this baseline study, among EU-27 countries, a high percentage of these four study countries' youth populations are not in employment, education, or training (NEETs): for 2020, this ranged from

[1] Lead Partner: Institute of Urban Environment and Human Resources – Panteion University (UEHR), Greece. Beneficiary Partners (4): Rhodes Centre for History and Social Research Social Cooperative Enterprise (RP), Greece; ISEAK Foundation (ISEAK), Spain; Economic and Social Research Institute (ESRI), Ireland; and Exeo Lab Srl (Exeo Lab), Italy. Expert Partners (2): Mid Sweden University (MIUN, Sweden; and European LEADER for Rural Development (ELARD), Belgium.

[2] Tourism is the third largest EU economic sector (Department of Transport, Tourism and Sport, 2019). Thus, developments in this sector have a wide-ranging impact on employment, especially among those groups known to be more heavily employed in this sector, which includes young people and, in particular, those with low levels of educational attainment.



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14.1% for Ireland to 23.3% for Italy. Thus, the cross-country comparison approach that this research project takes allows for a greater understanding of the impact of youth employment policies among a diverse group of countries and regions, along with aiding the design of more effective policies to assist youths. with regard to the latter, the mechanisms that the project is focusing on to increase young peoples' employment prospects are: i) socially-oriented economy platforms; and ii) collaborative work practices (e.g., co-working spaces), with the latter often seen as a way of increasing opportunities for work experience and access to labour market income.

The Cowork4YOUTH project focuses on young NEETs aged 15-29. Where feasible, particular attention is paid to young mothers and the long-term unemployed, who, for the purposes of this study, are defined as those unemployed for 12 months or more. The project will deliver 14 outputs, the first of which is this baseline study on the impact of youth employment policies.

## 1.2. The Baseline Study

### 1.2.1. Research Objectives

The main objective of the baseline study is to present descriptive evidence on the impact of youth employment policies across EEA regions for the period 2008 to 2020. In particular, the focus is on non-metropolitan regions within each of the four study countries, namely those that are either tourism-dependent or ones that have witnessed energy transition, decarbonisation and intense industrial decline. The purpose of undertaking this descriptive examination is to provide a solid baseline against which the monitoring of the actual policy impact indicators can be built. The findings from the baseline study will be publicly available through the Observatory that is being built as another output of this project.



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### 1.2.2. Approach

In this baseline study, several indicators have been calculated to examine the impact of youth employment policies, both overall and by gender. These national-level indicators refer to the youth of each of the four study countries: i) employment rates, ii) unemployment rates, iii) long-term unemployment rates, iv) NEET rates, and v) inactivity rates.

In order to investigate the impact of youth employment policies on the types of regions that this project focuses on, we also examine youth employment rates (overall and by gender) at the regional level for a number of tourism-dependent and energy transition regions in each study country. These regions were identified with the aid of the project partners in each country and through the calculation of location quotients.[3] For three of the four study countries – Greece, Italy, and Spain – we selected two tourism-dependent regions and three that are witnessing energy transition. For Ireland, the regional information that is available in the microdata used in this study – the European Union Labour Force Survey (EU-LFS) – only permits the identification of three regions in total, two of which, for the purpose of this study, have been classified as tourism-dependent regions, while the third is a region that is being impacted, to a certain extent, by energy transition.

We also calculated sectoral youth employment shares (overall and by gender) for economic sectors that correspond to the region types being focused on in the Cowork4YOUTH project. Specifically, we selected: i) “accommodation and food services” and ii) “arts and entertainment” as both tourism-related economic sectors; iii) “manufacturing” as our intense

[3] Location quotients are a way of quantifying how concentrated a particular industry is in a region as compared to the country as whole. These results are available from the authors on request.



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industrial decline sector; and iv) "electricity" as our energy transition / decarbonisation sector.[4]

All indicators have been calculated for each year between 2008 and 2020 using annual EU-LFS microdata.[5]

For 2019, for each baseline study country, we also present some personal, job-related and unemployment characteristics of youths aged 15 to 29 in employment, unemployment, and NEETs. For example, we focused on their gender profile, educational attainment levels, nationality, job type (full-time/part-time), contract type (permanent/temporary), hours worked per week, and unemployment duration. This examination was undertaken, using EU-LFS microdata, to give an illustration of the types of characteristics youths in the three economic status categories (employment, unemployment, NEET) have, as such information is important in the design of policy to assist each group, in particular, those in unemployment and NEET. The year 2019 was selected to avoid the effects of the COVID-19 pandemic on such characteristics in 2020, the most recent year for which we had EU-LFS microdata for when undertaking this study, as the characteristic information for 2020 would not be representative of such profile information compared to a more 'normal' time period.

In addition to the descriptive evidence that this baseline study presents, we also:

- give an outline of the economic context for each country during the study period: this information captures the situation in countries

[4] Due to small numbers, it was not feasible to examine 'mining and quarrying'. Also, for some of the countries, it was not feasible to present the electricity sector results as the underlying samples on which the results are based are too small for the results to be reliable.

[5] The calculated rates do not always line up with those published by Eurostat. One of the main reasons for this is the use of quarterly data by Eurostat for its published results, which is based on a different weighting scheme to that used in the annual EU-LFS data.



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prior to the Great Recession, in the aftermath of the crisis, when economies had recovered from the recession, and the onset of the COVID-19 health pandemic; and

- An overview of the youth employment policies implemented by the four study countries between 2008 and 2020.

In addition to the study country examinations, we commence this baseline study by giving a descriptive overview of the youth employment situation across EU-27 countries between 2008 and 2020, along with presenting some broad economic and social indicators to provide context. We also give a brief overview of the European youth policy framework in place during this time period.

### 1.2.3. Report Structure

The remainder of this report is structured as follows. Chapter 2 gives an overview of youth employment across European countries between 2008 and 2020, both through descriptive evidence (youth employment rates, unemployment rates, long-term unemployment rates and NEET rates), and a review of the European policy framework in place for youths and NEETs during this period (e.g., the Youth Guarantee).

Chapters 3 to 6 are respectively devoted to describing the situation for youths in Greece, Italy, Spain, and Ireland between 2008 and 2020. Again, descriptive evidence (youth employment rates, unemployment rates, long-term unemployment rates, NEET rates and inactivity rates) is presented, along with a review of the policies put in place by the countries' national and, where applicable, regional governments to support youths over the period of the study. These chapters also give an overview of the economic context faced by each country between 2008 and 2020, along with



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identification of some of the policy implications emerging from the descriptive examination and policy reviews undertaken.

Finally, Chapter 7 will summarise and discuss the findings emerging from the research conducted in Chapters 2 to 6, including the European and country policy responses, and identify the main policy implications emerging from the baseline study research.



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# 2. Overview of Youth Employment Across European Countries

## 2.1 Introduction

The goal of this chapter is twofold. First, to present an overview of the employment situation for youths, defined in this study as those aged 15-29, across European countries between 2008 and 2020. This is undertaken by examining youth employment rates, along with youth unemployment, long-term unemployment, and NEET rates.[6] This information is presented for select years between 2008 and 2020. Specifically, noteworthy points in the business cycle over this time period were: i) 2008, which was just prior to the Great Recession; ii) 2013, which was, for most European countries, the peak of the economic crisis, in terms of the negative effects that the crisis had on countries' labour markets; iii) 2019, which was a time period when countries had returned to economic growth after the Great Recession; and iv) 2020, which was the first year of the COVID-19 health pandemic crisis. The goal of this descriptive examination is to identify how the four countries that are the focus of this project and baseline study – Greece, Italy, Spain, and Ireland – compare with each other and their European counterparts at these key time points between 2008 and 2020. To provide some context to this analysis, we begin by examining some broad economic and social indicators across the four baseline study countries between 2007 and 2020.[7]

The second objective of this chapter is to present a review of the main points of the EU policy framework for youth employment and NEETs between 2008 and 2010. The review starts with information from 2005, in order to describe

[6] Inactivity rates are presented in Appendix A, Table A.1, along with labour force numbers (Table A.2) and population figures (Table A.3).

[7] We select 2007 as the starting point for the broad economic and social indicators examinations because when the Great Recession hit in 2008 it had an immediate detrimental impact on the Irish economy, which was not the case for many EU-27 countries, including the other three countries focused on in this baseline study. Thus, an examination of the situation in 2007 allows for the capturing of the final period of growth and prosperity before the economic crisis occurred in 2008.



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the policy framework in place when the financial crisis occurred in 2008, and ends with an outline of the Reinforced Youth Guarantee, which was published in October 2020. This examination is based mainly on EU policy documents, along with a limited number of review papers by officially recognised institutions, such as the ILO and Eurofound.

## 2.2 Economic and Social Context: Some Broad Indicators

It is well known that the 2008 Great Recession had a detrimental impact on most European countries, both economically (economic growth, government debt, etc.) and socially (unemployment rates, poverty, deprivation rates, etc.), with the four countries focused on in this baseline study being severely impacted. Nevertheless, depending on the economic or social indicator being examined, there was variation across the four countries.

In Figure 2.1, we can see how real GDP growth rates evolved in the four countries between 2007 and 2020, and for the EU-27.[8] In 2007, all countries recorded positive real GDP growth rates, with the rate in Italy being 1.5%, Greece 3.3%, Spain 3.8%, and Ireland 5.3%. Ireland immediately felt the impact of the Great Recession when this hit in 2008 with its real GDP growth rate falling to -4.4%. Italy (-1.1%) and Greece (-0.3%) also recorded negative growth rates in 2008. Meanwhile, Spain still had a positive growth rate, albeit one that was lower than that recorded in 2007 (1.1%). The Irish economy returned to a positive real GDP growth in 2010, while it witnessed a sizeable increase in 2015. This growth was mainly driven by the relocation of large multinational companies (MNCs) to Ireland, specifically their headquarters.[9] In 2020, the first year of the COVID-19 health pandemic,

[8] The data from 2007 to 2018 is for EU-28 countries. However, there is very little difference between the EU-27 and EU-28 real GDP growth rates during these years (see: Eurostat: 2010 - 2020 Real GDP Growth Rates and Eurostat: 2007 - 2009 Real GDP Growth Rates).

[9] This practice of MNCs relocating their headquarters to Ireland is known as re-domiciling, and it has led to the recording of global corporate income as a credit inflow on the Irish balance of payments. This, in turn, has had the effect of increasing Ireland's current account balance, and therefore recorded growth, even though very little economic activity takes place in Ireland. Given the impact



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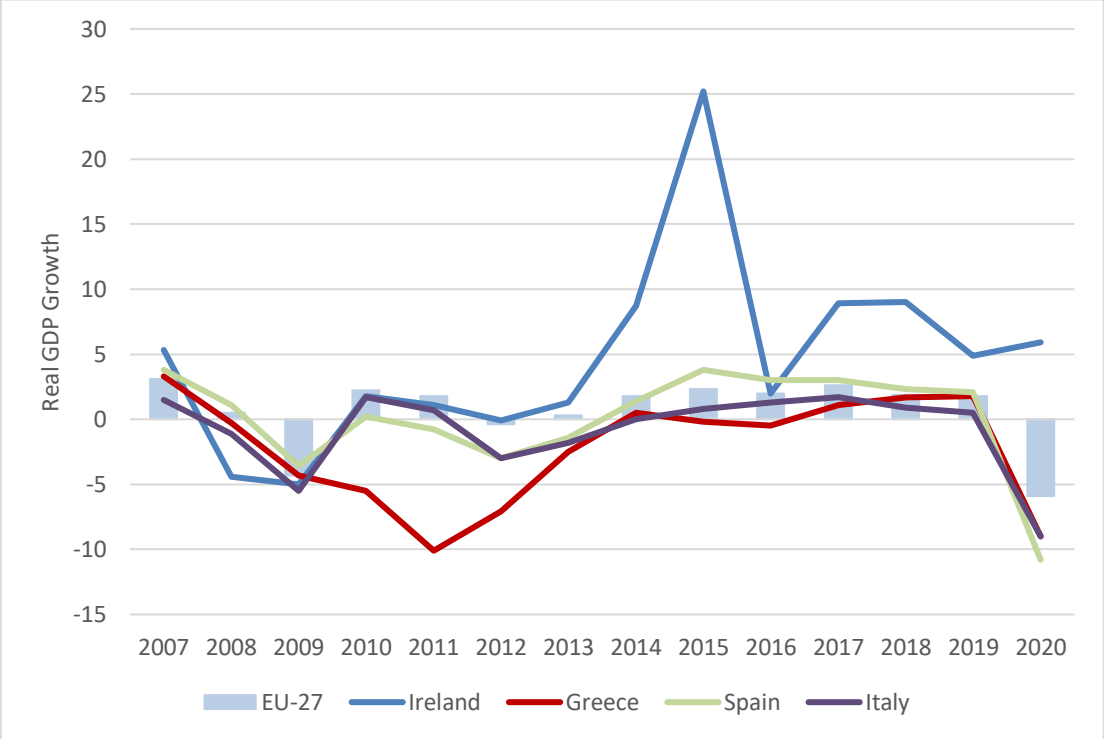
Ireland's real GDP growth rate was 5.9%, the only country of the four baseline study countries to record positive economic growth that year.[10]

**Figure 2. 1: Real GDP Growth Rates: 2007-2020**




**Source:** Eurostat: Eurostat: 2007 - 2009 Real GDP Growth Rates; Eurostat: 2010 - 2020 Real GDP Growth Rates.

Among the other three baseline study countries, Greece's real GDP growth rate fell the most, reaching its lowest level of -10.1% in 2011. For Spain and Italy, they recorded their lowest real GDP growth in 2012, both -3.0%. Greece did not begin to experience consistent positive economic growth again until 2017, while for Spain it was 2014 (1.4%) and Italy 2015 (0.8%).

In 2017, Greece's real GDP growth rate was 1.1%. It increased gradually again in 2018 (1.7%) and 2019 (1.8%), only to turn negative (-9%) when

of this behaviour by MNCs on standard growth rates for Ireland, which became particularly apparent with the exceptional growth rate that was recorded in 2015, a group was set-up within Ireland's national statistical data collection agency, the Central Statistics Office (CSO), in 2016 to advice on alternative measures to better capture economic trends in Ireland. This gave rise to a new measure called GNI* (see: Department of Finance (2018). GDP and Modified GNI. Dublin: Department of Finance).

[10] Based on GNI*, the Irish economy contracted by 3.5% in 2020 (see CSO National Income and Expenditure 2020).



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COVID-19 hit in 2020. Italy recorded the same negative real GDP growth rate in 2020 (-9%), while for Spain it was slightly larger at -10.8%. These countries' negative real GDP growth rates during the first year of COVID-19 likely reflect the importance of the tourism sector to their economies, which was one of the sectors, along with construction, most negatively impacted during the first year of the health pandemic. Tourism is also important to the Irish economy. However, the decline in tourism that took place in Ireland in 2020 was offset by good performances in its multinational-dominated sectors (mainly IT and pharma), which contributed to a 9.5% increase in exports in 2020, with increased exports identified as being one of the main drivers of Ireland's growth in 2020.[11]

Construction was one of the main sectors of economic growth in the four baseline study countries prior to the Great Recession. These countries' over-exposure to tax revenue from this sector, resulted in the 2008 economic crisis, one of the chief components of which was the collapse in the construction sector that had a large negative impact on their financial ability to deal with the crisis. The four countries were also over-dependent on the construction sector for employment; thus, the sector's collapse contributed considerably to the rapid increase in unemployment that took place at that time.

Figure 2.2 shows the percentage of GDP that each baseline study country spent on the construction of housing between 2007 and 2020. From this figure, one can get a sense as to how vulnerable Spain, Ireland, and Greece were in particular to the collapse in the construction sector that took place with the Great Recession, with residential construction as a percentage of GDP around 11% in each of the three countries in 2007. For Italy, however, while construction was also an important sector for economic growth before

[11] See CSO National Income and Expenditure 2020.



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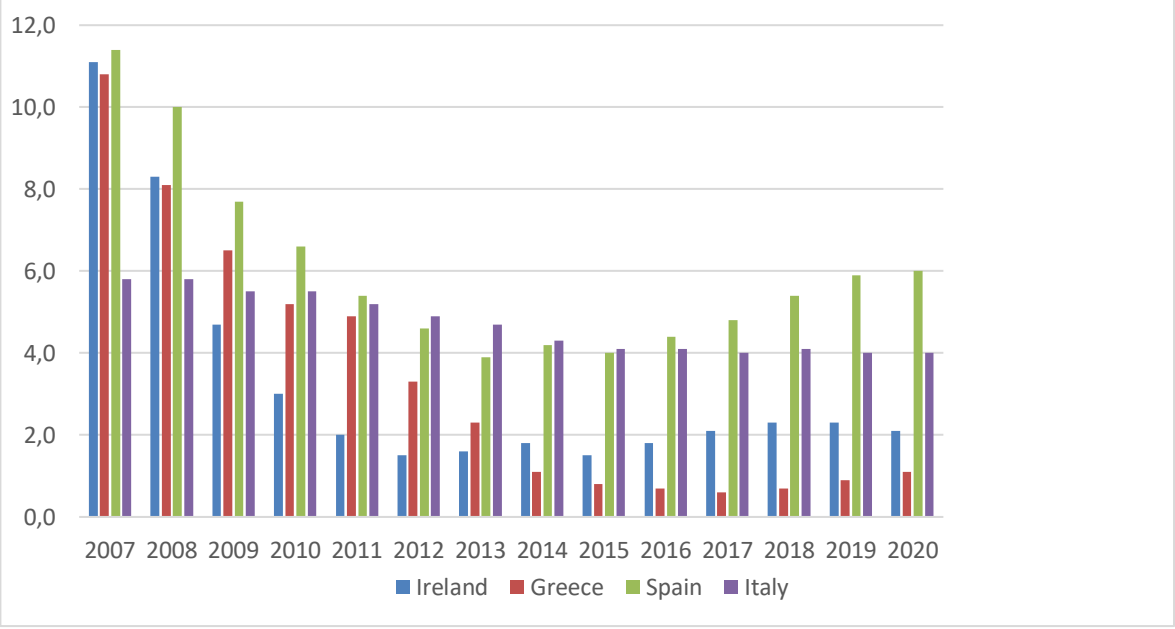
the 2008 economic crisis, residential construction was almost half of what it was in the other three baseline study countries in 2007 (5.8%). Thus, unlike the other three countries, it was less exposed to the fallout from the collapse in the construction sector that took place as part of the Great Recession.

After the crisis, residential construction fell more sharply in Ireland than it did in Spain, Greece, or Italy until its recovery in 2013: it reached its lowest point of 1.5% in 2012 and started to recover gradually after this. It rose to 2.3% in 2018 but was slightly lower at 2.1% in 2020, which can mainly be attributed to the sector being shut down for periods during the year because of measures introduced by the government to prevent the spread of COVID-19.

**Figure 2. 2 Residential Construction (% of GDP): 2007-2020**




**Source:** Eurostat: Residential Construction (% GDP);

Residential construction in Greece fell to a low of 0.6% of GDP in 2017. It has recovered marginally since this time period, standing at 1.1% in 2020. With regard to Spain, its residential construction never fell as low as it did in Ireland and Greece, declining to 3.9% in 2013. It hovered around 4% until



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2017 when it increased to 4.8%. It has been growing gradually since this time point, standing at 6% in 2020.

While residential construction as a percentage of GDP in Italy did decline with the onset of the economic crisis, it experienced the least fall of the four baseline study countries: it fell from 5.8% in 2007 to a low of 4% in 2017, and it has hovered around this level since that time point. The other three countries, however, have never returned to anywhere near their pre-economic crisis levels.

Figure 2.3 shows the four baseline study countries' general government gross debt (GGD),[12] also known as public debt, as a percentage of GDP. In 2007, both Ireland and Spain's GGD was below that of the EU-27 (25% and 36.2% respectively compared to 58.8%), and within the Stability and Growth Pact (SGP) rule of 60% of GDP,[13] with both Italy (103.5%) and Greece (95.7%) recording levels somewhat above that of the EU-27. For each country, GGD grew after this period, more steeply for Ireland and Greece. Ireland's GGD as a percentage of GDP peaked at 120% in 2012, because of the costs associated with the 2008 economic and financial crises. Since this period, it has steadily declined: the rate stood at 57.2% in 2019, only to increase in 2020 to 58.4% because of the costs associated with dealing with the fallout from the COVID-19 health pandemic.

[12] This indicator is defined in the Maastricht Treaty as consolidated general government gross debt at nominal (face) value, outstanding at the end of the year in the following categories of government liabilities (as defined in ESA 2010): currency and deposits, debt securities and loans. The general government sector comprises the following subsectors: central government, state government, local government and social security funds (see Eurostat - GG Debt.

[13] The SGP are a set of fiscal rules between EU member states that aim to ensure that members do not spend beyond their means. To achieve this goal, a set of fiscal rules are enforced to limit budget deficits and debt relative to gross domestic product (GDP). In the case of budget deficits, this cannot exceed 3% of GDP, while government debt cannot be greater than 60% of GDP (see: European Commission - Stability and Growth Pact (SGP)). With the onset of COVID-19 in 2020, the 'general escape clause' of the SGP was activated, allowing member states to deviate from these two rules until 2023 because of the unexpected exceptional circumstances that COVID-19 gave rise to.



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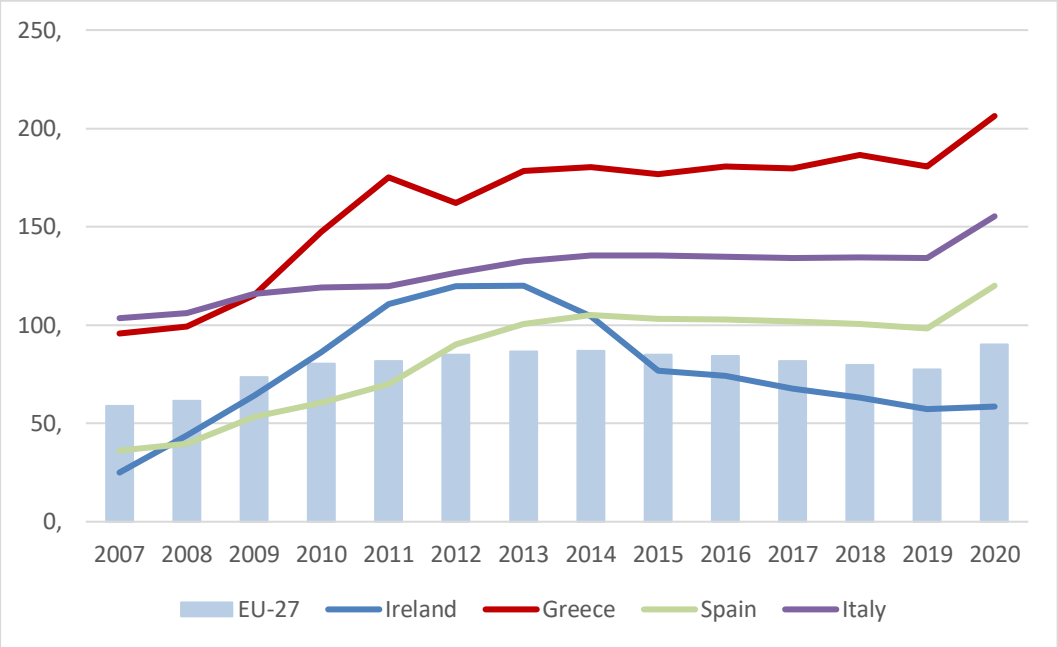
**Figure 2. 3 General Government Debt (% of GDP): 2007-2020**




**Source:** Eurostat: General Government Debt (% GDP)

For Greece, its GGD as a percentage of GDP rose sharply to 175.2% in 2011 (Figure 2.3). It has, for the most part, fluctuated between this and 186% between 2013 and 2019; only to increase even further to 206.3% with the onset of COVID-19 in 2020. In relation to Spain, its GGD as a percentage of GDP, after the 2008 economic crisis, rose to a high of 135.4% in 2014. It remained around this level until 2020 when it increased to 155.3%, because of the costs associated with dealing with the COVID-19 health pandemic. with regard to Italy, its GGD as a percentage of GDP peaked at 135.4% in 2014. Again, like with Spain, it remained around this level until 2020 when it increased to 155.3%. Apart from Ireland, all the other three countries' GG Debt is above the SGP rule of 60% of GDP and has been since the fallout from the 2008 Great Recession. With the onset of COVID-19 in 2020, the SGP's "general escape clause" was activated, allowing countries to go over this set limit of 60% until 2023,[14] Nevertheless, such excessive debt is threatening the fiscal sustainability of these countries in the long term, and potentially

[14] See: European Parliament - SGP General Escape Clause



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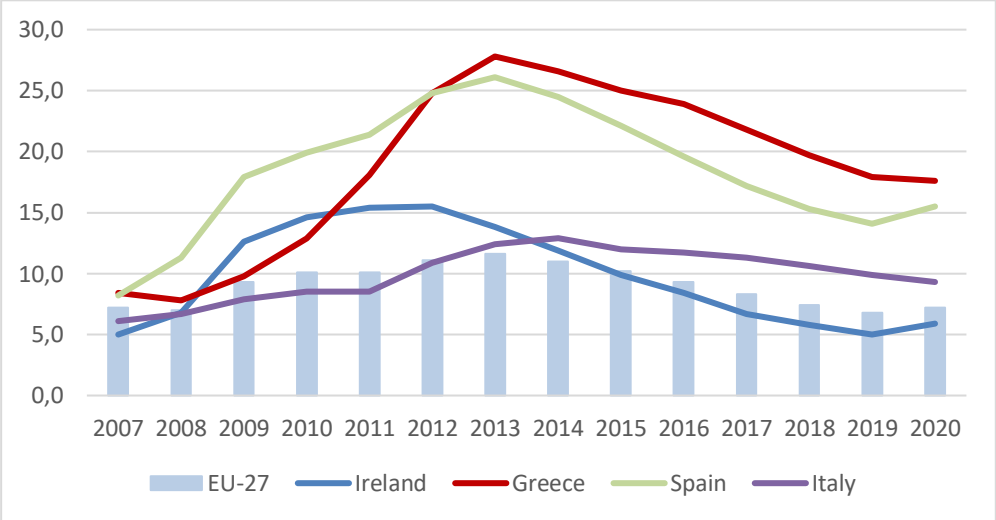
their ability to deal with the youth employment challenges they have been facing since the Great Recession.

Not only has there been variation across the four baseline study countries with regard to key economic indicators since the Global Recession, but also social measures, such as unemployment, youth unemployment (discussed in Section 2.3), poverty risk, material deprivation, and work intensity.

As can be seen from Figure 2.4, the Great Recession had the biggest negative impact on Greece and Spain's labour markets, in terms of unemployment. In 2007, their unemployment rates were respectively 8.4% and 8.2%, with the 2008 economic crisis leading Greece's to peak at 27.8% in 2013 and Spain's at 26.1% the same year. Both rates have declined since this, with Greece's rate standing at 17.6% in 2020 and Spain's at 15.5%, still somewhat higher than their pre-recession levels.

**Figure 2. 4** **Unemployment Rates: 2007-2020**




**Source:** Eurostat: Eurostat UE Rates 2007-2008; Eurostat - UE Rates 2009 - 2020

Ireland's unemployment rate also grew considerably after the onset of the recession in 2008, going from 5% in 2007 to a peak of 15.5% in 2012. The



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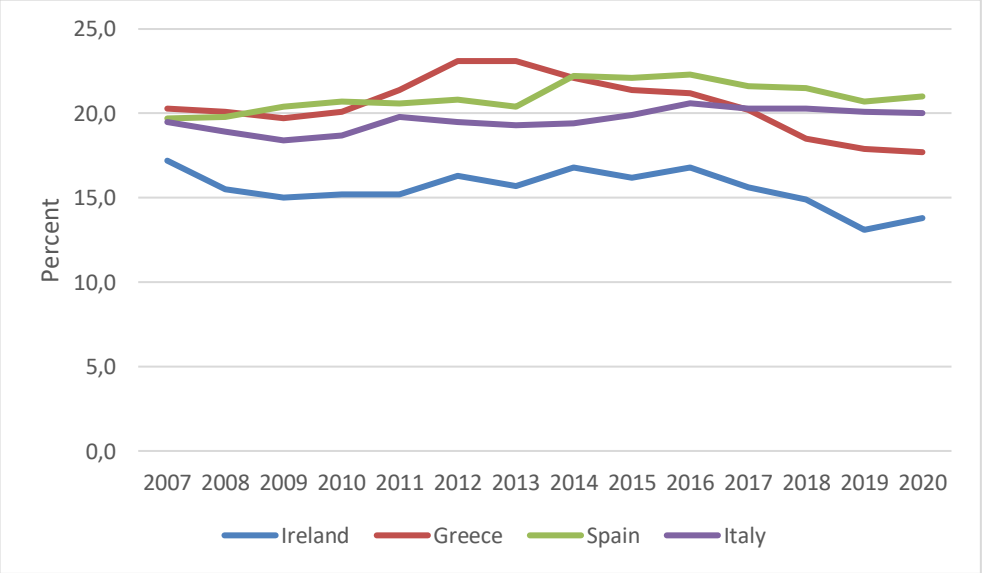
rate fell after this period, reaching its pre-recession level of 5% in 2019, only for COVID-19 to lead it to increase to 5.9% in 2020. Unemployment also rose in Italy after the economic crisis of 2008, but, compared to the other three baseline study countries, the increase was not as severe, going from 6.1% in 2007 to a high of 12.9% in 2014. The rate fell after this and stood at 9.2% in 2020.

In Figure 2.5, we can see that, over the period of this study, Ireland had the lowest risk of poverty of the four baseline study countries. For the first few years after the Great Recession in 2008, the rate was between 15% and 15.5%. It then increased to 16.3% in 2012, to 16.8% in 2014, and since 2016, when it still stood at 16.8%, the rate fell, standing at 13.8% in 2020.

**Figure 2. 5 People at Risk of Poverty (Cut-off Point = 60% of Median Equivalised Income after Social Transfers): 2007-2020**




**Source:** Eurostat: Eurostat - At Risk of Poverty 2007 - 2020

The economic crisis of 2008 seems to have had the biggest impact on Greece's risk of poverty, with its rate going from 20.3% in 2007 to a high of



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23.1% in 2013. It declined after this period and stood at 17.7% in 2020, which is below its pre-recession level of 20.3%.

Spain's risk of poverty grew from 19.7% in 2007 to 22.3% in 2016. It has declined marginally since this to stand at 21% in 2020, which is the highest of the four baseline study countries. Italy's rate was 19.5% in 2007. It then fell in 2008 and 2009. In 2010, it started to increase, peaking at 20.6% in 2016. It fell somewhat after this, to stand at 20% in 2020.

In Figure 2.6 we examine severe material deprivation, which is an absolute measure of poverty where people have living conditions severely constrained by a lack of resources. Of the four baseline study countries, Greece has the largest percentage of severely materially deprived people over the time period of the study (2008 to 2020). The rate grew considerably after the Great Recession, rising from 11.7% in 2007 to a peak of 21.4% in 2016. It declined after this and stood at 15.9% in 2020.

Italy also had a high percentage of severely materially deprived people, with the rate increasing from 6.8% in 2007 to 13.9% in 2012. The rate hovered between 11 and 12% for the next four years, and then started to decline in 2017, falling to 5.9% by 2020, below its pre-recession rate of 6.8% in 2007.

Ireland's rate also grew after the Great Recession, from 3.4% in 2007 to a peak of 8.9% in 2012. It has declined since this period and was 3.7% in 2020. Spain's rate grew the least over the period of the study, rising from 3.1% in 2008 to peak at 6.5% in 2014. The rate declined after this to a low of 4.4% in 2019. However, the onset of COVID-19 seems to have led the rate to rise to 6.4% in 2020, the only country of the four being examined in this study to record this rise in 2020.



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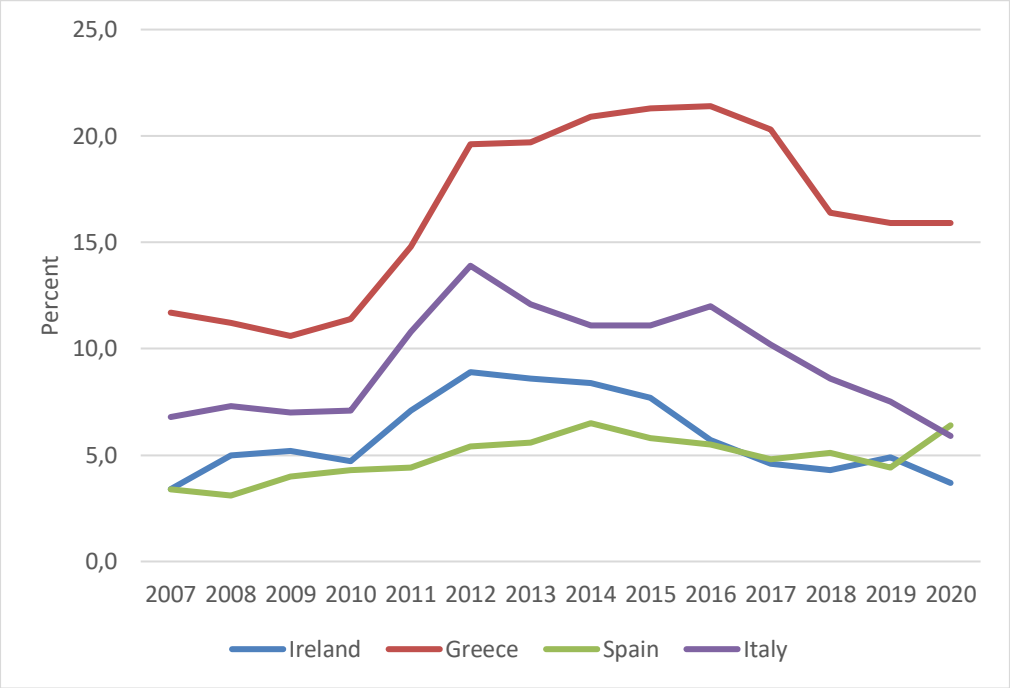
**Figure 2. 6 Severely Materially Deprived People (Population Aged 18 and over): 2007-2020**




**Source:** Eurostat: Eurostat - Severely Deprived People

In Figure 2.7 we examine the percentage of people aged 0-59 living in households with very low work intensity. Specifically, households where the adults (aged 18-59) worked less than 20% of their total work potential during the past year.[15]

Of the four baseline study countries, up until 2017 Ireland had a higher rate of people living in households with very low work intensity. This gap was widest between 2009 and 2014. Since 2018, Greece has recorded the highest rate of people living in households with very low work intensity, with Ireland close behind. Spain experienced a rise in this figure after the Great Recession in 2008, rising from 6.6% that year to a peak of 17.1% in 2014. Since this the rate has fallen and stood at 9.9% in 2020, the lowest of the four baseline study countries that year. Italy's rate has, for the most part, fluctuated between 10% and 13% over the course of the study; thus, not

[15] Students excluded.



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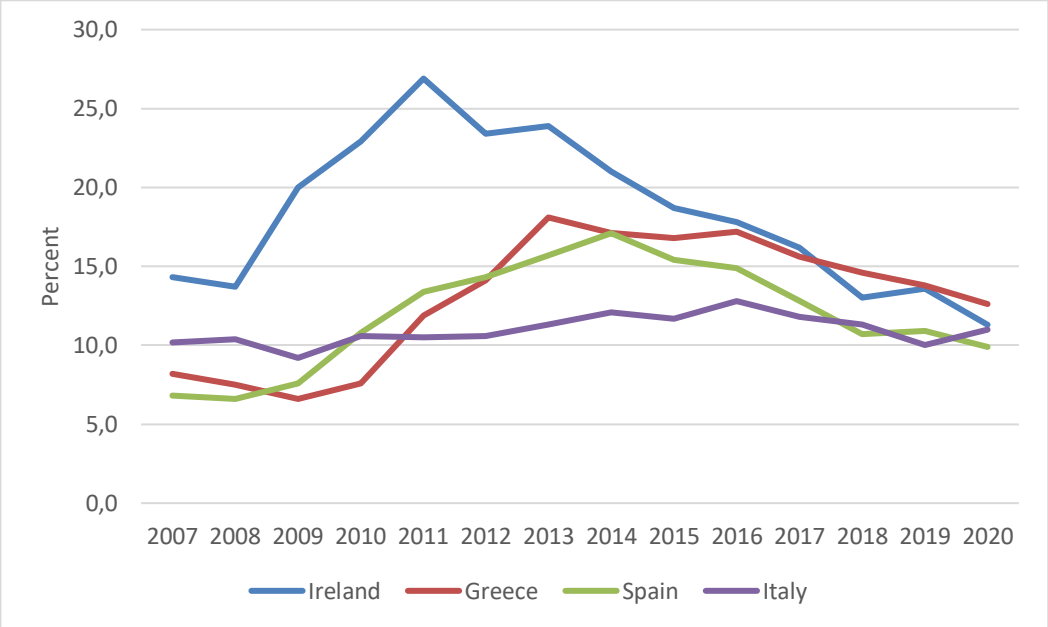
much variation over time, or, unlike the other countries, change in response to the Great Recession in 2008.

**Figure 2. 7 People Living in Households with Very Low Work Intensity (Population Aged Less than 60): 2007-2020**




**Source:** Eurostat: Eurostat - People in Households with Low Work Intensity

## 2.3 Youth Employment Rates: Overall, Males and Females

In 2008, just prior to the Great Recession, the EU-27 youth employment rate stood at 50.9% (Table 2.1). The rate was highest in the Netherlands (71.7%), and lowest in Hungary (38.9%). In relation to the four countries focused on in this baseline study, both Ireland (65.5%) and Spain (52.1%) recorded youth employment rates that were above the EU-27 average (50.9%), with the rate in Ireland almost 15 percentage points higher. On the other hand, the youth employment rates in Greece (42.9%) and Italy (39.1%) were below the EU-27 average rate, with the rate in Italy almost 12 percentage points lower.



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**Table 2. 1 Youth (Aged 15-29) Employment Rates and Numbers for EU-27 Countries – Overall and by Gender: 2008, 2013, 2019 and 2020**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 50.8 | 54.7 | 46.8 | 45.8 | 48.5 | 43.0 | 50.2 | 53.0 | 47.2 | 46.1 | 48.9 | 43.1 |
| (000) | 47994 | 26200 | 21794 | 40419 | 21762 | 18657 | 42354 | 22892 | 19462 | 33104 | 17993 | 15111 |
| Austria (AT) | 62.6 | 65.6 | 59.4 | 62.1 | 64.0 | 60.1 | 62.6 | 65.2 | 60.0 | 60.8 | 62.4 | 59.2 |
| (000) | 967 | 513 | 454 | 962 | 502 | 459 | 955 | 507 | 449 | 920 | 482 | 438 |
| Belgium (BE) | 45.7 | 48.6 | 42.7 | 41.4 | 43.6 | 39.2 | 45.3 | 46.8 | 43.9 | 42.5 | 44.0 | 41.0 |
| (000) | 906 | 486 | 420 | 839 | 445 | 395 | 920 | 480 | 440 | 863 | 452 | 411 |
| Bulgaria (BG) | 41.2 | 46.2 | 35.8 | 37.6 | 41.2 | 33.8 | 42.6 | 47.4 | 37.6 | 38.5 | 43.6 | 33.2 |
| (000) | 589 | 345 | 244 | 480 | 271 | 208 | 440 | 251 | 189 | 381 | 221 | 160 |
| Cyprus (CY) | 53.1 | 51.9 | 54.4 | 40.8 | 39.0 | 42.5 | 52.0 | 51.6 | 52.3 | 49.8 | 48.4 | 51.1 |
| (000) | 89 | 44 | 45 | 77 | 37 | 40 | 89 | 44 | 46 | 86 | 41 | 45 |
| Czechia (CZ) | 45.8 | 53.0 | 38.2 | 44.2 | 50.8 | 37.2 | 49.0 | 55.8 | 41.8 | 45.9 | 54.8 | 36.5 |
| (000) | 981 | 584 | 397 | 825 | 486 | 338 | 795 | 465 | 330 | 736 | 453 | 283 |
| Germany (DE) | 55.8 | 58.3 | 53.1 | 57.7 | 59.7 | 55.6 | 60.2 | 62.8 | 57.4 | 59.7 | 61.1 | 58.1 |
| (000) | 8200 | 4414 | 3786 | 7941 | 4204 | 3737 | 8010 | 4345 | 3664 | 7862 | 4171 | 3690 |
| Denmark (DK) | 68.9 | 70.8 | 67.0 | 56.3 | 56.5 | 56.1 | 61.1 | 61.8 | 60.5 | 60.0 | 60.9 | 59.2 |
| (000) | 656 | 343 | 313 | 585 | 299 | 285 | 683 | 352 | 330 | 667 | 345 | 322 |
| Estonia (EE) | 49.6 | 56.0 | 42.9 | 47.9 | 51.7 | 43.9 | 56.0 | 61.1 | 50.6 | 51.8 | 56.1 | 47.2 |
| (000) | 143 | 83 | 60 | 121 | 67 | 54 | 120 | 68 | 52 | 108 | 60 | 47 |
| Spain (ES) | 52.1 | 55.3 | 48.7 | 32.1 | 33.0 | 31.1 | 37.8 | 39.7 | 35.8 | 33.6 | 34.9 | 32.2 |
| (000) | 4492 | 2442 | 2051 | 2344 | 1240 | 1104 | 2685 | 1449 | 1236 | 2409 | 1286 | 1123 |
| Finland (FI) | 55.1 | 55.7 | 54.5 | 51.5 | 51.0 | 52.1 | 55.6 | 55.2 | 56.0 | 52.2 | 53.2 | 51.2 |
| (000) | 543 | 284 | 260 | 508 | 257 | 250 | 536 | 274 | 262 | 494 | 263 | 231 |
| France (FR) | 48.3 | 52.2 | 44.4 | 44.0 | 46.9 | 41.1 | 44.5 | 46.6 | 42.5 | 43.5 | 45.2 | 41.9 |
| (000) | 5454 | 2937 | 2517 | 4861 | 2583 | 2278 | 5044 | 2635 | 2409 | 4932 | 2562 | 2370 |
| Greece (GR) | 42.9 | 49.7 | 36.0 | 25.6 | 29.3 | 21.8 | 31.3 | 34.6 | 27.9 | 29.5 | 31.9 | 26.9 |
| (000) | 882 | 516 | 366 | 453 | 261 | 192 | 503 | 283 | 220 | 473 | 262 | 211 |
| Croatia (HR) | 45.4 | 52.1 | 38.4 | 31.6 | 34.1 | 29.0 | 43.5 | 48.9 | 37.8 | 41.3 | 47.6 | 34.7 |
| (000) | 373 | 219 | 154 | 245 | 135 | 110 | 298 | 171 | 126 | 277 | 164 | 114 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## Table 2. 1 Continued

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Overall | Male | Female | Overall | Male | Female | Overall | Male | Female | Overall | Male | Female |
| **Country:** | | | | | | | | | | | | |
| Hungry (HU) | 38.9 | 44.5 | 33.2 | 36.9 | 41.3 | 32.3 | 47.1 | 52.8 | 41.1 | 45.9 | 51.5 | 39.9 |
| (000) | 755 | 438 | 318 | 645 | 368 | 277 | 765 | 440 | 324 | 736 | 425 | 311 |
| Ireland (IE) | 65.5 | 67.8 | 63.2 | 48.1 | 47.4 | 48.8 | 53.4 | 54.6 | 52.1 | 49.2 | 50.6 | 47.9 |
| (000) | 701 | 363 | 337 | 425 | 209 | 217 | 485 | 251 | 234 | 454 | 236 | 218 |
| Italy (IT) | 39.1 | 45.1 | 32.8 | 29.1 | 32.9 | 25.2 | 31.8 | 35.9 | 27.3 | 29.8 | 34.5 | 24.9 |
| (000) | 3697 | 2165 | 1532 | 2703 | 1555 | 1148 | 2880 | 1683 | 1198 | 2692 | 1607 | 1085 |
| Lithuania (LT) | 41.1 | 44.6 | 37.5 | 41.1 | 43.9 | 38.1 | 50.2 | 51.7 | 48.5 | 47.4 | 49.1 | 45.5 |
| (000) | 279 | 153 | 126 | 238 | 130 | 107 | 225 | 121 | 104 | 209 | 115 | 94 |
| Luxembourg (LU) | 42.7 | 45.2 | 40.1 | 41.0 | 43.6 | 38.4 | 50.1 | 51.4 | 48.8 | 46.9 | 46.9 | 46.9 |
| (000) | 37 | 20 | 17 | 41 | 22 | 19 | 58 | 30 | 28 | 55 | 28 | 27 |
| Latvia (LV) | 50.2 | 55.9 | 44.4 | 47.9 | 51.3 | 44.2 | 52.2 | 55.7 | 48.6 | 47.7 | 50.1 | 45.2 |
| (000) | 242 | 137 | 105 | 183 | 100 | 83 | 151 | 83 | 68 | 133 | 72 | 61 |
| Netherlands (NL) | 71.7 | 73.8 | 69.6 | 67.3 | 67.3 | 67.2 | 72.2 | 72.1 | 72.4 | 70.3 | 69.9 | 70.6 |
| (000) | 2126 | 1106 | 1020 | 2066 | 1047 | 1019 | 2335 | 1181 | 1154 | 2282 | 1155 | 1127 |
| Romania (RO) | 40.4 | 44.5 | 36.1 | 40.2 | 45.0 | 35.1 | 42.4 | 48.9 | 35.6 | 41.8 | 48.2 | 35.0 |
| (000) | 1951 | 1099 | 852 | 1488 | 860 | 627 | 1345 | 796 | 549 | 1288 | 765 | 522 |
| Sweden (SE) | 54.1 | 55.3 | 52.9 | 53.7 | 53.9 | 53.5 | 57.3 | 57.5 | 57.1 | 54.0 | 54.4 | 53.6 |
| (000) | 957 | 502 | 456 | 991 | 511 | 481 | 1089 | 568 | 521 | 1019 | 534 | 485 |
| Slovenia (SI) | 54.8 | 58.7 | 50.5 | 43.5 | 46.9 | 39.7 | 51.1 | 54.8 | 47.1 | 46.6 | 49.3 | 43.5 |
| (000) | 221 | 124 | 97 | 153 | 86 | 68 | 158 | 89 | 69 | 145 | 81 | 63 |
| Slovakia (SK) | 43.2 | 50.4 | 35.8 | 38.0 | 43.8 | 32.0 | 45.0 | 53.3 | 36.3 | 42.7 | 51.0 | 34.0 |
| (000) | 563 | 335 | 228 | 431 | 253 | 178 | 426 | 258 | 168 | 394 | 241 | 153 |
| Portugal (PT) | 50.9 | 54.7 | 47.0 | 37.8 | 38.8 | 36.7 | 45.7 | 47.1 | 44.2 | 41.3 | 42.2 | 40.3 |
| (000) | 980 | 531 | 449 | 644 | 333 | 311 | 746 | 388 | 358 | 678 | 349 | 329 |
| Poland (PL) | 45.0 | 50.2 | 39.7 | 42.8 | 48.6 | 36.7 | 50.8 | 56.7 | 44.7 | 48.0 | 54.1 | 41.6 |
| (000) | 3799 | 2129 | 1671 | 3108 | 1813 | 1295 | 2994 | 1710 | 1284 | 2747 | 1586 | 1160 |
| Malta (MT) | - | - | - | 60.3 | 63.0 | 57.4 | 68.0 | 69.7 | 66.0 | 65.9 | 68.1 | 63.5 |
| (000) | - | - | - | 51 | 28 | 24 | 67 | 36 | 31 | 64 | 35 | 29 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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At that time point, the male youth employment rate for the EU-27 was higher than that for females (54.7% compared to 46.8%). The rates for both genders were highest in the Netherlands (73.8% versus 69.6%) in 2008, while the male rate was lowest in Hungary and Romania (44.5% in each country), and the female rate lowest in Italy (32.8%). Italy also had a low male youth employment rate that year (45.1%). Of the other countries examined in this study, the male and female youth employment rates were highest in Ireland in 2008 (67.8% for young males and 63.2% for females).

The Great Recession led the EU-27 youth employment rate to fall by 5 percentage points between 2008 and 2013 to 45.8%, the year when the negative labour market effects of the crisis peaked in most European countries. The male rate experienced the biggest decline over this period, falling by just over 6 percentage points to 48.5%, with the female rate declining by almost 4 percentage points to 43%.

Of the four countries examined in this baseline study, Greece and Italy recorded the lowest rates of youth employment of all EU-27 countries in 2013, 25.6% and 29.1%, respectively. Spain's rate also fell below the EU-27 average (32.1%) that year, with Ireland's rate remaining marginally above it (48.1%).

Of all EU-27 countries, Greece (29.3%), Italy (32.9%) and Spain (33%) recorded the lowest male youth employment rates in 2013.. In relation to females, this rate was lowest in Greece (21.8%) and Italy (25.2%).

By 2019, the EU-27 youth employment rate had almost recovered to its 2008 level (50.2% compared to 50.9% in 2008). However, the onset of COVID-19 in 2020 led the rate to fall to 46.1%. By 2019, the EU-27 male youth employment rate had also almost recovered to its pre-Great Recession level



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(53% compared to 54.7% in 2008), while the female rate had surpassed what it had stood at in 2008 (47.2% compared to 46.8% in 2008). As with the overall EU-27 rate, the COVID-19 health pandemic led both rates to fall by just over 4 percentage points, the male rate to 48.9% and the female to 43.1%.

In relation to the four countries that are the focus of this baseline study, all youth employment rates were still somewhat off their pre-Great Recession levels in 2019. For Spain, its youth employment rate stood at 37.8% in 2019 compared to 52.1% in 2008. In relation to Ireland, its rate was 53.4% in 2019 and 65.5% in 2008. For Greece, the rate was 31.3% in 2019 compared to 42.9% in 2008, while for Italy, its youth employment rate was 31.8% in 2019 and 39.1% in 2008.

COVID-19 has led all four countries' youth employment rates to fall, especially in Ireland and Spain where the rates fell to 49.2% and 33.6% in 2020.

## 2.4 Youth Unemployment Rates: Overall, Males and Females

In 2008, the EU-27 youth unemployment rate was 12.1% (Table 2.2). At that time, the EU-27 male and female rates were quite similar, 11.9% and 12.4%, respectively. However, there was variation across the EU-27 countries, in terms of the overall youth unemployment rate and by gender. Specifically, the overall rate went from a low of 6.4% in both Czechia and the Netherlands to a high of 18.1% in Spain.

With regard to the youth unemployment rates in 2008, the male rate went from a low of 6% in Czechia to a high of 17.6% in Spain. In relation to the female youth unemployment rate, Cyprus and the Netherlands had the



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lowest rates (6.4% and 6.5% respectively) and Greece (21.1%), Croatia (19.7%), Spain (18.7%) and Italy (17.7%) the highest.

**Table 2. 2 Youth (Aged 15-29) Unemployment Rates and Numbers for EU-27 Countries - Overall and by Gender: 2008, 2013, 2019 and 2020**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 12.1 | 11.9 | 12.4 | 18.9 | 19.3 | 18.5 | 11.3 | 11.5 | 11.0 | 13.4 | 13.5 | 13.3 |
| (000) | 6620 | 3522 | 3098 | 9446 | 5202 | 4244 | 5391 | 2983 | 2408 | 5139 | 2816 | 2323 |
| Austria (AT) | 7.0 | 6.9 | 7.2 | 8.6 | 8.6 | 8.6 | 6.8 | 7.1 | 6.4 | 8.5 | 9.2 | 7.7 |
| (000) | 73 | 38 | 35 | 90 | 47 | 43 | 70 | 39 | 31 | 86 | 49 | 37 |
| Belgium (BE) | 12.7 | 12.2 | 13.4 | 16.5 | 17.3 | 15.7 | 9.2 | 10.4 | 7.9 | 10.7 | 11.3 | 10.1 |
| (000) | 132 | 67 | 65 | 166 | 93 | 73 | 93 | 56 | 38 | 104 | 58 | 46 |
| Bulgaria (BG) | 9.3 | 9.9 | 8.6 | 21.6 | 22.4 | 20.5 | 6.9 | 7.4 | 6.2 | 8.1 | 8.6 | 7.2 |
| (000) | 61 | 38 | 23 | 132 | 78 | 54 | 32 | 20 | 12 | 33 | 21 | 12 |
| Cyprus (CY) | 6.5 | 6.6 | 6.4 | 27.5 | 29.4 | 25.7 | 11.3 | 11.0 | 11.5 | 13.3 | 15.5 | 11.2 |
| (000) | 6 | 3 | 3 | 29 | 16 | 14 | 11 | 5 | 6 | 13 | 7 | 6 |
| Czechia (CZ) | 6.4 | 6.0 | 7.0 | 12.5 | 12.5 | 12.4 | 3.3 | 3.0 | 3.7 | 5.1 | 4.3 | 6.4 |
| (000) | 67 | 37 | 30 | 118 | 70 | 48 | 27 | 14 | 13 | 40 | 21 | 19 |
| Germany (DE) | 9.7 | 9.8 | 9.5 | 7.2 | 7.9 | 6.4 | 5.1 | 5.8 | 4.2 | 6.4 | 7.0 | 5.8 |
| (000) | 879 | 480 | 399 | 615 | 361 | 254 | 427 | 266 | 161 | 538 | 313 | 225 |
| Denmark (DK) | 7.3 | 6.7 | 7.9 | 13.1 | 13.4 | 12.8 | 9.7 | 9.8 | 9.7 | 11.0 | 11.2 | 10.8 |
| (000) | 51 | 24 | 27 | 88 | 46 | 42 | 74 | 38 | 35 | 83 | 44 | 39 |
| Estonia (EE) | 8.6 | 7.9 | 9.5 | 13.8 | 13.4 | 14.3 | 7.4 | 6.2 | 9.0 | 12.3 | 11.2 | 13.6 |
| (000) | 13 | 7 | 6 | 19 | 10 | 9 | 10 | 4 | 5 | 15 | 8 | 7 |
| Spain (ES) | 18.1 | 17.6 | 18.7 | 43.2 | 43.7 | 42.7 | 24.9 | 24.6 | 25.3 | 29.2 | 29.2 | 29.2 |
| (000) | 993 | 523 | 471 | 1786 | 964 | 822 | 892 | 474 | 418 | 992 | 529 | 463 |
| Finland (FI) | 12.0 | 11.9 | 12.1 | 15.1 | 16.7 | 13.4 | 12.2 | 13.3 | 11.0 | 15.2 | 16.0 | 14.4 |
| (000) | 74 | 38 | 36 | 91 | 52 | 39 | 74 | 42 | 32 | 89 | 50 | 39 |
| France (FR) | 13.2 | 12.7 | 13.8 | 18.4 | 18.7 | 18.1 | 16.2 | 16.8 | 15.5 | 16.5 | 17.0 | 16.0 |
| (000) | 831 | 427 | 404 | 1097 | 592 | 504 | 974 | 533 | 442 | 977 | 526 | 451 |
| Greece (GR) | 16.2 | 12.4 | 21.1 | 48.7 | 45.5 | 52.4 | 28.9 | 26.3 | 32.1 | 29.8 | 27.6 | 32.3 |
| (000) | 170 | 73 | 98 | 429 | 218 | 212 | 205 | 101 | 104 | 201 | 100 | 101 |
| Croatia (HR) | 16.0 | 13.2 | 19.7 | 34.1 | 35.4 | 32.4 | 13.2 | 10.4 | 16.7 | 16.6 | 14.4 | 19.6 |
| (000) | 71 | 33 | 38 | 126 | 74 | 53 | 45 | 20 | 25 | 55 | 28 | 28 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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**Table 2. 2 Continued**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| Hungry (HU) | 12.7 | 12.3 | 13.2 | 17.7 | 17.7 | 17.7 | 7.3 | 7.6 | 6.9 | 8.7 | 8.2 | 9.3 |
| (000) | 110 | 62 | 48 | 139 | 80 | 60 | 60 | 36 | 24 | 70 | 38 | 32 |
| Ireland (IE) | 10.9 | 13.0 | 8.4 | 21.5 | 24.7 | 18.1 | 9.6 | 10.9 | 8.1 | 11.8 | 12.2 | 11.3 |
| (000) | 85 | 54 | 31 | 116 | 69 | 48 | 51 | 31 | 21 | 61 | 33 | 28 |
| Italy (IT) | 15.3 | 13.5 | 17.7 | 29.8 | 28.5 | 31.4 | 22.4 | 21.2 | 23.9 | 22.1 | 21.0 | 23.6 |
| (000) | 669 | 339 | 330 | 1145 | 621 | 525 | 830 | 453 | 377 | 762 | 428 | 334 |
| Lithuania (LT) | 9.5 | 10.0 | 8.8 | 17.1 | 17.8 | 16.2 | 8.7 | 10.3 | 6.8 | 13.4 | 15.1 | 11.2 |
| (000) | 29 | 17 | 12 | 49 | 28 | 21 | 21 | 14 | 8 | 32 | 20 | 12 |
| Luxembourg (LU) | 13.4 | 11.7 | 15.3 | 11.7 | 12.4 | 10.9 | 11.1 | 12.2 | 9.9 | 13.3 | 14.5 | 12.0 |
| (000) | 6 | 3 | 3 | 5 | 3 | 2 | 7 | 4 | 3 | 8 | 5 | 4 |
| Latvia (LV) | 11.2 | 11.1 | 11.3 | 16.4 | 16.5 | 16.3 | 9.5 | 9.7 | 9.3 | 14.0 | 14.6 | 13.3 |
| (000) | 30 | 17 | 13 | 36 | 20 | 16 | 16 | 9 | 7 | 22 | 12 | 9 |
| Netherlands (NL) | 6.4 | 6.3 | 6.5 | 10.9 | 11.1 | 10.6 | 5.3 | 5.6 | 5.0 | 7.1 | 7.2 | 7.1 |
| (000) | 145 | 74 | 70 | 252 | 131 | 121 | 130 | 70 | 60 | 176 | 90 | 86 |
| Romania (RO) | 11.8 | 13.0 | 10.3 | 15.8 | 16.3 | 15.1 | 10.2 | 10.8 | 9.4 | 11.6 | 11.9 | 11.1 |
| (000) | 262 | 164 | 98 | 279 | 168 | 112 | 153 | 96 | 57 | 169 | 104 | 65 |
| Sweden (SE) | 14.4 | 13.7 | 15.1 | 17.2 | 17.8 | 16.6 | 13.8 | 13.7 | 14.0 | 16.6 | 17.3 | 15.9 |
| (000) | 161 | 80 | 81 | 207 | 111 | 96 | 175 | 90 | 85 | 203 | 111 | 92 |
| Slovenia (SI) | 8.3 | 7.2 | 9.7 | 19.0 | 17.1 | 21.4 | 7.5 | 6.3 | 9.0 | 9.7 | 8.7 | 11.0 |
| (000) | 20 | 10 | 10 | 36 | 18 | 18 | 13 | 6 | 7 | 16 | 8 | 8 |
| Slovakia (SK) | 14.1 | 13.1 | 15.4 | 24.3 | 25.2 | 23.0 | 9.7 | 9.6 | 9.7 | 12.3 | 11.5 | 13.7 |
| (000) | 92 | 50 | 42 | 138 | 85 | 53 | 46 | 28 | 18 | 56 | 31 | 24 |
| Portugal (PT) | 13.3 | 10.5 | 16.5 | 28.9 | 28.0 | 29.8 | 12.6 | 11.4 | 13.9 | 15.8 | 15.6 | 15.9 |
| (000) | 151 | 62 | 88 | 261 | 129 | 132 | 108 | 50 | 58 | 127 | 65 | 62 |
| Poland (PL) | 12.0 | 10.7 | 13.5 | 18.9 | 17.4 | 21.0 | 6.6 | 6.0 | 7.2 | 7.1 | 6.9 | 7.3 |
| (000) | 516 | 254 | 262 | 724 | 381 | 344 | 210 | 110 | 100 | 209 | 117 | 92 |
| Malta (MT) | - | - | - | 9.2 | 10.8 | 7.4 | 6.2 | 6.8 | 5.6 | 7.4 | 8.1 | 6.5 |
| (000) | - | - | - | 5 | 3 | 2 | 4 | 3 | 2 | 5 | 3 | 2 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

In 2013, the peak year for most European countries with regard to the detrimental labour market impact of the Great Recession, the EU-27 youth unemployment rate stood at 19.3%, an increase of almost 7 percentage points in 5 years (12.1% in 2008). The EU-27 male rate rose to 19.3% from 11.9% in 2008, and the female rate to 18.5% from 12.4%. Thus, on average, the Great Recession had a bigger negative impact on male youths than females.



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However, there was variation across EU countries. The overall youth unemployment rate grew the least in Austria (from 7% in 2008 to 8.6% in 2013), and the most in Greece (from 16.2% in 2008 to 48.7% in 2013). The overall rate also decreased in two EU-27 countries between 2008 and 2013, Germany (from 9.7% to 7.2%) and Luxembourg (from 13.4% to 11.7%).

In relation to gender, between 2008 and 2013 the male rate increased the most in Greece (12.4% to 45.5%), and the least in Luxembourg (11.7% to 12.4%). As with the overall rate, the male youth unemployment fell in Germany between 2008 and 2013, from 9.8% to 7.9%.

With regard to females, the rate rose the least in Austria between 2008 and 2013 (7.2% to 8.6%), and it increased the most in Greece (21.1% to 52.4%). The female rate fell in both Luxembourg (15.3% to 10.9%) and Germany (9.5% to 6.4%) during this period.

By 2019, the EU-27 youth unemployment rate had fallen to below its pre-Great Recession level, to 11.3% compared to 12.1% in 2008. However, the onset of the COVID-19 pandemic in 2020 led the rate to increase to 13.4%. Both the male and female EU-27 youth unemployment rates had also fallen to below their pre-Great Recession levels in 2019, to 11.5% for males (11.9% in 2008) and to 11% for females (12.4% in 2008). Again, COVID-19 led both of these rates to increase in 2020, to 13.5% for males and to 13.3% for females.

For each of the four countries that are being focused on in this baseline study, by 2019 their youth unemployment rates had fallen considerably compared to their peak levels in 2013. However, apart from Ireland, the other three countries' youth unemployment rates had not returned to their 2008 levels, either overall or by gender.



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Each of the other EU-27 countries' youth unemployment rates also fell from their peak rates after the Great Recession, with most falling below what their rates were in 2008. However, COVID-19 caused their rates to rise again in 2020, including for three of the four countries that are the focus of this baseline study: Spain, Greece and Ireland.

## 2.5 Long-Term Youth Unemployment Rates: Overall, Males and Females

The EU-27 long-term unemployment rate[16] for youths stood at 3.1% in 2008, with very little difference between the male (3.2%) and female (3%) rates (Table 2.3). Countries that recorded some of the highest rates at this time point included Slovakia (7.9%), Croatia (7.8%), Greece (6.5%), and Italy (6.1%), with the lowest rates being reported by Denmark (0.3%), Finland (0.6%), Sweden (0.6%) and Cyprus (0.8%).

In relation to gender, the male long-term youth unemployment rate was highest in Slovakia (7.5%) in 2008, while for females it was highest in Croatia (9.8%).

[16] Defined as those unemployed for 12 months or more.



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**Table 2. 3 Youth (Aged 15-29) Long-Term Unemployment Rates and Numbers for EU-27 Countries - Overall and by Gender: 2008, 2013, 2019 and 2020**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 3.1 | 3.2 | 3.0 | 7.0 | 7.4 | 6.5 | 3.0 | 3.3 | 2.7 | 3.2 | 3.3 | 3.1 |
| (000) | 1701 | 945 | 756 | 3507 | 2007 | 1500 | 1447 | 855 | 592 | 1225 | 680 | 545 |
| Austria (AT) | 1.0 | 1.0 | 1.1 | 1.3 | 1.2 | 1.4 | 1.1 | 1.2 | 1.0 | 1.1 | 1.3 | 1.0 |
| (000) | 11 | 5 | 6 | 14 | 7 | 7 | 11 | 6 | 5 | 11 | 7 | 5 |
| Belgium (BE) | 4.2 | 3.9 | 4.5 | 5.5 | 5.6 | 5.3 | 3.0 | 3.5 | 2.4 | 3.1 | 3.6 | 2.5 |
| (000) | 43 | 22 | 22 | 55 | 30 | 25 | 30 | 19 | 11 | 30 | 18 | 12 |
| Bulgaria (BG) | 4.5 | 4.9 | 4.0 | 12.0 | 13.3 | 10.2 | 4.2 | 4.4 | 4.0 | 3.8 | 4.1 | 3.4 |
| (000) | 29 | 19 | 11 | 73 | 47 | 27 | 20 | 12 | 8 | 16 | 10 | 6 |
| Cyprus (CY) | 0.8 | 0.9 | 0.6 | 9.9 | 12.1 | 7.9 | 2.2 | 2.1 | 2.3 | 2.6 | 2.9 | 2.3 |
| (000) | 1 | 0 | 0 | 11 | 6 | 4 | 2 | 1 | 1 | 3 | 1 | 1 |
| Czechia (CZ) | 2.2 | 2.2 | 2.1 | 3.5 | 3.5 | 3.5 | 0.7 | 0.7 | 0.7 | 0.7 | 0.5 | 0.9 |
| (000) | 23 | 14 | 9 | 33 | 19 | 13 | 6 | 3 | 3 | 5 | 2 | 3 |
| Germany (DE) | 3.0 | 3.1 | 2.8 | 1.9 | 2.1 | 1.6 | 1.2 | 1.5 | 0.8 | 0.9 | 1.0 | 0.8 |
| (000) | 272 | 154 | 119 | 159 | 96 | 63 | 98 | 68 | 30 | 76 | 47 | 29 |
| Denmark (DK) | 0.3 | 0.3 | 0.3 | 1.6 | 1.5 | 1.7 | 0.7 | 0.7 | 0.7 | 0.9 | 0.8 | 1.0 |
| (000) | 2 | 1 | 1 | 11 | 5 | 6 | 6 | 3 | 3 | 7 | 3 | 4 |
| Estonia (EE) | 1.9 | 2.4 | 1.2 | 5.0 | 5.3 | 4.6 | 0.7 | 0.7 | 0.7 | 0.9 | 1.0 | 0.7 |
| (000) | 3 | 2 | 1 | 7 | 4 | 3 | 1 | 0 | 0 | 1 | 1 | 0 |
| Spain (ES) | 2.1 | 1.9 | 2.3 | 17.5 | 18.5 | 16.4 | 5.4 | 5.8 | 4.9 | 5.8 | 5.6 | 6.1 |
| (000) | 116 | 58 | 59 | 725 | 408 | 317 | 193 | 112 | 81 | 198 | 101 | 97 |
| Finland (FI) | 0.6 | 0.8 | 0.3 | 1.0 | 1.3 | 0.7 | 0.6 | 0.7 | 0.4 | 0.7 | 0.9 | 0.5 |
| (000) | 3 | 3 | 1 | 6 | 4 | 2 | 4 | 2 | 1 | 4 | 3 | 1 |
| France (FR) | 3.3 | 3.3 | 3.2 | 5.2 | 5.4 | 5.0 | 4.2 | 5.0 | 3.2 | 3.8 | 4.0 | 3.6 |
| (000) | 207 | 112 | 94 | 308 | 171 | 138 | 251 | 159 | 92 | 223 | 123 | 101 |
| Greece (GR) | 6.5 | 4.4 | 9.3 | 29.1 | 27.4 | 31.1 | 17.1 | 15.2 | 19.4 | 16.9 | 15.3 | 18.7 |
| (000) | 69 | 26 | 43 | 257 | 131 | 126 | 121 | 58 | 63 | 114 | 55 | 58 |
| Croatia (HR) | 7.8 | 6.3 | 9.8 | 18.4 | 20.0 | 16.4 | 3.6 | 2.4 | 5.1 | 3.8 | 3.1 | 4.8 |
| (000) | 35 | 16 | 19 | 68 | 42 | 27 | 12 | 5 | 8 | 13 | 6 | 7 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## Table 2. 3 Continued

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| Hungry (HU) | 4.8 | 4.9 | 4.5 | 6.7 | 6.8 | 6.6 | 1.9 | 2.2 | 1.5 | 1.9 | 1.9 | 1.9 |
| (000) | 41 | 25 | 16 | 53 | 31 | 22 | 16 | 10 | 5 | 16 | 9 | 7 |
| Ireland (IE) | 2.1 | 2.9 | 1.2 | 9.7 | 12.8 | 6.4 | 2.0 | 2.6 | 1.3 | 1.8 | 2.0 | 1.5 |
| (000) | 16 | 12 | 4 | 53 | 35 | 17 | 11 | 7 | 3 | 9 | 5 | 4 |
| Italy (IT) | 6.1 | 5.4 | 7.2 | 15.8 | 15.7 | 16.1 | 10.8 | 10.3 | 11.5 | 9.4 | 9.1 | 9.9 |
| (000) | 268 | 135 | 133 | 610 | 341 | 269 | 401 | 220 | 181 | 326 | 185 | 141 |
| Lithuania (LT) | 1.0 | 1.1 | 0.8 | 4.3 | 4.7 | 3.7 | 1.2 | 1.5 | 0.9 | 1.8 | 1.7 | 1.8 |
| (000) | 3 | 2 | 1 | 12 | 7 | 5 | 3 | 2 | 1 | 4 | 2 | 2 |
| Luxembourg (LU) | 3.2 | 1.7 | 4.8 | 1.8 | 2.4 | 1.2 | 1.2 | 1.1 | 1.4 | 2.1 | 2.4 | 1.8 |
| (000) | 1 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 |
| Latvia (LV) | 1.8 | 1.6 | 2.1 | 5.7 | 6.0 | 5.4 | 2.3 | 1.5 | 3.2 | 2.7 | 2.4 | 3.2 |
| (000) | 5 | 3 | 2 | 13 | 7 | 5 | 4 | 1 | 2 | 4 | 2 | 2 |
| Netherlands (NL) | 1.0 | 1.1 | 0.9 | 1.7 | 2.1 | 1.3 | 0.4 | 0.5 | 0.4 | 0.7 | 0.9 | 0.5 |
| (000) | 23 | 13 | 10 | 40 | 25 | 15 | 11 | 6 | 5 | 17 | 11 | 6 |
| Romania (RO) | 5.1 | 6.0 | 4.0 | 6.7 | 6.7 | 6.6 | 3.9 | 4.2 | 3.4 | 3.5 | 3.7 | 3.3 |
| (000) | 114 | 75 | 38 | 118 | 69 | 49 | 58 | 37 | 21 | 51 | 32 | 19 |
| Sweden (SE) | 0.6 | 0.7 | 0.6 | 1.4 | 1.5 | 1.3 | 0.6 | 0.7 | 0.5 | 0.9 | 1.0 | 0.6 |
| (000) | 7 | 4 | 3 | 17 | 10 | 7 | 7 | 4 | 3 | 10 | 7 | 4 |
| Slovenia (SI) | 2.1 | 1.9 | 2.4 | 8.2 | 7.4 | 9.1 | 2.0 | 1.7 | 2.4 | 2.7 | 2.0 | 3.7 |
| (000) | 5 | 3 | 3 | 15 | 8 | 8 | 3 | 2 | 2 | 4 | 2 | 3 |
| Slovakia (SK) | 7.9 | 7.5 | 8.5 | 15.6 | 16.6 | 14.0 | 4.5 | 5.1 | 3.6 | 4.8 | 4.9 | 4.7 |
| (000) | 52 | 29 | 23 | 89 | 56 | 32 | 21 | 15 | 7 | 22 | 13 | 8 |
| Portugal (PT) | 4.0 | 3.2 | 4.8 | 12.2 | 12.9 | 11.3 | 3.1 | 2.9 | 3.3 | 3.1 | 3.0 | 3.2 |
| (000) | 45 | 19 | 26 | 110 | 60 | 50 | 26 | 13 | 14 | 25 | 12 | 12 |
| Poland (PL) | 3.0 | 2.7 | 3.3 | 6.8 | 6.3 | 7.6 | 1.1 | 1.0 | 1.2 | 1.1 | 1.2 | 1.0 |
| (000) | 129 | 65 | 63 | 261 | 137 | 124 | 34 | 18 | 17 | 33 | 20 | 12 |
| Malta (MT) | - | - | - | 4.5 | 5.1 | 3.7 | 1.6 | 2.4 | 0.7 | 1.7 | 2.3 | 0.8 |
| (000) | - | - | - | 3 | 2 | 1 | 1 | 1 | 0 | 1 | 1 | 0 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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In 2013, the height of the labour market fallout from the Great Recession in most European countries, the EU-27 long-term youth unemployment rate stood at 7%, an increase of almost 4 percentage points from its rate in 2008. There was just less than a one percentage point difference in the male (7.4%) and female (6.5%) rates at that time point.

However, there was huge variation in the rates across EU-27 countries. Greece recorded the highest long-term youth unemployment rate, overall (29.1%) and by gender (27.4% for males and 31.1% for females) in 2013., while the overall rate was lowest in Finland (1%).

By 2019, when countries had returned to economic growth after the 2008 economic crisis, the EU-27 long-term youth unemployment rate had fallen to 3%, just marginally less to what the rate was in 2008 (3.1%). At this time point, the male rate was just above its 2008 rate (3.3% compared to 3.2% in 2008), with the female rate below its 2008 level (2.7% compared to 3% in 2008).

The onset of COVID-19 in 2020 led to a marginal rise in the EU-27 long-term youth unemployment rate, to 3.2% from 3% in 2019. This was driven by a rise in the female long-term youth unemployment rate, from 2.7% in 2019 to 3.1% in 2020, as there was no change in the male rate between these two time points (3.3%).

In 2019, the long-term youth unemployment rate had fallen across all EU-27 countries. However, Greece (17.1%) and Italy (10.8%) continued to record high rates. Spain's rate fell considerably from its high of 17.5% in 2013 to 5.4% in 2019. There was also a large decline in the Irish rate. At this time point, the Netherlands recorded the lowest long-term youth unemployment rate (0.4%).



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The onset of COVID-19 in 2020 did not lead to a rise in the Greek, Italian or Irish long-term youth unemployment rates, while there was a slight increase in the Spanish rate.

## 2.6 Youth NEET Rates: Overall, Males and Females

In 2008, the EU-27 NEET rate for youths stood at 13.1%, with the rate higher among young females, 15.8% compared to 10.4% for young males (Table 2.4). The rate was highest in Italy (19.2%), and lowest in the Netherlands (5.8%).

There was variation in the NEET rates across countries by gender. Specifically, the male NEET rate was highest in Cyprus (17.3%) in 2008 and lowest in the Netherlands (4.1%). For females, the rate was highest in Italy (23%) at this time point and lowest in Denmark (6.5%).

In 2013, the overall EU-27 NEET rate had risen to 15.9%, with the female rate (17.5%) higher than the male (14.3%). However, the growth in the NEET rate between 2008 and 2013 was greater among young males.[17]

Among EU-27 countries, Greece recorded the highest NEET rate in 2013, both overall (28.5%) and for females (30.3%), while Luxembourg (7.5%) recorded the lowest overall NEET rate in 2013. The highest male NEET rate was in Cyprus (29.2%), and the lowest in Germany (6.9%). In addition to Greece, Italy also recorded a high female NEET rate in 2013 (25.9%), while the lowest female NEET rate in 2013 was in Luxembourg (8%).

[17] The NEET rate grew by 37.5% for young males between 2008 and 2013 and 10.8% for females.



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**Table 2. 4 Youth (Aged 15-29) NEET Rates and Numbers for EU-27 Countries - Overall and by Gender: 2008, 2013, 2019 and 2020**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 13.1 | 10.4 | 15.8 | 15.9 | 14.3 | 17.5 | 12.6 | 10.7 | 14.5 | 13.9 | 12.6 | 15.4 |
| (000) | 12358 | 4984 | 7374 | 13998 | 6398 | 7600 | 10607 | 4617 | 5990 | 10004 | 4625 | 5379 |
| Austria (AT) | 9.9 | 8.9 | 11.0 | 9.7 | 9.7 | 9.7 | 9.2 | 8.7 | 9.8 | 10.6 | 11.6 | 9.6 |
| (000) | 153 | 70 | 84 | 150 | 76 | 74 | 141 | 68 | 73 | 161 | 89 | 71 |
| Belgium (BE) | 12.0 | 10.1 | 14.0 | 14.9 | 14.1 | 15.7 | 11.4 | 10.6 | 12.1 | 12.5 | 12.1 | 13.0 |
| (000) | 239 | 101 | 138 | 302 | 144 | 158 | 231 | 109 | 122 | 254 | 124 | 130 |
| Bulgaria (BG) | 17.9 | 14.8 | 21.4 | 24.7 | 23.3 | 26.2 | 16.0 | 13.0 | 19.2 | 18.1 | 15.3 | 21.1 |
| (000) | 256 | 110 | 146 | 315 | 154 | 161 | 166 | 69 | 96 | 179 | 78 | 102 |
| Cyprus (CY) | 15.3 | 17.3 | 13.2 | 24.7 | 29.2 | 20.1 | 16.7 | 17.6 | 15.9 | 18.2 | 20.2 | 16.3 |
| (000) | 26 | 15 | 11 | 47 | 28 | 19 | 29 | 15 | 14 | 31 | 17 | 14 |
| Czechia (CZ) | 10.7 | 4.9 | 16.7 | 13.3 | 8.3 | 18.7 | 10.2 | 4.1 | 16.6 | 10.9 | 4.1 | 18.1 |
| (000) | 228 | 54 | 174 | 249 | 79 | 170 | 165 | 34 | 131 | 174 | 34 | 140 |
| Germany (DE) | 11.1 | 9.0 | 13.3 | 8.7 | 6.9 | 10.7 | 7.6 | 5.7 | 9.6 | 8.9 | 7.9 | 9.9 |
| (000) | 1627 | 681 | 945 | 1202 | 483 | 719 | 1011 | 398 | 614 | 1168 | 539 | 630 |
| Denmark (DK) | 6.0 | 5.6 | 6.5 | 8.4 | 8.0 | 8.8 | 9.6 | 9.6 | 9.7 | 10.2 | 10.0 | 10.5 |
| (000) | 58 | 27 | 30 | 87 | 42 | 45 | 108 | 55 | 53 | 114 | 57 | 57 |
| Estonia (EE) | 12.3 | 8.6 | 16.2 | 15.1 | 12.7 | 17.7 | 10.4 | 7.3 | 13.8 | 11.8 | 9.7 | 14.0 |
| (000) | 35 | 13 | 23 | 38 | 17 | 22 | 22 | 8 | 14 | 24 | 10 | 14 |
| Spain (ES) | 14.5 | 13.2 | 15.9 | 22.0 | 22.7 | 21.2 | 14.3 | 14.0 | 14.6 | 16.8 | 17.6 | 15.9 |
| (000) | 1254 | 584 | 670 | 1606 | 852 | 754 | 1015 | 511 | 504 | 1201 | 647 | 555 |
| Finland (FI) | 10.7 | 11.2 | 10.1 | 13.0 | 14.2 | 11.7 | 10.4 | 10.4 | 10.5 | 11.6 | 12.9 | 10.3 |
| (000) | 105 | 57 | 48 | 128 | 72 | 56 | 101 | 51 | 49 | 110 | 64 | 46 |
| France (FR) | 12.4 | 10.5 | 14.3 | 13.6 | 12.3 | 14.9 | 13.6 | 12.0 | 15.1 | 14.9 | 14.5 | 15.3 |
| (000) | 1400 | 590 | 810 | 1502 | 678 | 824 | 1536 | 678 | 857 | 1689 | 824 | 865 |
| Greece (GR) | 14.8 | 9.8 | 20.0 | 28.5 | 26.8 | 30.3 | 17.7 | 16.3 | 19.1 | 18.7 | 17.8 | 19.7 |
| (000) | 305 | 102 | 203 | 505 | 238 | 267 | 284 | 134 | 151 | 301 | 146 | 154 |
| Croatia (HR) | 13.0 | 10.9 | 15.2 | 22.3 | 22.5 | 22.1 | 14.2 | 12.2 | 16.3 | 14.6 | 13.3 | 16.0 |
| (000) | 107 | 46 | 61 | 173 | 89 | 84 | 97 | 43 | 55 | 98 | 46 | 53 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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**Table 2. 4 Continued**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Overall | Male | Female | Overall | Male | Female | Overall | Male | Female | Overall | Male | Female |
| **Country:** | | | | | | | | | | | | |
| Hungry (HU) | 15.9 | 11.2 | 20.7 | 18.4 | 14.5 | 22.6 | 13.2 | 8.7 | 17.9 | 14.7 | 10.0 | 19.7 |
| (000) | 308 | 110 | 198 | 323 | 129 | 194 | 214 | 73 | 141 | 236 | 83 | 154 |
| Ireland (IE) | 14.0 | 13.5 | 14.5 | 18.8 | 19.0 | 18.5 | 11.4 | 10.5 | 12.4 | 14.1 | 13.8 | 14.5 |
| (000) | 150 | 72 | 78 | 166 | 84 | 82 | 104 | 48 | 55 | 130 | 64 | 66 |
| Italy (IT) | 19.2 | 15.6 | 23.0 | 25.9 | 24.4 | 27.5 | 22.1 | 20.1 | 24.2 | 23.3 | 21.3 | 25.4 |
| (000) | 1819 | 747 | 1072 | 2405 | 1153 | 1252 | 2003 | 943 | 1060 | 2100 | 994 | 1106 |
| Lithuania (LT) | 11.9 | 11.1 | 12.7 | 13.7 | 13.2 | 14.3 | 11.3 | 11.6 | 11.0 | 13.4 | 14.2 | 12.4 |
| (000) | 81 | 38 | 43 | 79 | 39 | 40 | 51 | 27 | 24 | 59 | 33 | 26 |
| Luxembourg (LU) | 9.2 | 7.0 | 11.3 | 7.5 | 6.9 | 8.0 | 5.8 | 6.4 | 5.1 | 7.9 | 8.4 | 7.3 |
| (000) | 8 | 3 | 5 | 8 | 4 | 4 | 7 | 4 | 3 | 9 | 5 | 4 |
| Latvia (LV) | 13.6 | 10.5 | 16.7 | 15.6 | 13.9 | 17.3 | 11.2 | 9.6 | 12.8 | 13.4 | 13.8 | 13.0 |
| (000) | 65 | 26 | 40 | 59 | 27 | 32 | 32 | 14 | 18 | 37 | 20 | 18 |
| Netherlands (NL) | 5.8 | 4.1 | 7.5 | 7.8 | 6.9 | 8.7 | 5.6 | 5.2 | 6.0 | 5.6 | 5.5 | 5.6 |
| (000) | 171 | 61 | 109 | 238 | 107 | 131 | 181 | 86 | 95 | 180 | 91 | 89 |
| Romania (RO) | 13.2 | 8.9 | 17.8 | 19.6 | 16.2 | 23.2 | 16.8 | 11.8 | 22.1 | 16.6 | 11.4 | 22.1 |
| (000) | 639 | 219 | 419 | 724 | 309 | 415 | 532 | 192 | 340 | 511 | 181 | 330 |
| Sweden (SE) | 8.3 | 7.7 | 9.0 | 7.9 | 7.5 | 8.2 | 6.3 | 6.1 | 6.6 | 7.3 | 7.0 | 7.6 |
| (000) | 147 | 70 | 77 | 145 | 71 | 74 | 120 | 60 | 60 | 137 | 69 | 69 |
| Slovenia (SI) | 7.5 | 6.6 | 8.4 | 12.9 | 11.7 | 14.1 | 8.8 | 6.6 | 11.2 | 9.2 | 7.8 | 10.9 |
| (000) | 30 | 14 | 16 | 45 | 21 | 24 | 27 | 11 | 16 | 29 | 13 | 16 |
| Slovakia (SK) | 15.3 | 10.5 | 20.3 | 19.0 | 16.2 | 21.9 | 14.5 | 9.7 | 19.5 | 15.2 | 10.4 | 20.2 |
| (000) | 199 | 69 | 129 | 216 | 94 | 122 | 137 | 47 | 90 | 140 | 49 | 91 |
| Portugal (PT) | 11.9 | 9.2 | 14.6 | 16.4 | 16.0 | 16.9 | 9.2 | 8.3 | 10.1 | 11.0 | 11.0 | 11.1 |
| (000) | 229 | 90 | 139 | 280 | 137 | 143 | 150 | 68 | 82 | 181 | 91 | 91 |
| Poland (PL) | 12.7 | 8.8 | 16.7 | 16.2 | 13.4 | 19.1 | 12.0 | 7.6 | 16.6 | 12.9 | 8.7 | 17.3 |
| (000) | 1077 | 375 | 702 | 1176 | 501 | 675 | 704 | 229 | 475 | 738 | 254 | 484 |
| Malta (MT) | - | - | - | 10.9 | 9.1 | 12.7 | 7.9 | 6.3 | 9.6 | 9.5 | 8.5 | 10.5 |
| (000) | - | - | - | 9 | 4 | 5 | 8 | 3 | 4 | 9 | 4 | 5 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

By 2019, the EU-27 NEET rate for youths had fallen to below its 2008 level, 12.6% (13.1% in 2008). So too had the female rate (14.5% compared to 15.8% in 2008), with the male rate marginally higher than what it was in 2008 (10.7% compared to 10.4%). The onset of COVID-19 in 2020 led these rates to rise, the overall to 13.9%, the male to 12.6% and the female to 15.4%.



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The NEET rate in Greece fell considerably between 2013 and 2019, from 28.5% to 17.7%. The rate in Italy also fell, but to a lesser extent. However, these two countries still had the highest NEET rates among EU-27 countries in 2019. The lowest NEET rate in 2019 was recorded in the Netherlands (5.6%).

In relation to the male NEET rate, this was highest in Italy (20.1%) in 2019, and lowest in Czechia (4.1%). For females, the NEET rate was highest in Italy (24.2%), and lowest in Luxembourg (5.1%).

The onset of COVID-19 in 2020 led the NEET rates, both overall and by gender, to rise in most countries, including the four countries being focused on in this baseline study.

## 2.7 Review of EU Policy Framework Regarding Youth Employment and NEETs: 2008 - 2020

### 2.7.1 Introduction

The aim of this section is to review the main points of the EU policy framework regarding youth employment and NEETs over the period 2008 to 2020. Given the broadness of the topic, especially when one considers the length of the period under review, and the fact that it can be approached in a number of ways, this section will be based only on EU policy documents and a limited number of review papers by officially recognised institutions (e.g., ILO, Eurofound, and the European Court of Auditors). The objective of the review is to provide a cohesive description of both the policies themselves, as well as their underpinning and evolution as the economic crisis of 2008 and the subsequent recession unfolded, and, in this way, to assist in informing the discussion about the national policy implications (Chapters 3 to 6) in the overall policy implications chapter (Chapter 7).



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Taking into consideration that this project, Cowork4YOUTH, gives special attention to two NEET subgroups, namely NEET mothers and the long-term unemployed of the age group 25-29, another intention of this review is to emphasise any issues pertinent to the two groups. It appears, however, that there have been no particular policies at the European level concerning the former group, while for the latter, as will be discussed later in this section, it is not clear whether the Council's and Committee's explicitly articulated original intentions were converted into legislative or operational measures by the Member States.

The issue of how each Member State planned and implemented pertinent policies is important, as the EU policy framework in the field essentially unfolds through *Recommendations*.[18] These Recommendations, however, are formed within the context of the Council's Broad Economic Policy Guidelines (BEPGs) and the complementary Employment Guidelines.[19] The latter, irrespective of the level of their specificity, have a binding character as they are published as *Decisions*.[20] Even so, through the years the Council and the Commission have repeatedly underlined the responsibility of Member States to devise national policies tailored to the real conditions each country faces. As a consequence, even if the obligatory character of the policies is disputed, the normative need to take action at a national level is not.

This section of Chapter 2 is structured into two subsections. The first concerns the period from 2005 to 2012, describing the policy framework in

[18] Recommendations allow the EU institutions to make their views known and to suggest a line of action without imposing any legal obligation on those to whom it is addressed (i.e., they have no binding force).
Source: https://ec.europa.eu/info/law/law-making-process/types-eu-law_en#types-of-eu-legal-acts

[19] The Broad Economic Policy Guidelines, published in the form of Recommendation (Source: https://eur-lex.europa.eu/EN/legal-content/glossary/broad-economic-policy-guidelines-bepgs.html) and the Employment Guidelines, (e.g. Council Decision (EU) 2018/1215)) intend to outline the framework, in the fields of the economy and the labour market respectively, in which Member States can design and implement national policies in accordance with the EU's long-term strategy.

[20] A 'Decision' is binding for those to whom it is addressed (e.g., an EU country or an individual company) and is directly applicable (source: https://ec.europa.eu/info/law/law-making-process/types-eu-law_en#types-of-eu-legal-acts).



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place when the financial crisis occurred and the subsequent (rather slow as it will be indicated) reaction as the issues of youth unemployment and young NEETs continued to escalate. The second section focuses on the period from 2013 onwards. It takes as its starting point the Youth Guarantee Recommendation in April 2013, followed by the feedback on its implementation through the national operation plans, and this subsection concludes with the publication of the Reinforced Youth Guarantee in 2020.

## 2.7.2 2005 – 2012

### 2.7.2.1 2005-2008: Establishing the Employment Policy Framework at the Financial Crisis Outbreak

In March 2005, the European Council suggested a revision of the Lisbon Strategy, also referred to as 'Europe 2010'[21] (Council, Presidency Conclusions 7619/1/05, 2005). This revision laid out a four-year strategy, whose set priorities were subsequently reflected in the European Youth Pact (described in the next paragraph), the Broad Economic Policy Guidelines (BEPGs) and the Employment Guidelines.

*Economic Policy and Employment Framework*

The long list of BEPGs issued in July 2005 (Council Recommendation 2005/601/EC, 2005) articulated the Council's views on how to achieve the Europe 2010 targets for economic growth[22] and an employment rate of 70% through economic stability, fiscal sustainability, reforms in the labour market that promote 'adaptability' and 'flexibility', and support for Research & Development (R&D) investments and Small Medium Enterprises (SMEs). The integrated Employment Guidelines (Council Decision, 2005/600/EC,

[21] The Lisbon Strategy (or Europe 2010) had been the EU's long-term strategy from 2000 to 2010 (Lisbon European Council, 2000).

[22] Even though the EU did not set a quantified target for economic growth, as was the case with the employment rate, according to the Council Conclusions (which set forth the Lisbon Strategy), the implementation of the suggested measures in a sound macroeconomic environment could lead to an average growth rate of 3% (Lisbon European Council, 2000).



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2005) suggested that the employment rate targets[23] be achieved through measures aimed at increasing employment supply[24] and flexibility,[25] addressing skills mismatch,[26] and investing in human capital.[27] According to this Decision, youth unemployment, which, over the years, has remained considerably higher compared to the rate for the population as a whole, and economic inactivity are issues that Member States should tackle in light of the demographic problem facing Europe. Specifically, an ageing society and the restrictions that this imposes on Europe's growth potential. Concerning future policies, at that time the Employment Guidelines suggested benchmarking goals, including a recommended commitment (similar to the not yet established Youth Guarantee (YG)) that every unemployed person receives a job offer or a pathway to training within a certain time period of becoming unemployed, which was set at six months for youths and twelve months for adults.

*The European Youth Pact*

More specifically on the issues concerning youths, prior to the previously noted Broad Economic Policy and Employment Guidelines, the Council had adopted The European Youth Pact in March 2005 (Commission Communication COM (2005) 206, 2005), which comprised three strands: a) employment, integration, and social advancement; b) education, training, and mobility; c) reconciliation of family life and working life. The basic suggestions for the first strand referred to the attraction and retention of more people in employment; the improvement of adaptability of workers and enterprises, and the flexibility of labour markets; and increased

[23] The overall EU targets included: average employment rate at EU level of 70%; 60% for women; and 50% for the 55-64 age population. Member States should consider setting national employment targets given their different starting points.
[24] Guideline No 17: With a target of achieving an average employment rate for the EU of 70% overall, guideline 17 prioritises actions that 'attract and retain more people in employment, increase labour supply and modernise social protection systems; improve adaptability of workers and enterprises; increase investment in human capital through better education and skills'.
[25] Guideline No 21: 'Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners'.
[26] Guideline No 20: 'Improve matching of labour market needs'.
[27] Guideline No 23: 'Expand and improve investment in human capital'.



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investment in human capital. At that point, however, the proposed measures in the European Youth Pact remained vague compared to the more prescriptive recommendations that would be set out by the Council in the future, such as those in the YG. Concerning education, training, and mobility, however, the Council had made some more practical recommendations, such as the proposition for a European Qualification Network and the development of Youthpass.[28]

#### 2.7.2.2 2008-2010: Public Finances in the Spotlight and the Continuation of the Existing Employment Policy Framework

The evolution of the 2007 global financial crisis to a sovereign debt crisis for Europe from 2008 onwards[29] had two effects on European policies. The immediate effect was for national governments to shift their attention to focus on national finances. On a second level, the crisis highlighted the issues of interdependence among Member States and the need for increasing coordination and monitoring under the *European Economic Governance*[30] (Council Conclusions 139/1/11, 2012). The European Economic Recovery Plan (Commission Communication, COM(2008) 800, 2008) was launched in November 2008 proposing two main exit strategies from the crisis: i) boosting market demand and 'smart' investment in skills, and ii) operations and infrastructure oriented to green energy and clean technology.

In the turmoil of the deepening crisis, the 2010 Broad Economic Policy Guidelines (Council Recommendation, 210/410/EU, 2010) and Employment Guidelines (Council Decision 2010/707/EU, 2010) were primarily focused on monetary and financial stability. Even though acknowledging the non-

[28] Youthpass is the recognition instrument developed for the projects realised in the European youth programmes. Through the Youthpass certificate, participation in such projects can be recognised as an educational experience and a period of non-formal and informal learning (source: https://www.youthpass.eu/en/).

[29] We use here the prevalent interpretation of the global crisis that emerged from 2008.

[30] The term refers to processes of monitoring and proposition of adjustments of national policies and results in the framework of economic integration (source: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination_en).



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specific character of the previous guidelines, the content was not essentially differentiated. To boost employment, Member States were encouraged to promote labour market reforms towards the concept of 'flexicurity',[31] while the development of skills in accordance with labour market trends was considered another key target.

In the field of skills in particular, the EU continued its steady progress with the establishment of the European Quality Assurance Reference Framework for Vocational Education and Training in 2009 (Parliament and Council Recommendation 2009/C 155/01, 2009) that aimed to improve VET quality, and promote labour market mobility and lifelong learning.

*The Youth on the Move Initiative*

In September 2010, the Commission devised the Youth on the Move initiative (Commission Communication COM(2010) 477, 2010), which comprised four major themes: i) the transition from education to the labour market; ii) the upward trend for employees' higher qualifications, requested by the demand side of the labour market; iii) reducing the share of poorly educated young people, closely related to decreasing the number of early school-leavers; d) life-long learning and its relation to educational or training programmes. In the last chapter of this communication, it is suggested that Member States should develop implementation plans for combatting the phenomenon of youth unemployment. The communication actually proposed the adoption of a Youth Guarantee (YG), the outline of which contained the basic concept that was further developed in the 2013 Youth Guarantee Recommendation.[32]

[31] Guideline 7: 'Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality':
'Activation is key to increasing labour market participation. Member States should integrate the flexicurity principles endorsed by the European Council into their labour market policies and apply them, making appropriate use of European Social Fund and other EU funds support, with a view to increasing labour market participation and combating segmentation, inactivity and gender inequality, whilst reducing structural unemployment'.

[32] The communication (pp 14-15), amongst other key actions, urges the Member States to ensure 'that all young people are in a



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#### 2.7.2.3 2011-2012: Recognition of the Youth Unemployment and NEET Problem

*The Youth Opportunities Initiative: The Urgent Issue of NEETs*

At the end of 2011, as the effects of the financial crisis on the labour market for youths was still escalating, with EU youth unemployment over 20% and as high as 40% in some countries, and after the Council conclusion on Youth Employment earlier that year, the Commission launched the Youth Opportunities Initiative. This initiative became the policy framework for the Youth Guarantee (Commission Communication (COM2011) 933, 2011). The shift in perception concerning the gravity of the problem from the previous pertinent propositions was articulated in the opening subtitle: 'The risk of a lost generation?'. Under this initiative, the target group of youths to be focused on was officially expanded to include not only the unemployed but all those not in employment, education or training (NEETs). The communication called on the Member States to launch national policies for tackling the phenomenon while, at the same time, suggesting that '*The EU level can play a supportive role […] in two ways: By reviewing national policies and performances […]; by providing financial support to national and cross-border action'.* At that point, the Commission was planning the implementation of a small-scale pilot Youth Guarantee (budget of 4m €) in the framework of '*Innovative approaches supporting the transition from school to work'*, which would be '*an action* [*which*] *can inspire [national] schemes to be implemented with ESF[33] support'*.

*Towards a Rich Job Recovery: Incorporating the Demand Side in the Discussion*

The persistently high rates of unemployment led to the development of the Employment Package - a set of policy documents aimed at improving the

job, further education or activation measures within four months of leaving school and providing this as a "Youth Guarantee". To this end, Member States are asked to identify and overcome the legal and administrative obstacles that might block access to these measures for young people who are inactive other than for reasons of education. This will often require extending the support of PES, using instruments adapted to the needs of young people'.

[33] European Social Fund.



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interoperability of employment policies with other fields and spotting economic sectors with high potential. The founding communication Towards a Rich Job Recovery (Commission Communication (COM2012) 173, 2012) in April 2012 recognised three basic fields of action: i) job creation; ii) restoring the dynamics of labour markets; and iii) enhancing EU governance. Amongst several others, the suggested measures for job creation included hiring subsidies, reducing the tax wedge on labour, promoting self-employment and social economy business, and aligning salaries with productivity development. Furthermore, the communication underlined the usefulness of enhancing flexibility in working relationships, based, however, on congruence between parties. This communication also put an emphasis on the importance of the involvement of social partners and other stakeholders[34] in the design and implementation of actions, both within countries and at the EU level. The same was true with regard to the suggestion that national policy objectives should be better aligned with the objectives of the EU funding instruments.

*The 2012 Eurofound[35] Review on NEETs*

At the same time as the development of the Employment Package, a comprehensive review by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) on the issue of NEETS provided facts on NEETs and illustrated aspects that could inform policy formation (Eurofound, 2012). An important undertaking in this report was an estimation[36] of the cost of the NEET phenomenon, which on average amounted to 1.2% of national GDP. Table 2.5 presents the countries focused

[34] The term 'social partners' commonly refers to employment organisations and trade unions. Other stakeholders may include Public Employment Services (PES), Vocational Education and Training (VET) providers, etc.

[35] The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a European Union agency. Its objective is to provide information, advice, and expertise on working conditions and sustainable work, industrial relations, labour market change, and quality of life and public services, to support EU institutions and bodies, Member States and social partners in shaping and implementing social and employment policies (source: https://www.eurofound.europa.eu/about-eurofound/who-we-are).

[36] This estimation consisted of the sum of direct payments plus the estimated loss in income, tax revenue and social security fees due to abstention from work.



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on in this study – Greece, Italy, Spain and Ireland – in different metrics, according to Eurofound.

**Table 2. 5 Estimated Cost of NEETS: 2011**

| Country | Cost as % of GDP | Total cost (Euros) | Cost per NEET |
|---|---|---|---|
| **Greece** | 3.28% | 7.1 bn | €10,973 |
| **Ireland** | 2.77% | 15.7 bn | €17,537 |
| **Italy** | 2.06% | 32.6 bn | €14,472 |
| **Spain** | 1.47% | 15.7 bn | €11,375 |
| ***EU Average*** | *1.2%* | *153 bn* | *€10.651* |

**Source:** Eurofound (2012)
**Note:** The table depicts selected data only for the four countries that are the focus of this study.

Furthermore, the Eurofound review included a statistical analysis of the effects of key factors, listed next, on the rate of NEETs and reached the following conclusions:

- The level of protection of permanent contracts had no effect on NEET rates; the deregulation of temporary employment, however, seemed to have a reducing effect on this indicator.
- The existence of high wage floors, especially for new workers, had a negative effect on NEET rates, though not an extreme one.
- Social dialogue and consensus between stakeholders was associated with lower NEET rates.
- The increase in expenditure on Active Labour Market Policies (ALMPs) was related with a decrease in the NEET rate.
- Dual system education (combined vocational training and internship) seemed to have a positive effect.
- Economic growth in general was found to improve the situation for NEETs but not enough: a 1% increase in GDP was estimated to lower the NEET rate by 0.18%. Thus, Eurofound suggested that growth should be specifically


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oriented towards boosting demand for young employees in the labour market.

These findings from the Eurofound review validated the majority of the aforementioned directions of the EU policy framework. The last one, is also in alignment with the prioritisation of *job creation* as a response to the problem.

## 2.7.3 2013 Onwards

### 2.7.3.1 The Youth Guarantee Basis: The Youth Employment Package and the Youth Employment Initiative (YEI)

Following the Employment Package described above, the Commission proposed a Youth Employment Package in December 2012, which included: i) a Youth Guarantee (YG); ii) suggestions for a European Framework for Traineeships; iii) a European Alliance for Apprenticeships, which was launched in July 2013; and iv) actions for promoting young peoples' mobility through the EURES[37] (European Commission, 2012). Concerning the YG, the Commission urged the Council to issue the YG in the form of a Recommendation (based on the Commission's proposal), as '*different situations in individual Member States (or at regional or local level) could lead to differences in how the scheme would be set up and implemented*', recognising that national plans '*need to take into account the diversity and different starting points of the Member States as regards their levels of youth unemployment, institutional set-up and capacity of the various labour market players*'. The proposition took into consideration the Youth Guarantees already in place in Finland and Sweden, as well as a series of relevant measures implemented in other Member States (Commission Staff

[37]The European Employment Service Network (EURES) has been operating since 1994 as a cooperation network between Member State's Public Employment Services (PESs): its primary objective is to facilitate workers mobility across EU countries.



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Working Document SWD (2012) 406, 2012). The Commission would monitor and make recommendations on the Member States' operation plans through the European Semester.[38]

In February 2013, the European Council (Council Conclusions 37/13, 2013) launched the Youth Employment Initiative (YEI), a funding instrument available to the regions (NUTS level 2) with youth unemployment rates of more than 25% to support the implementation of the Youth Guarantee. The YEI's budget was part of the Multiannual Financial Framework (MFF)[39] 2014-2020 and comprised €3bn from a dedicated budget line, which could be exploited as an increment of matching amount to the YG related measures that would be eligible for ESF funding (total YEI budget 6bn).

#### 2.7.3.2 The Youth Guarantee: A Framework for Action

Through the Youth Guarantee (YG) (Council Recommendation 2013/C 120/01, 2013), published in April 2013, the Council described the operational framework for the actions to be taken by Member States and requested that they submit implementation plans by the end of the year.

The Council defined 'Youth Guarantee' as *a situation in which young people receive a good-quality offer of employment, continued education, an apprenticeship, or a traineeship within a period of four months of becoming unemployed or leaving formal education. An offer of continued education could also encompass quality training programmes leading to a recognised vocational qualification.*

The YG Recommendation underscored that '*investing now in the human capital of young Europeans will deliver long-term benefits and contribute to*

[38] The European Semester was introduced in 2011 to facilitate monitoring and coordination of national financial and employment policies. Its operations are undertaken on an annual basis, and it constitutes a substantial part of the implementation of the overall European Employment Strategy and the European Economic Governance.
[39] The EU's long-term budget.



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*sustainable and inclusive economic growth'* and the role that the YG can play in achieving the Europe 2020 Strategy targets of: i) employment rate of 75% of the 20-64 population, ii) early school-leaving rates of below 10%, and iii) lifting at least 20m people out of poverty and exclusion. The group in focus of the YG was the NEET population aged between 15 and 24. However, as this was not binding, in practice, most Member States extended the age limit up to 29.

At the same time, it was noted that national plans should take into consideration that '*young people are not a homogeneous group facing similar social environments, as well as the principles of mutual obligation*[40] *and the need to address the risk of cycles of inactivity.'*

The recommendation intended to provide Member States with a cohesive framework for action. To achieve this, it was structured in six interdependent but discrete fields, which are often mentioned as guidelines:

**1. Building up partnership-based approaches:** The national operational plans should start from defining the provider or coordinator of the YG. The development of plans should be based on input by and cooperation with relevant stakeholders, including the youth population itself (via e.g., youth organisations), career guidance providers, education and training institutions, private employment services, and youth support services. Employers should also be involved, particularly in issues of employment, apprenticeships and traineeships.

**2. Early intervention and activation** could be achieved through information campaigns, appropriately designed for reaching vulnerable social groups: it

[40] The principle of 'mutual obligation' means that unemployment benefit recipients are expected to engage in job search and/or education, training or employment programmes in exchange for receiving benefit payments and efficient employment services. In applying this principle, Public Employment Services (PESs) aim to monitor benefit recipients' compliance with eligibility conditions and to implement, where necessary, temporary sanctions or benefit exclusions (OECD, 2007).



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was suggested that the establishment of focal points could help in this cause. Personalised guidance and individual planning, with proper follow-up were key factors.

**3. Supportive measures for labour market integration** comprised two strands:

The first regarded *upskilling*: facilitating the re-entrance of 'low skilled' individuals into education and training schemes; ensuring that upskilling actions were aligned with labour market demand needs; providing guidance on entrepreneurship and self-employment; and implementing EU recommendations on the validation of formal and informal learning.

The second referred to *labour market-related measures,* which included reducing, when possible, non-wage employment cost; the use of employment subsidies; promoting interregional or international mobility based on the supply of employment or apprenticeships; and providing for the reengagement of the young people for whom the support through such measures had not been successful.

**4.** The **Use of Union funds** to support the implementation of YGs included the 2014-2020 Cohesion Policy instruments, the ESF, the YEI, and any remaining from the 2007-2013 budget.

**5.** The **Assessment and continuous improvement of schemes** required effective monitoring of results and the use of funds; knowledge exchange between providers at regional or national level; and improving the capacity of the stakeholders involved, especially of the YG providers, such as the Public Employment Services (PES).

**6.** Immediate **Implementation of Youth Guarantee schemes** – unless the Member States faced unfavourable conditions, in which case the implementation could be gradual if this would increase its effectiveness, and integration of the YG programmes in the MFF 2014-2020.



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#### 2.7.3.3 Subsequent Interventions and Policy Guidelines

In 2014, the Parliament and the Council decided to establish the European Network of Public Employment Services (European Parliament and Council Decision 573/2014/EU, 2014), to enhance coordination and promote the transnational exchange of knowledge.

As European economies started to recover, the 2015 Broad Guidelines for Economic Policy (Council Recommendation EU 2015 11/84, 2015), re-advocated the need for *productive investments,* along with support for innovation in order for the Union to achieve the goal of *smart, sustainable, and inclusive growth*. The need for further structural reforms in product and labour markets to improve competitiveness was also stressed. A crucial issue for these Guidelines was that the Member States' policies should be in line with the recently launched 2030 Climate and Energy Policy Framework (European Council Conclusions EUCO 169/14, 2014).

In September 2016, the Commission proposed a €1 billion increase in the dedicated YEI budget line for the period 2017-2020, raising the available funding for YG implementation to €8.4bn (Commission Communication COM/2016/0603).

The supplementary Employment Guidelines (Council Decision EU 2018/1215, 2018) noted that structural reforms should '*take into account their social impact*'. The labour market demand side should be supported through eliminating 'hiring barriers' and promoting '*responsible entrepreneurship'* and self-employment. The Decision not only underscored the role of social dialogue, but also made explicit reference to the need to combat precarious working relationships and the abuse of atypical contracts. Furthermore, it mentioned the need for individual assessments within 18 months of unemployment as a measure to tackle long-term



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unemployment and inactivity, while Member States were urged to continue the implementation of YGs.

The content of the Employment Guidelines (issued in 2018) was aligned with the principles of the European Pillar of Social Rights (EPSR), which was published in 2017. It is noteworthy that the Youth Guarantee, as well as the previously mentioned suggestion for individual assessment of the unemployed within 18 months, was included (phrased as a right) in the fourth principle - active support to employment (European Pillar of Social Rights, 2017).

#### 2.7.3.4 Evaluation of Outcomes

Since the first year of implementation of the YG, a number of independent researchers, as well as European or national institutions, have published reviews of the programme's results and impact, some of which are discussed further below.[41] The differing starting points for countries, regarding NEET rates, fiscal space, socioeconomic environment, and existing measures and mechanisms, resulted in the adoption of different sets of policies and also diverse outcomes among Member States.

In 2015, the Commission published a *guidance on the evaluation of YEI* (European Commission, 2015) providing a detailed framework for assessing the effectiveness, the efficiency and the impact of YEI supported programmes.

[41] For a detailed overview, the country-by-country planning and assessment (https://ec.europa.eu/social/main.jsp?catId=1161&langId=en), as well as the YG knowledge centre (https://ec.europa.eu/social/main.jsp?catId=1327&langId=en) are expedient.



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*Success Factors: ILO Working Paper*

A review published by the International Labour Organisation (ILO) (Escudero and Murelo, 2017) identified specific *prerequisites* for effective implementation of YGs: i) the explicitness of eligibility criteria with regard to the targeted age groups and additional characteristics of beneficiaries; ii) the promptness of intervention; iii) the implementation of activation policies in the form of a package rather than isolated measures; iv) the human and economic resources of PES; v) adequate financing; vi) and the responsible attitude of beneficiaries. Even though the review acknowledged that the YGs had a positive contribution, some shortcomings were detected. Given this, the suggestions provided in the ILO review included the development of tailored outreach mechanisms, especially for the countries that were facing persistently high NEET rates, and the need for insight regarding the adaptation process of pre-existing mechanisms to the YG requirements.

*Data and Monitoring Deficiencies Spotted by the European Court of Auditors Report*

The special report by the European Court of Auditors (2017) was developed as a multiple case study.[42] The report highlighted deficiencies in the data collection and processing, regarding both the actual results and the financing of the implemented schemes. An implication of these deficiencies regards the number of 'unknown destinations'[43] for NEETs who had registered in YGs. Moreover, it was noted that the feedback on implementation provided by Member States was partially deficient since it did not elaborate on the progress of each of the six guidelines suggested by the YG Recommendation separately. On a more basic level, the report questioned the effectiveness of the national schemes specifically on outreach, as in many cases the number

[42] Countries included: Ireland, Spain, France, Croatia, Italy, Portugal, and Slovakia.

[43] A positive exit (destination) refers to the person moving to employment or a training/education scheme after (or before) the completion of the YG intervention. In this regard it is also important that follow-up by the YG provider extends for as long as possible. with regard to 'unknown destinations', this meant that Member States did not know the path registered YG individuals followed.



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of YG registrations were similar to previous records, as well as on an overall basis, arguing that decreased NEET rates did not necessarily correspond to a decrease in absolute numbers. Another source of concern had been the fact that the particular Member States did not make use of relevant analysis on the NEET population, or the skill mismatches, during the designing of pertinent policies.

*The Long-Term Perspective: The European Parliament Resolution*

The European Parliament Resolution (2018) on the YG attempted to adopt a long-term perspective, touching on a number of factors. It underscored the importance of increasing the participation of young people in the planning and implementation of youth policies, as well as the fact that the YG and the YEI cannot be considered a substitute of proper macroeconomic policies. It also argued that public spending in this domain should not be restrained. Concerning implementation, it echoed other criticisms with regard to monitoring processes and the quality of data, which are necessary for developing result-oriented and efficient support schemes. Additionally, Member States were criticised for not having converted the YG Council Recommendation to a more binding form of national policy. Finally, it highlighted the need for improvement in the field of outreach and suggested the development of one-stop-shops[44] to facilitate the relationship between YG providers and NEETs.

[44] One-stop-shops aim to concentrate in one (either physical or digital) location a range of the services which are usually offered by different providers. For YG schemes, this practice could have positive results not only on the quality of services, but on outreach as well.



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#### 2.7.3.5 The Europe 2030 Strategy and the Reinforced Youth Guarantee: Under the Threat of a New Crisis (COVID-19)

*The Effect of the COVID-19 Health Pandemic*

2020, the year of the COVID-19 health pandemic outbreak, was also the concluding year of both the Europe 2020 Strategy and the Multiannual Financial Framework 2014-2020. The pandemic had a direct impact on employment. In particular, the employment rate for the 20-64 aged population for the EU as a whole decreased from 72.7% in 2019 to 71.7% in 2020, thus, not reaching the Europe 2020 target of 75%.[45] More importantly, it raised serious concerns that Europe may face an economic downturn even deeper than the crisis of 2008.

In May 2020, the Commission had already proposed the recovery instrument Next Generation EU (Commission Communication COM (2020) 456, 2020), with the intention of allocating more than €750bn in *Recovery and Resilience Facility*, under the budget heading *Cohesion, resilience and values*. Thus, the total 2021-2027 was raised from €1.2 trillion to €2 trillion (European Commission 2022).

*The 2030 Targets*

The Reinforced Youth Guarantee (Council Recommendation 2020/C372/01, 2020), published in October 2020 and discussed further below, has been largely based on the European Pillar of Social Rights (EPSR). The targets set in the EPRS action plan (European Commission, 2021) include: i) that by 2030 the employment rate (population 20-64) should reach 78%; ii) that at least 60% of all adults should participate in training every year; and iii) that at least 15m people should be raised out of poverty. Regarding the youth, the target is to reduce the NEET rate from 12.6% in 2019 to 9% by the end of the decade. Action is also required for bridging the gender gap in employment

[45] Eurostat 2022



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(78% for men, 66% for women in 2019). One should also take into account that the 2030 Climate and Energy Policy Framework illustrated the need for structural changes in the economy, which can have an impact on the set of skills and the flexibility required by the workforce, themes also recognised by the Council Recommendation (2020/C 417/01, 2020) on Vocational Education and Training.

*The Reinforced Youth Guarantee*

The Reinforced YG intends to act as a key tool towards the 2030 targets and the emerging challenges. Without deviating from past practices that were considered to be in the right direction (e.g., the *personalised approach*, the *coordination and partnerships across policy fields*), a couple of socioeconomic trends are acknowledged. The first regards the expansion of the target-age group: '*Widening the age bracket to include young people aged 25-29 acknowledges that school-to-work transitions and sustainable labour market integration are taking longer because of the changing nature of work, extended periods spent in education and the skills in demand […].'* The second reflects the anticipated changes imposed by the 2030 Climate and Energy strategy: '*Ongoing developments such as automation and digitalisation of production and services continue to reshape the world of work […]. Preparatory training before taking up an offer, carried out according to individual needs and related to specific skill domains such as digital, green, language, entrepreneurial and career management skills, should be part of a reinforced Youth Guarantee, when deemed appropriate.'*

The Commission proposed that YG funding in the MFF 2021-2027[46] be raised to €22bn (Commission Communication COM (2020) 276, 2020). Practically, the Recommendation lays down a more specific plan of action for the national YGs, comprising four phases:

[46] In the 2021-2027 MFF, the YEI has been incorporated in the ESF.



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**1. Mapping** consists in: i) identifying the target groups, available services, and the skills needed, and ii) setting up or improving tracking and warning mechanisms for those who are close to becoming NEETs.

**2. Outreach** can be improved by: i) enhancing communication practices (e.g., communication campaigns and the utilisation of youth or parental organisations), and ii) the use of specially-trained service providers and social partners who are in contact with vulnerable groups.

**3. Preparation** comprises four activities: i) using profiling tools to tailor individualised action plans; ii) performing counselling, guidance, and mentoring; iii) enhancing digital skills with preparatory training; iv) assessing, improving and validating other important skills.

**4.** Finally, the **Offer** consists in: i) the positive exit with, when needed, the use of tools such as wage subsidies and other recruitment incentives; ii) ensuring that the offer is of acceptable quality, consistent with existing standards; and iii) providing post-placement support and implementing feedback.



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# 3 Greece

## 3.1 Context

**The Greek National Economic and Social Context 2008-2020:**

Shortly after the global financial crisis of 2008 reached Europe, Greece found itself in an immense debt crisis, as a result of its historical fiscal deficits. Three different governments eventually signed separate bailout programmes in 2010, 2012, and 2015, the implementation of which was overseen by the EU, the European Central Bank, and the International Monetary Fund (referred to as the 'Troika'). These provided that the Greek economy would carry out profound economic and administration reforms, including extensive privatisations of formerly public companies, the reduction of labour costs, and the slashing of public expenses (Markantonatou and Kennedy, 2019). In this framework, collective labour agreements were abolished, and labour conditions deteriorated sharply within just a few years.

Leaving aside the impact of the austerity measures introduced under the bailout programmes, which will be outlined in more detail below, Greece's labour market is generally characterised by numerous idiosyncrasies and diverges from the dominant model of northern Europe.[47] Specifically, micro-entrepreneurship has traditionally thrived within multiple activities such as retail, services, the building trades, food and drink businesses, and accommodation. As a result, self-employment is more prevalent than in northern Europe. For example, in 2018 almost one in three people in employment in Greece were self-employed (30%), which was the highest rate among EU Member States. For some northern European countries, the percentage was as low as 9% (e.g., Sweden).[48] Similarly, informal work has

[47] Also, North America

[48] Eurostat Self-Employment 2018



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also been quite common - either in the form of family helpers within family-centred businesses, or as un(der)declared work in conventional businesses (Gialis et al., 2018). The above characteristics largely stem from the country's growth model, which has been construction-driven, with an extended public sector and a concentration of low added value services. Industrial structures, on the other hand, have historically been weak (Chorianopoulos et al., 2014). In fact, after the country adopted the Euro currency, domestic industry was exposed to fierce international competition and its position worsened further (Hadjimichalis, 2011).

Its flexibility and informality notwithstanding, EU accounts at the onset of the Great Recession categorised the Greek labour market as rigid and inflexible, attributing much of the country's lack of competitiveness to these traits (Herod et al., 2021). The policies that were adopted spurred 'traditional' forms of flexible employment, such as waged part-time labour, which, up to that point, was more or less marginal (Gialis et al., 2018). Moreover, the burst of the real estate bubble, which had been swelling up to 2008, led the construction sector to collapse with a bang (Alexandri and Janoschka, 2018), losing more than 45% of its workforce from 2009 to 2012.

Manufacturing, a sector experiencing stress long before the onset of the 2008 financial crisis, deteriorated further. Many manufacturing plants either closed down or were relocated across the border to other Balkan countries (Kapitsinis, 2019). As a result, its workforce declined by more than 30% from 2009 to 2012 (Gourzis and Gialis, 2019). In response to the economic crisis, instead of becoming more flexible and competitive, most sectors followed a low-road flexibilisation (namely, low-paid and involuntarily flexible work), with wages becoming extremely low - often below the poverty line (INE, 2016). In this context, young workers became even more vulnerable, given their lack of experience, work-related contacts, and alternative sources of revenue. Furthermore, one of the first legislations that was passed shortly


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after the country officially entered the 'memoranda era' promulgated the decrease of the minimum wage for workers under the age of 25(L.3863/2010).[49]

The demise of the construction sector, and the further deterioration of manufacturing, left the tourism sector as the focal pillar of the Greek economy. In fact, this sector exhibited a remarkable resilience whilst the rest underperformed. This mainly stems from four factors: i) the independence of tourism from wider economic cycles (Perles Ribes and Ramón Rodríguez, 2013), ii) the country's expertise in hospitality (Gaki et al., 2013), iii) a geopolitical destabilisation that took place in rival destinations (namely, Turkey and the countries of northern Africa) that left Greek tourism with a larger slice of the Mediterranean tourism market, and iv) the explosion of the short-term rental market internationally, which redirected tourist flows towards historic cities such as Athens (Gourzis et al., 2019). As a result, international tourist arrivals jumped from 20 million in 2013 to 34 million in 2019 (*World Bank,* 2022).

However, the tourism industry's boom extensively utilised the post-2009 deregulated labour market framework. Indicatively, most such jobs referred to part-time and temporary waged employment with a particularly low salary. Workers were, for the most part, undertaking these jobs on an involuntary basis, and the abolition of collective labour agreements had stripped them of any kind of leverage against employers. Moreover, precarious youth labour was extensively utilised in hospitality and catering businesses, with the hotel industry extending its use of apprenticeships. At the same time, informality became the norm within the newly established short-term rentals market, even for the (small-scale) hosts themselves (Gourzis et al., 2021).

[49] In this chapter, 'L.' references refer to specific legislation, e.g., 'L.3863/2010)'.



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Coming out of the Great Recession then, the country developed a heavy dependence upon tourism. The sector's contribution to the GDP more than doubled from 2010 (15%) to 2019 (32%) (Bank of Greece, 2011; Bank of Greece, 2021). However, eventually prioritising tourism over any other economic sector turned against Greece with the onset of the COVID-19 health pandemic in 2020. From 34 million in 2019, international tourist arrivals dwindled to 7 million in 2020 (*World* Bank, 2022). As a result, employment in hospitality, catering, and transportations, retracted the most when the pandemic hit, with this disproportionately affecting insular tourism-oriented regions; namely, the South Aegean and the Ionian Islands (Kanelleas et al., 2021), which are two regions that we focus on in more detail below.

At the same time as the 2008 Great Recession and its fallout on the economy, the climate crisis was also being discussed and it brought to the forefront the necessity of a low-carbon transition that relies on an extensive use of renewable energy sources. In 2019, the Greek government took action to address this issue, following the directives of the 2015 Paris Agreement and the 2019 European Green Deal, which set 2050 as the desired endpoint for achieving 'climate-neutrality'. Specifically, it announced its intention to terminate energy production from lignite[50] by 2028, using fossil gas as a transitional fuel before completely shifting to renewable energy sources, such as solar and wind energy. This plan was promulgated as Law 4872 from 2021 ('Just Development Transition and Regulation of Specific Lignite Phase-out Issues'; Government Gazette 247/A/10-12-2021).

However, the transition to a zero-emission economy is particularly demanding and lengthy. It directly affects lignite mining areas, due to job

[50] Lignite, otherwise referred to as brown coal, is a kind of fossil fuel.



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losses in lignite mines, power plants and the lignite value chain in general (Ministry of the Environment and Energy, 2021a). These effects have already been intense in lignite mining areas, where the local workforce had enjoyed good job security for decades. For example, in regions such as Western Macedonia and, secondarily, the Peloponnese, two regions that will be discussed in more detail below, the Public Power Corporation had been a major employer, providing a steady flow of jobs under fixed-term full-time contracts that were typically renewed (Christiaensen and Ferré, 2020).

With the job security that the lignite mining sector provided being eventually disrupted by the Government's climate action plans, the workforce in the energy production sector started shrinking after 2018, as no new contracts were signed and the existing ones were not renewed (Kapitsinis et al., 2022). As with the Great Recession, youths were again impacted by this economic development. Specifically, young people that typically entered the labour market through this outlet became overly vulnerable: it is indicative that the NEET rate in these energy transition regions ranked amongst the highest in Greece in 2020 (Kanelleas et al., 2021).

In this context, plans, such as the 'Just Development Transition Programme', have been introduced to somewhat counter the negative outcomes of the lignite phase-out process, targeting areas that were overly dependent on extraction (e.g., Western Macedonia and parts of the Peloponnese) and those forced to produce their own energy (e.g., the insular regions of North Aegean, South Aegean, and Crete). However, this process's impact (the phasing out of lignite) is expected to be decisive, especially in regions that were overly dependent on its extraction (Christiaensen and Ferré, 2020).



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**The Greek Regional Context:**

In the framework of this baseline study, as our Greek tourism-dependent regions we have focused on: i) the South Aegean, and ii) the Ionian Islands. Both are insular regions, each comprising an extensive group of islands. With regard to our energy transition regions, we have concentrated on: i) Western Macedonia, ii) the Peloponnese, and iii) Central Macedonia.

**Tourism-Dependent Regions**

The South Aegean is located in the southeast edge of Greece, close to Turkey. The region features some of the most tourism-dependent islands in the country, such as Rhodes, Santorini, Mykonos, and Kos. Best known for their sun, sea, and sand model of tourism, in 2019 these islands collectively received more than 4.5 million international visitors who arrived by air. This statistic means that the South Aegean was the most prominent destination in Greece after Athens (*INSETE*, 2022). In recent times, the unemployment rate in this region has been lower compared to most other Greek regions (e.g., 13.5% in 2019). However, before the country's heavy dependency on tourism to assist it to recover from the Great Recession, the region had not been performing as well in this regard.

The South Aegean's status is also reflected in its GDP per capita, which was the second highest in the country in 2019 (€18,000), trailing only that of Attica, the capital metropolitan region. In absolute terms, however, the region has one of the smallest outputs (ranking 9$^{th}$ in the country in this regard), with a GDP of 6.3 billion (euros) in 2019.[51] The South Aegean's dependence on tourism is so large that total tourism consumption in the region is estimated to be almost equal to its GDP.[52] This dependence has only been growing as a fallout from the impact of the Great Recession on

[51] Whereas Attica's, which has the highest GDP, was around 87.5 billion at the time.

[52] Based on approximations, as issued by the Research Branch of the Greek Tourism Confederation (INSETE)



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Greece's other key economic sectors (i.e., in the 2010s). However, this became all too apparent when COVID-19 hit in 2020, with the health pandemic causing the region's airport arrivals to plummet (to a mere quarter of the previous year; *INSETE*, 2022). COVID-19 led the region to lose more than 13% of its workforce, the sharpest decrease among all EU Mediterranean regions (Kanelleas et al., 2021).

The Ionian Islands, on the other hand, located in the western part of Greece close to the mainland, include the tourism-dependent destinations of Cephalonia, Zante, and Corfu. The hotel industry in this region is less robust than in the South Aegean. This is reflected in GDP per capita figures, which was the third highest in the country in 2019 (€16,000), and also the number of international visitors arriving at the region's airports, which was just over 2.5 million in 2019.

Unlike the South Aegean, the Ionian Islands are not as dependent on the tourism sector. The region's GDP reached 3.3 billion euros in 2019, with total tourism consumption at 2.5 billion (estimations by *INSETE*, 2022). Nevertheless, one of the similarities the two regions share is reflected by the Ionian Islands' relatively low, in the Greek context, unemployment rate, which was 12.5% in 2019 (13.5% in South Aegean); (Kanelleas et al., 2021). Also, international visitors and GDP figures receded in an almost identical fashion in both regions during the COVID-19 health pandemic (*INSETE*, 2022).

Finally, although the decline in workforce volume was milder in the Ionian Islands than in the South Aegean for the 2019-2020 time period (around -7% as opposed to -12%), it remained one of the steepest in the country (Kanelleas et al., 2021).



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**Regions in Energy Transition**

The region of Western Macedonia presents the more prominent effects of terminating energy production from lignite due to the region's economic dependence on mining and quarrying, and the associated power generation sector (Christiaensen and Ferré, 2020). It is a geographically isolated region, and in the last decade its population has been steadily declining (IENE, 2020). This observed decrease is mainly due to the migration of younger adults, coupled with recorded demographic ageing that is giving rise to high old-age dependency rates (Ministry of the Environment and Energy, 2021b; Christiaensen and Ferré, 2020).

Western Macedonia has always been one of the regions with the highest unemployment rates in Greece, and also compared to the rest of Europe, with unemployment rates being particularly high for a subset of the population, specifically young people and women (IENE, 2020; Ministry of the Environment and Energy, 2021b). As Christiaensen and Ferré (2020) highlight, an estimated total of 16,000 jobs are potentially affected directly and indirectly by the mines closing, and with no more job creation in the mining and power sectors, the challenge facing the region's youths is even more pronounced given the historical importance of this sector to youth employment.

The Region of the Peloponnese, and specifically the municipality of Megalopolis (regional unit of Arkadia), is the second most important lignite mining area in Greece but at a significantly smaller scale than Western Macedonia. It presents strong competitive advantages, such as the proximity to the metropolitan centre of Attica, large infrastructure and transport networks, and it integrates a skilled workforce in the tourism and agri-food sectors (IENE, 2020). Over the last decade, there has been a 5% shrinkage in its total population. Workforce reduction has also been recorded, as well as demographic ageing.



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The regional unit of Arkadia employs the largest percentage of workers in the mining, energy, and water sector of the region as a whole. It amounts to 49%, which is approximately 1,600 people (Ministry of the Environment and Energy, 2021c). In general, the impact that the lignite phase-out is expected to have on the economy and business activity of the municipality of Megalopolis, and also the region of the Peloponnese, is significant.

Central Macedonia is the second largest region in Greece population-wise, and it has the second largest urban agglomeration in the country, the metropolitan area of Thessaloniki. Unlike the capital metropolitan region of Attica, however, almost half of the region's labour force works outside Thessaloniki in the sectors of agriculture and manufacturing. Specifically, the region concentrates 20% of the country's workforce in agriculture and a good part of the country's agro-industrial activities. Besides these, tourism-related activities are located mainly along the shores of the Chalkidiki peninsula (Kapitsinis et al., 2022).

Despite boasting a diverse economy and having the second largest city in the country, the region does not rank among the wealthiest in the country in terms of GDP and faces chronic unemployment problems. The first recessive shocks of the Great Recession affected the region more than others. Its industrial structures proved to be lacking competitiveness (Gialis et al., 2018), and the region's vicinity to other Balkan countries constituted a decisive factor for many businesses relocating there so as to avoid increasing taxation (Kapitsinis, 2019).

Moreover, its tourism sector followed the 2010s boom at a much slower pace, unable to fully take advantage of the upgraded role of Greece within international tourism flows (Gourzis et al., 2019). The region's anaemic



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investment activity and the low number of enterprises in comparison to its population summarise the above issues well (Kapitsinis et al., 2022).

Finally, the region was disproportionately affected by the COVID-19 health pandemic, as it ranked among the first throughout 2020 in terms of infections and fatalities (Kanelleas et al., 2021).

## 3.2 National Youth Employment, Unemployment, Long-Term Unemployment, and NEET Rates, and Inactive Youth Share

### 3.2.1 Youth Employment

In 2008, Greece's youth employment rate stood at 42.9% (Figure 3.1), with the male rate quite a bit higher (49.7%) compared to the female rate (36%). The Great Recession, and the knock-on effects of this crisis on the Greek economy, led the youth employment rate to fall to a low of 25.6% in 2013: the female rate fell to 21.8% and the male rate to 29.3%. Youth employment gradually recovered after this time period, reaching 31.3% in 2019. The female rate had risen to 27.9% in 2019 and the male to 34.6%. Thus, all rates were still between 9 and 14 percentage points lower compared to the situation prior to the Great Recession (2008/2009). The onset of COVID-19 in 2020 led the overall youth employment rate to fall marginally to 29.5%. The female rate only fell by a percentage point to 26.9%, while during the first year of COVID-19 the male rate fell by over 2 percentage points to 31.9%.



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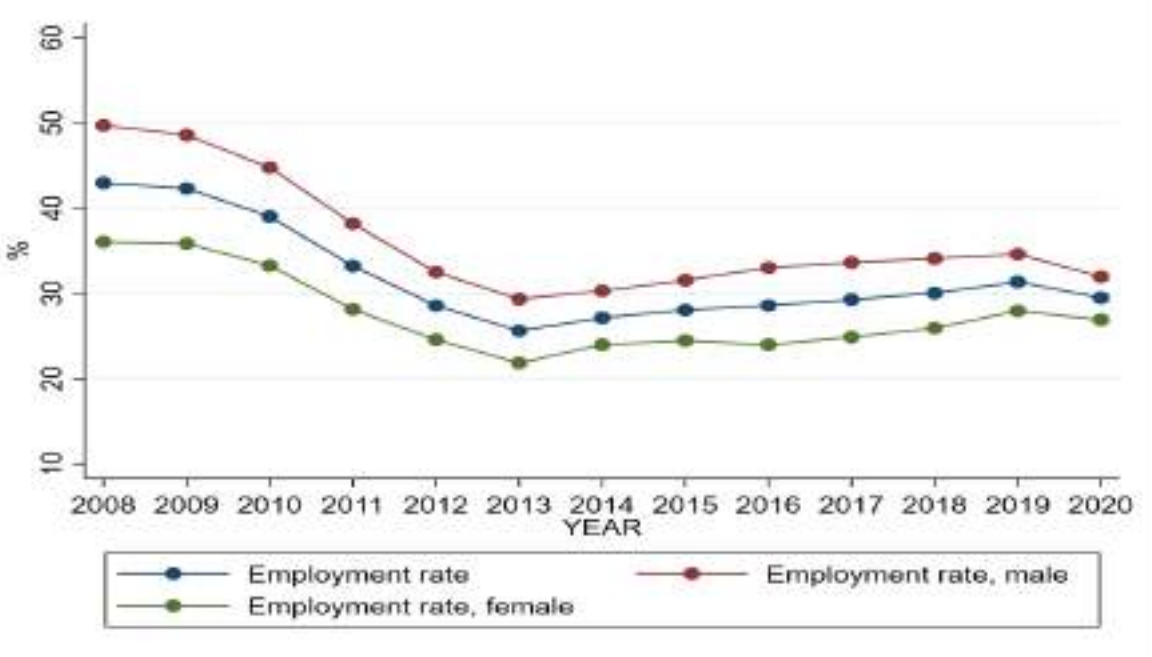
**Figure 3. 1 Youth Employment Rates in Greece Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 3.2.2 Youth Unemployment

In 2008, Greece's youth unemployment rate was 16.2%, with the female rate almost 10 percentage points higher than the male rate, 21.1% and 12.4%, respectively. The Great Recession led the overall youth unemployment rate to reach a peak of 48.7% in 2013. The female rate rose to over 50% (52.4%) and the male rate to 45.5%. After this time period, the youth unemployment rates in Greece declined until 2019, the overall rate to 28.9%, the female rate to 32.1% and the male rate to 26.3%. COVID-19 led the rates to increase marginally in 2020, the overall rate to 29.8%, and the female and male rates to 32.3% and 27.6% respectively. Even before the impact of COVID-19 on the youth labour market in Greece in 2020, the youth unemployment rate was still 12 percentage points above its pre-Great Recession level of 16.2%, the female rate 11 percentage points higher and the male rate approximately 14 percentage points.



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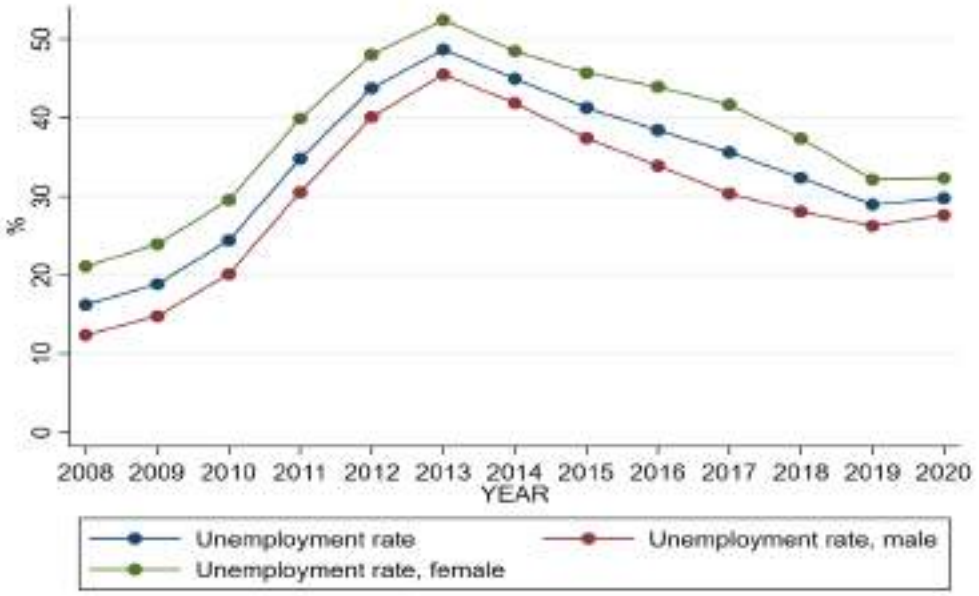
**Figure 3. 2 Youth Unemployment Rates in Greece Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 3.2.3 Long-Term Youth Unemployment

Greece's long-term youth unemployment rate stood at 6.5% in 2008, with the female rate more than double the male rate, 9.3% and 4.4%, respectively. As with the youth unemployment rate, the Great Recession also caused Greece's long-term youth unemployment rate to rise, peaking at 29.4% in 2014. The female and male rates respectively peaked at 31.4% and 27.6% that year. After this time period, the rate declined and stood at 16.9% in 2020: the female rate was 18.7% in 2020 and the male's 15.3%. As of 2020, COVID-19 had not caused Greece's overall and female long-term youth unemployment rates to rise as the two rates were marginally higher in 2019, 17.1% and 19.4% respectively, whereas there was a very marginal increase in the male rate between 2019 (15.2%) and 2020 (15.3%).



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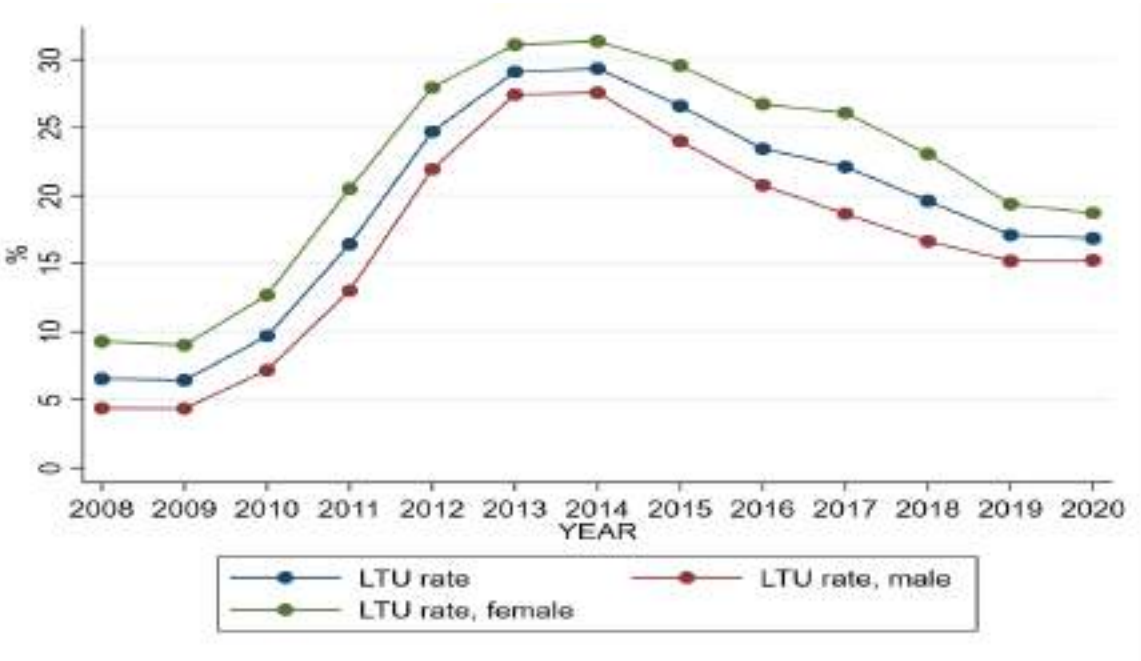
**Figure 3. 3 Long-Term Youth Unemployment Rates in Greece Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 3.2.4 NEET Rates

The NEET rate in Greece was 14.8% in 2008, with the rate for females just over 10 percentage points higher than that for males – 9.8% and 20% respectively. The overall rate increased after this because of the Great Recession, peaking at 28.5% in 2013. For females, the rate rose to 30.3% in 2013 and for males it increased to 26.8%. The rates declined after this time period, with the overall rate standing at 17.7% in 2019, and the female and male rates 19.1% and 16.3% respectively. All rates increased marginally with the onset of COVID-19 in 2020: the overall rate to 18.7%, and the male and female rates to 17.8% and 19.7%, respectively.



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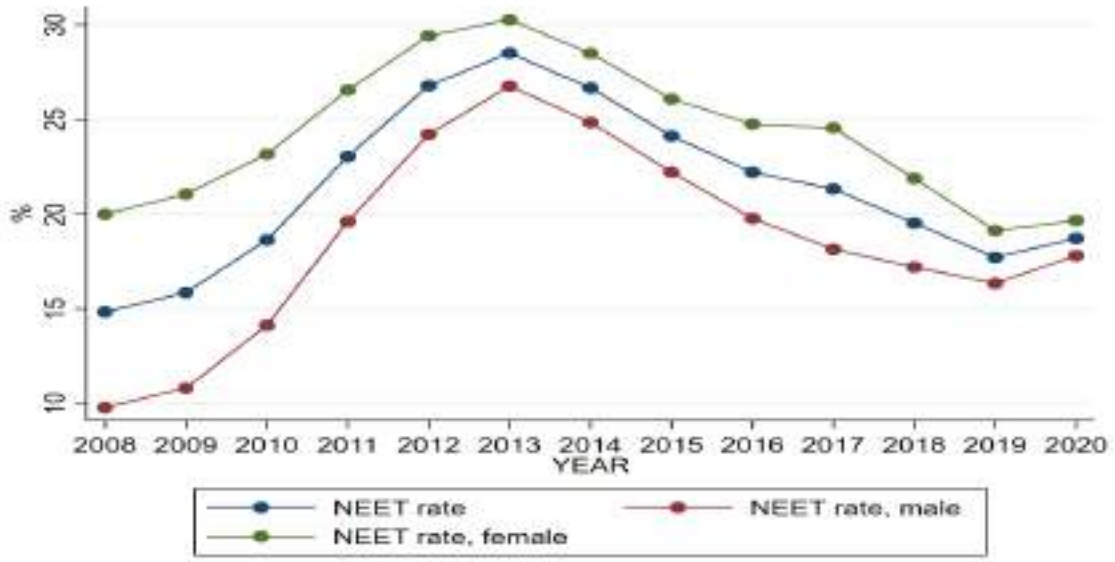
**Figure 3. 4 NEET Rates in Greece Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## Inactive Youths

After a marginal decline between 2008 and 2009 (from 48.8% to 47.9%), the proportion of economically inactive youths in Greece has risen steadily since 2009 to stand at 58.1% in 2020. The percentage of economically inactive young males has also grown over time, rising from a low of 43.3% in 2009 to 55.9% in 2020. For females, the inactive share has grown and contracted marginally over time. However, since 2015 it has been on a continuous upward trajectory and stood at 60.3% in 2020.



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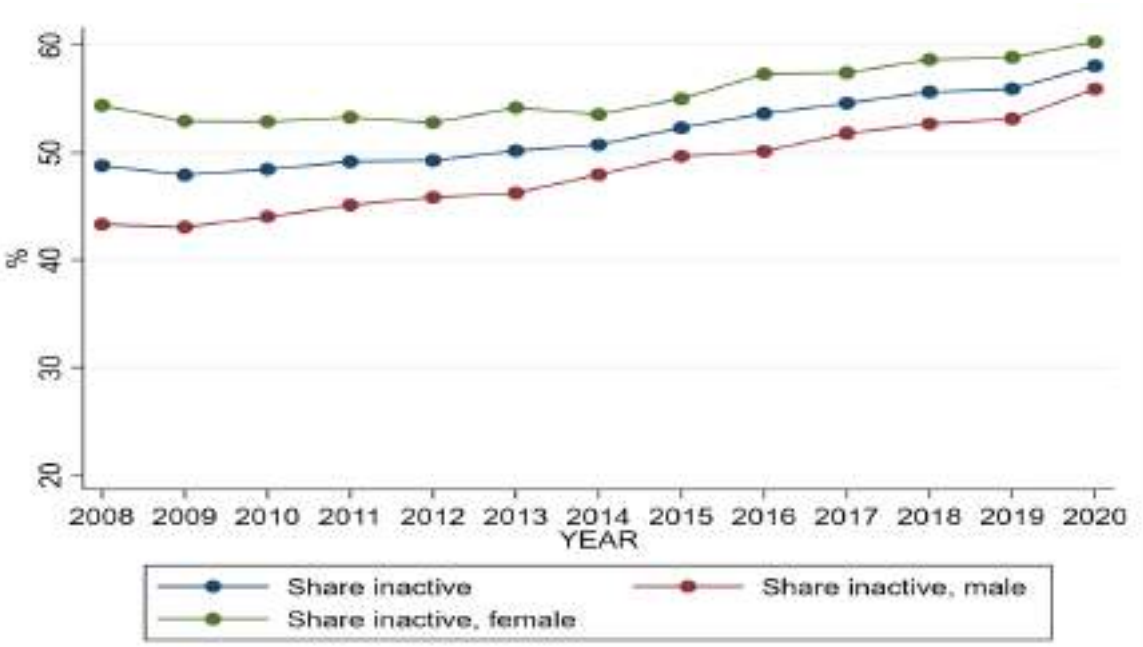
**Figure 3. 5 Share of Inactive Youths in Greece Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 3.3 Youth Employment Rates in Key Tourism-Dependent and Energy Transition Regions

### 3.3.1 Youth Employment in Key Tourism-Dependent Regions

As mentioned in Section 3.1, two of Greece's key tourism-dependent regions are the Ionian Islands and the South Aegean.[53] Between 2010 and 2019, the employment rate of young people in these two regions was above the national average youth employment rate (Figure 3.6). However, with the onset of COVID-19 in 2020, the two regions' rates converged on the national average rate.

The youth employment rate in the Ionian Islands has declined over time, whereas in the South Aegean it has increased and, at times, been higher than that of the Ionian Islands. In 2008, the youth employment rate in the Ionian

[53] Identified by Greek project partners, in conjunction with the calculation of location quotients.



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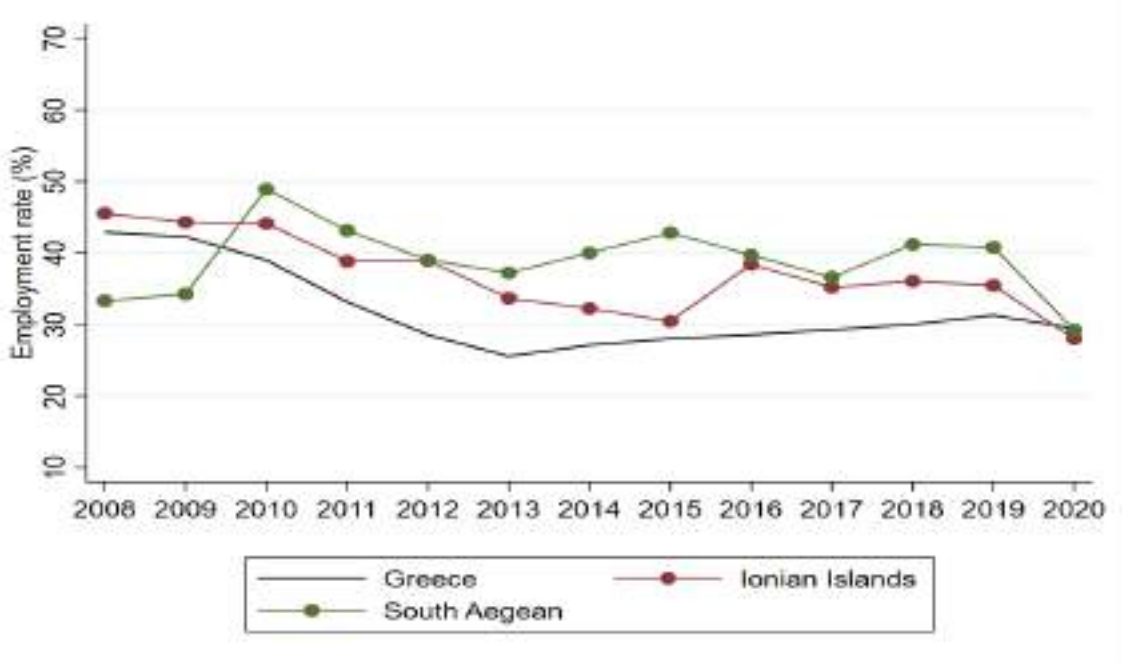
Islands stood at 45.6%. With the Great Recession, the rate declined to a low of 30.5% in 2015. It recovered somewhat after this and stood at 35.5% in 2019. With the onset of COVID-19 in 2020, the rate fell to 28%.

In relation to the South Aegean, its youth employment rate stood at 33.3% in 2008. It rose to 48.9% in 2010 and then declined to a low of 37.2% in 2013. After this time period, the rate increased again and fluctuated between 37% and 43% until when COVID-19 hit in 2020. That year the rate fell to 29.3%.

**Figure 3. 6 Youth Employment Rates in Key Tourism-Dependent Regions in Greece Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

When we examine the employment rates in these two tourism-dependent regions by gender (Figures 3.7 and 3.8), we can see that, to some extent, the male and female rates follow a similar pattern over time. Specifically, in terms of the rates in the Ionian Islands declining over time and the rates in the South Aegean rising.



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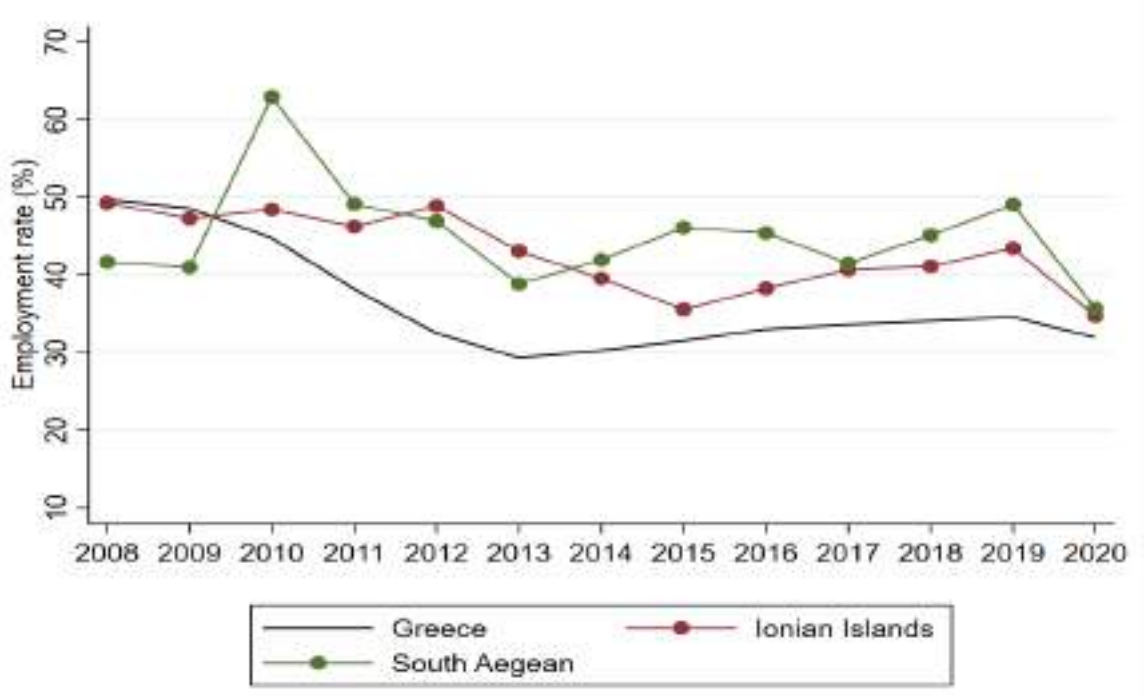
In relation to young males, their employment rate in the Ionian Islands stood at 49.2% in 2008. This rate remained above 46% until 2013 when it fell to 43.1%. Most likely due to the Great Recession, and the various austerity measures introduced at that time, the rate fell to a low of 35.5% in 2015. It subsequently recovered and stood at 43.4% in 2019. With the onset of COVID-19 in 2020, the rate fell by almost 10 percentage points to 34.7%. The male youth employment rate in the South Aegean was also above 40% until 2013. At that time, the rate fell to 38.8%. It recovered after this and remained above 40% until 2019. However, when COVID-19 hit, the rate fell by over 10 percentage points from 49% in 2019 to 35.6% in 2020.

**Figure 3. 7 Youth Employment Rates in Key Tourism-Dependent Regions in Greece Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

In relation to young females, their employment rate in the Ionian Islands was 41.7% in 2008. The rate remained around 40% until 2011 when it fell by almost 10 percentage points to 31.6%. It subsequently fell further to 25.7% in 2013. After this, the female youth employment rate in the Ionian Islands



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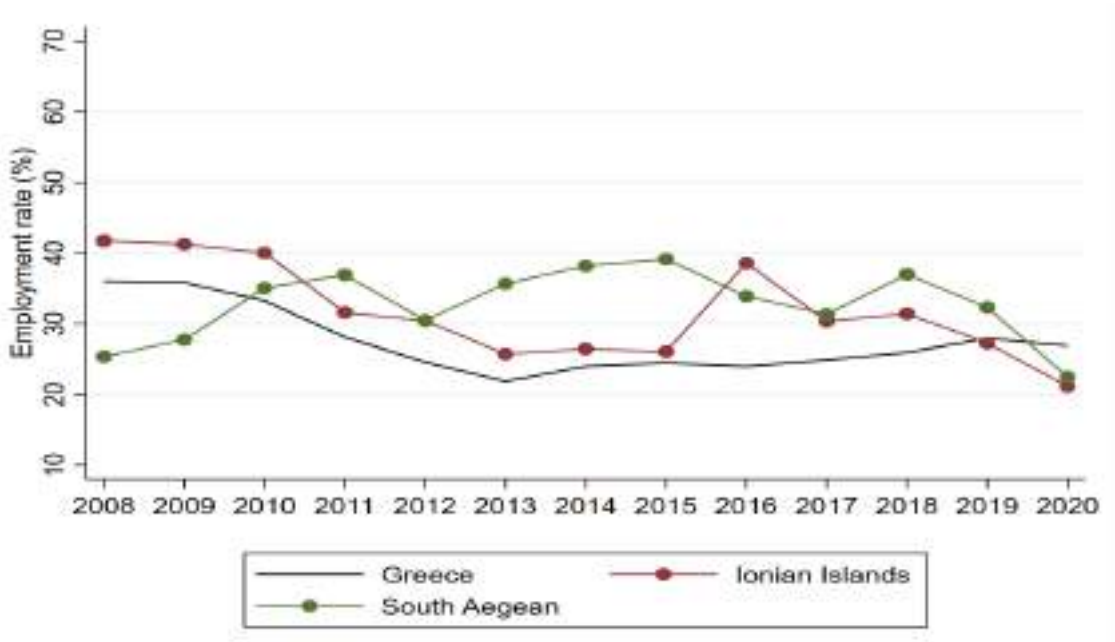
recovered somewhat and stood at 27.2% in 2019. With the arrival of COVID-19 in 2020, the rate fell to 21.1%.

For the South Aegean, the female youth employment rate was only 25.3% in 2008. It grew thereafter, apart from a dip in the rate in 2012, and reached 39.1% in 2015. The rate fell over the next two years, rose again in 2018 to 37%, fell the following year to 32.2%, and then dropped considerably with the onset of COVID-19 in 2020 to 22.5%.

For both regions, the female youth employment rate fell, for the first time, below the national average in 2020. This was not the case for young males. While their rate of employment in these two tourism-dependent regions fell considerably with the onset of COVID-19 in 2020, neither rate fell below the national youth employment rate at that time.

**Figure 3. 8 Youth Employment Rates in Key Tourism-Dependent Regions in Greece Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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### 3.3.2 Youth Employment in Key Energy Transition Regions

Figure 3.9 presents youth employment rates for the three key Greek energy transition regions that we are focusing on in this baseline study: [54] i) Central Macedonia, ii) Western Macedonia, and iii) the Peloponnese. For the most part, the youth employment rate for the Peloponnese has been above the national average rate over the time period examined in this study, whereas the rates for Central Macedonia and Western Macedonia have mainly lain below the national average rate. For all regions, the youth employment rate has fallen over time.

Of the three regions, the youth employment rate was highest in Central Macedonia in 2008 (48.8%). However, the rate in this region declined after 2009. It fell to a low of 21.5% in 2013. The rate then recovered somewhat, but only to 29.3% in 2019, which is just over 20 percentage points less than what the rate was 10 years earlier in 2009 (49.5%). With the onset of COVID-19, the rate fell marginally further to 27.8% in 2020.

The youth employment rate in the Peloponnese stood at 45.9% in 2008. It remained around this level for the next two years and then fell by almost 10 percentage points to 35.6% in 2011. The rate fell further to 28.8% in 2012. Since this time period, the rate has, for the most part, hovered between 30% and 32%.

The youth employment rate in Western Macedonia has never been above 40%. In 2009, the rate stood at 39.2%. It declined thereafter and reached a low of 16.5% in 2013. After this time period, the rate recovered somewhat and reached a high of 24.7% in 2017. The rate declined again after this and stood at 19.2% in 2019. It appears to have increased marginally again in 2020 to 22.3%.

[54] Identified by Greek project partners, in conjunction with the calculation of location quotients.



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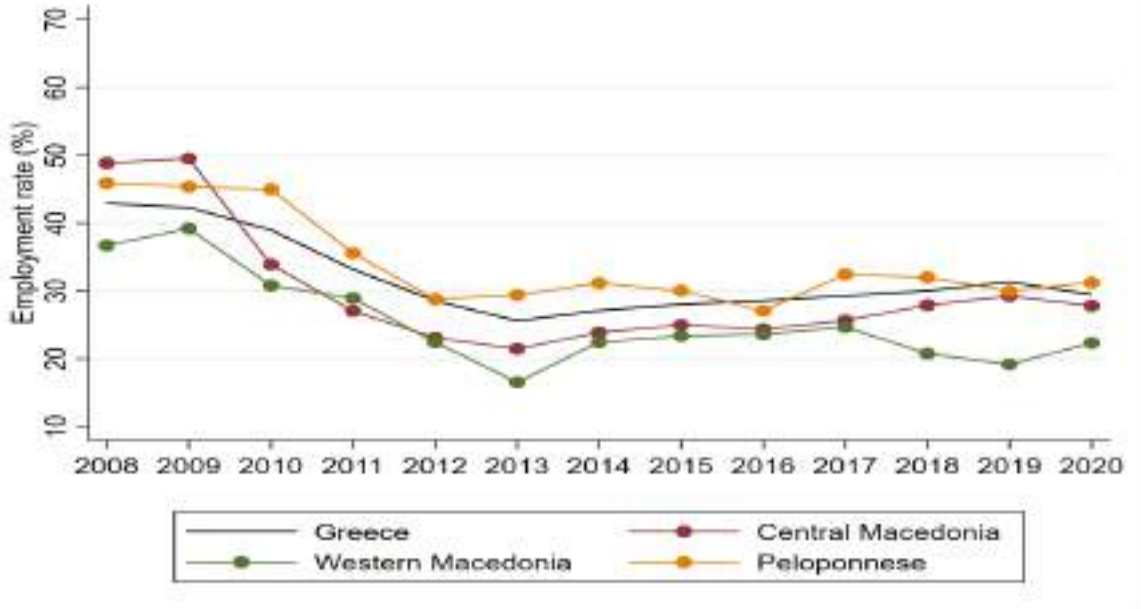
**Figure 3. 9 Youth Employment Rates in Key Energy Transition Regions in Greece Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

With regard to male and female youth employment rates in these three energy transition regions (Figures 3.10 and 3.11), males rates are considerably higher in each region.

In relation to males (Figure 3.10), prior to the Great Recession, their employment rate was highest in the Peloponnese. In 2008, the rate in this region stood at 56.3%. It then fell considerably after 2010, reaching a low of 36% in 2012. It remained around 36-37% for the next four years. It then rose to 42.8% in 2017, and has remained around this level (43%) since this time period.

The male youth employment rate in Central Macedonia fell considerably after 2009. At that time point, the rate stood at 58.6%, but by the following year it had fallen by 20 percentage points to 38.6%. It fell further after this, reaching a low of 25.2% in 2013. The rate has recovered gradually since this, but in 2020 the rate was still over 20 percentage points below its peak of 58.6% 11 years earlier in 2009.



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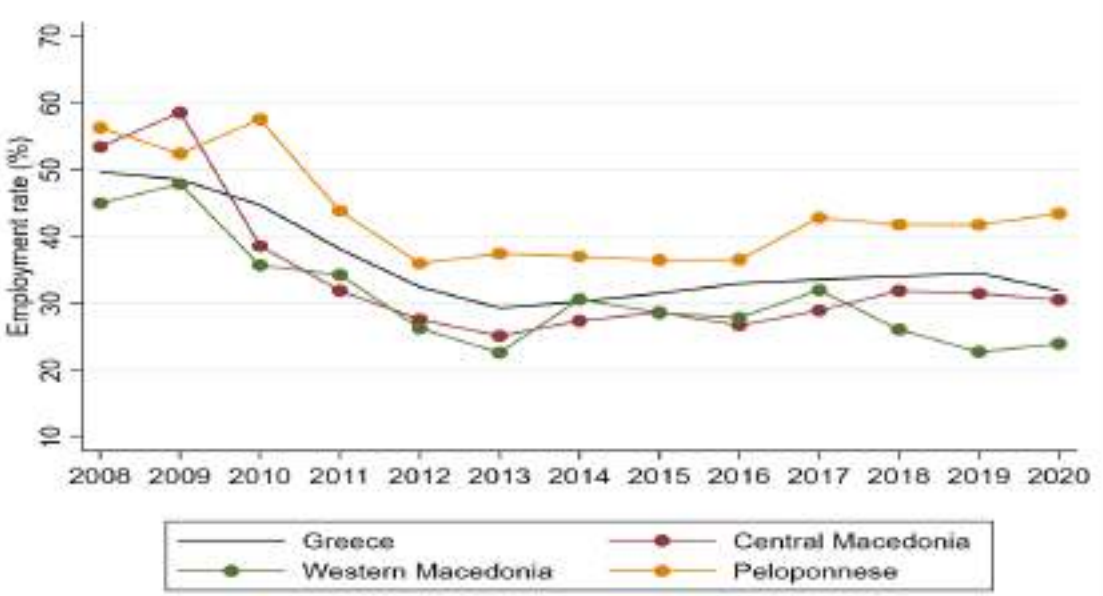
In relation to Western Macedonia, its male youth employment rate has also fallen over the time period examined in this study, although the fall has not been as large as for the other two energy transition regions analysed. Its male youth employment rate fell from a high of 47.9% in 2009 to a low of 22.6% in 2013. It recovered well after this time period and stood at 32% in 2017. However, it fell to 26.1% the following year and then to 22.8% in 2019, only marginally above the low rate recorded in 2013. In 2020, the rate stood at 24%.

**Figure 3. 10 Youth Employment Rates in Key Energy Transition Regions in Greece Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

With regard to female youths (Figure 3.11), for the most part their employment rates in the three energy transition regions examined in this study have always lay below the national average female youth employment rate, especially those in Western and Central Macedonia. In 2008, of all regions examined, Central Macedonia recorded the highest female youth employment rate (44.6%). The rate in this region fell considerably after 2009, reaching a low of 18% in 2013. It recovered after this to reach 27% in 2019 before falling again with the onset of COVID-19 in 2020 to 25.1%.



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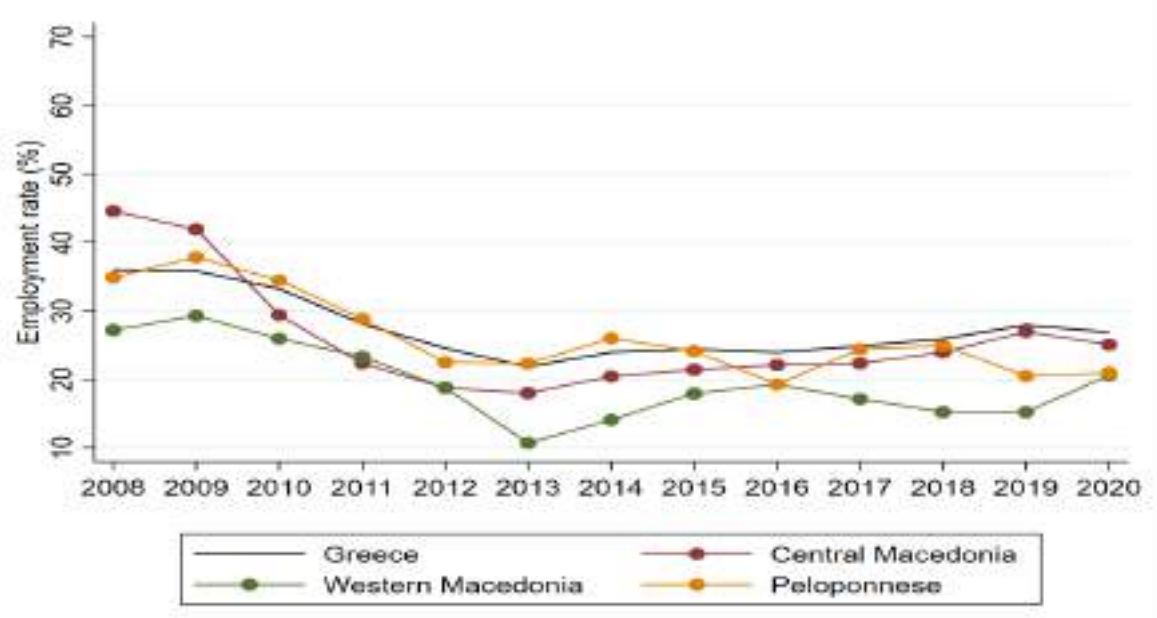
For the Peloponnese, the female youth employment rate in this region stood at 34.9% in 2008. It remained over 30% until 2010 and then fell to 28.9% in 2011 and further to 22.3% in 2013. The rate recovered to 26% in 2014 but fell again over the next two years before increasing again to around 24-25% in 2017/2018. However, in 2019, the rate fell again to 20.5% and remained around this level for the first year of COVID-19 (2020).

In relation to Western Macedonia, its female youth employment rate has never been above 30%. It stood at 29.3% in 2009 and then fell to a low of 10.7% in 2013. There was recovery in the rate after this time period, reaching 19.3% in 2016. It fell again for the next three years, before rising to 20.6% in 2020.

**Figure 3. 11 Youth Employment Rates in Key Energy Transition Regions in Greece Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## 3.4 Sectoral Share of Employment for Key Tourism-Dependent, Energy Transition, and Intense Industrial Decline Sectors

In Figures 3.12 to 3.14, we present sectoral shares of employment of young people in Greece. Of the NACE economic sectors,[55] of which there are 21 categories for the most aggregated version of NACE (1-digit), we focus specifically on key tourism-dependent, energy transition and intense industrial decline sectors, as these are the economic sectors that are the focus of this project. For the tourism-dependent sector, we examine the employment share of young people in (i) accommodation and food, and (ii) arts and entertainment; for energy transition, we analyse the share of young people in (iii) electricity,[56] and (iv) for our intense industrial decline sector we focus on manufacturing.[57]

The share of young people employed in the electricity sector in Greece is less than one% and has not changed considerably over the time period examined in this study (2008-2020). The proportion of youths employed in arts and entertainment is also low but grew somewhat between 2014 (1.8%) and 2018 (2.3%). The share fell to 1.7% in 2019 but recovered to 2.6% in 2020.

Of the sectors examined, those with the largest shares of employed youths are accommodation and food and manufacturing, with the proportions employed in manufacturing declining marginally over time and increasing in accommodation and food. The share employed in accommodation and food stood at 10.7% in 2008. This figure increased gradually after this and reached a high of 22% in 2019. With the onset of COVID-19 in 2020, the share fell to

[55] NACE is a Statistical Classification of Economic Activities developed in the European Community.

[56] Electricity also includes gas and air conditioning. Due to small sample size, especially for females, we were not able to examine 'mining and quarrying'. The numbers employed in electricity are also quite low, especially when broken down by gender. Therefore, the electricity sector employment share results need to be interpreted with caution (it was not possible to present the female results as the samples were too small for the results to be reliable).

[57] The shares of employment in these four sectors are derived as a percentage of total youths in employment in Greece: we do not present shares for the other 17 NACE sectors as these other sectors are not the focus of this project.



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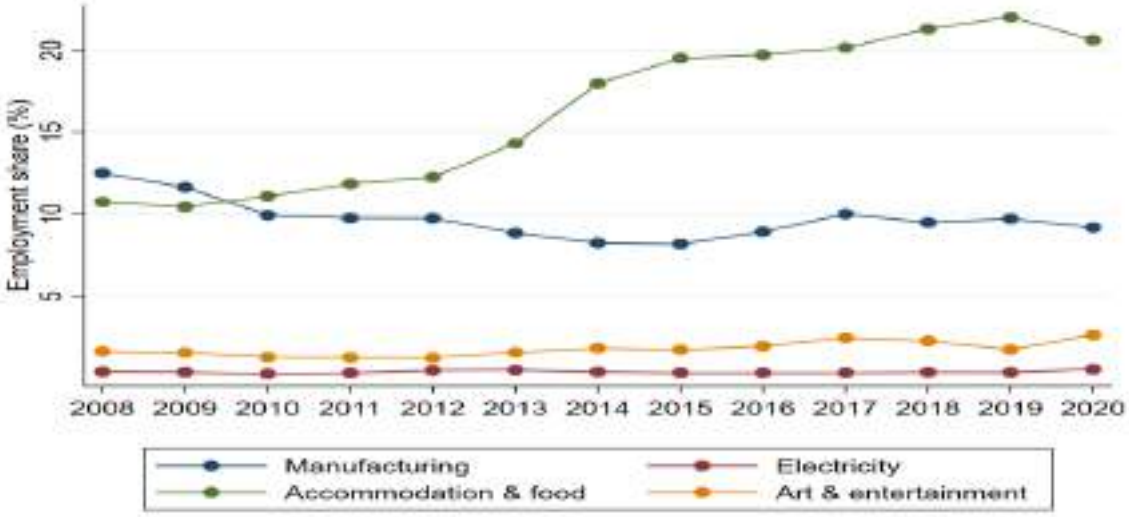
20.6%. with regard to manufacturing, the share of young people employed in this sector in Greece was 12.5% in 2008. The share declined gradually after this, reaching a low of 8.2% in 2015. Since this time period it has improved marginally, fluctuating between 9% and 10%.

**Figure 3. 12 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Greece Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

For young males in Greece (Figure 3.13), their employment shares in electricity and arts and entertainment mirror that of the overall employment shares for these two sectors (Figure 3.12): i) less than one% in electricity, with no significant change over time, and ii) gradually increasing in arts and entertainment after 2013 to stand at 2.9% in 2020.

Young males' share of employment in manufacturing has declined over time, while it has increased in accommodation and food. Specifically, their employment share in manufacturing fell from 16.2% in 2008 to a low of 9.5% in 2015. This figure improved somewhat after this and stood at 11.4% in 2020. With regard to accommodation and food, the share of young males



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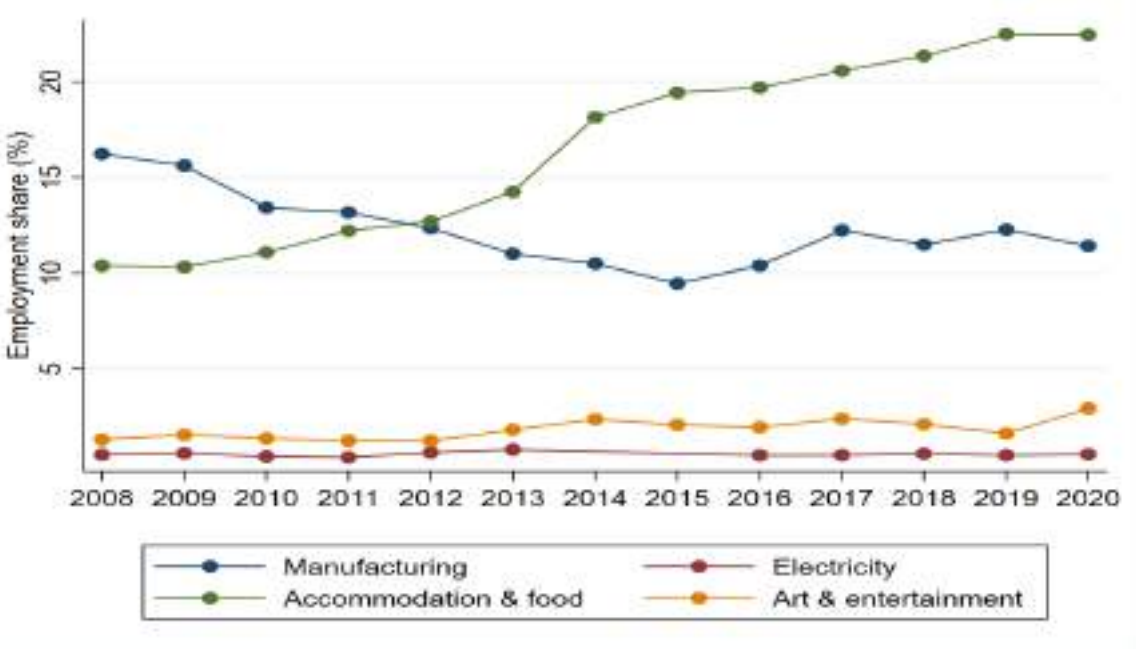
employed in this sector stood at 10.4% in 2008. It has grown gradually since this and stood at 22.5% in 2020.

**Figure 3. 13 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Greece Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

With regard to young females (Figure 3.14), their share of employment in electricity and arts and entertainment is very low and has not changed much over time. A larger proportion of females are employed in manufacturing, but this figure is still quite low and has not changed considerably between 2008 (7.3%) and 2020 (6.4%).

Out of the sectors examined in this study, young females' share of employment is largest in the accommodation and food services sector. This share grew gradually from 11.3% in 2008 to a peak of 21.4% in 2019. With the onset of COVID-19 in 2020, the share fell to 18.4%.



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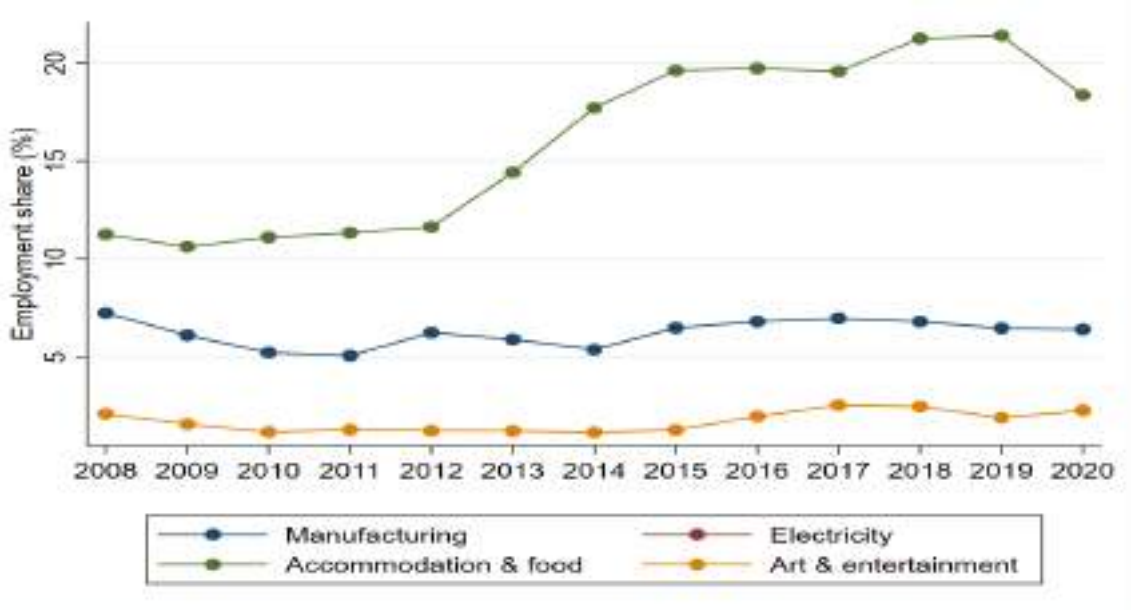
**Figure 3. 14** **Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Greece Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 3.5 Profile of Youths in Employment, Unemployment, and NEETs

In Table 3.1 we present some demographic information on young people in Greece in employment, unemployment, and young NEETs in 2019.[58] Specifically, their gender, nationality, and educational attainment.

Over half of those in employment and NEETs are male, 56.2% and 53.5% respectively, whereas a slightly bigger percentage of those in unemployment are female (50.9%). Across all economic status categories, less than 10% are non-nationals: i) employment, 7.2%, ii) unemployment, 9.6%, and ii) NEET, 8.9%.

With regard to educational attainment, across all economic states, there are larger percentages with medium education: 56.4% of those in employment,

[58] 2019 was selected in order to eliminate any impact of COVID-19 on the profiles of young people in employment, unemployment, and NEET.



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58.1% of those in unemployment, and 55.5% of NEETs. 36% of those in employment have high education. This is only marginally higher than the percentage of those in unemployment and NEETs with high education, 30.2% and 33.7% respectively.

The main field of study pursued by young people in Greece is 'engineering, manufacturing, and construction': [59] 13.9% of those in employment undertook this field of study, 13.3% of those unemployed and 11.7% of NEETs. The second top field is 'services'. For those in employment, 11.2% undertook this course, while the figure was 9.3% of those in unemployment and 8.8% of NEETs.[60]

[59] For those in employment, this is the top field after 'generic programmes and qualifications', which 30.1% of individuals in employment are categorised as studying. The same is true for those classified as unemployed: 25.7% are categorised as having studied 'generic programmes and qualifications', while for NEETs the figure is 28.8%.

[60] For those in unemployment, close behind 'services' is 'arts and humanities' (9.2%), while for NEETs, 'health and welfare' (8.6%) is very close to the percentage that undertook 'services'.



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**Table 3. 1 Demographic Profile of Young People in Greece in Employment, Unemployment, and NEETs: 2019**

| | Employment | Unemployment | NEET |
|---|---|---|---|
| **Gender:** | | | |
| Male (%) | 56.2 | 49.1 | 47.0 |
| Number (000) | (283) | (101) | (134) |
| Female (%) | 43.8 | 50.9 | 53.0 |
| Number (000) | (220) | (104) | (151) |
| **Nationality:** | | | |
| Nationals (%) | 92.9 | 90.4 | 89.1 |
| Number (000) | (467) | (185) | (254) |
| Non-Nationals (%) | 7.1 | 9.6 | 10.9 |
| Number (000) | (36) | (20) | (31) |
| **Educational Attainment:** | | | |
| Low Education (%) | 6.8 | 11.7 | 15.8 |
| Number (000) | (34) | (24) | (45) |
| Medium Education (%) | 56.4 | 58.1 | 58.1 |
| Number (000) | (283) | (119) | (165) |
| High Education (%) | 36.8 | 30.2 | 26.1 |
| Number (000) | (185) | (62) | (74) |
| **Field of Study:** | | | |
| Top Field: Engineering, Manufacturing and Construction (%) | 13.9 | 13.3 | 11.7 |
| Number (000) | (70) | (27) | (33) |
| 2nd Field: Services (%) | 11.2 | 9.3 | 8.8 |
| Number (000) | (56) | (19) | (25) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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In Table 3.2, we present some work characteristic information for young people in employment in Greece. On average, those in employment in 2019 had been with their current employment for 2.6 years. Smaller proportions worked part time (18.7%) and were on temporary contracts (23.5%). The number of hours usually worked per week was 39.3, with actual hours being 37.4.

**Table 3. 2 Work Characteristics for Young People in Employment in Greece: 2019**

| | Employment |
|---|---|
| **Current Employment Duration (Average Years)** | 2.6 |
| Number (000) | (503) |
| **Job Type:** | |
| Full-Time Work (%) | 81.3 |
| Number (000) | (409) |
| Part-Time Work (%) | 18.7 |
| Number (000) | (94) |
| **Contract Type:** | |
| Permanent Contract (%) | 76.5 |
| Number (000) | (316) |
| Temporary Contract (%) | 23.5 |
| Number (000) | (97) |
| **Usual Hours Worked Per Week (Average Hours)** | 39.3 |
| Number (000) | (503) |
| **Actual Hours Worked Per Week (Average Hours)** | 37.4 |
| Number (000) | (503) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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As can be seen from Table 3.3, the majority of young people unemployed in Greece in 2019 were long-term unemployed (59.1%).

**Table 3. 3 Unemployment Duration of Young Unemployed People in Greece: 2019**

| | Unemployment |
|---|---|
| **Unemployment Duration <6 Months** | 22.0 |
| Number (000) | (45) |
| **Unemployment Duration 6-11 Months** | 18.9 |
| Number (000) | (39) |
| **Unemployment Duration 1 Year or More** | 59.1 |
| Number (000) | (121) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## 3.6 Key Findings

- The youth findings presented in this chapter clearly reflect the Greek labour market's historical weaknesses, as well as the heavy sway the more-than-a-decade-long recession has had upon it. For Greece, 2013 marked the peak of the crisis, whilst the period from 2014 until 2019 can be characterised by a fragile stabilisation.
- The wide gaps in rates between male and female youths were gradually being bridged as time passed between 2008 and 2020.
- The COVID-19 health pandemic's footprint is evident in almost all examinations presented especially in NEET and inactivity rates.
- The youth employment rate appears to be historically low, falling from almost 40% in 2008 to 30% in 2020. Its lowest level was in 2013 (25%). It must be noted that the male youth employment rate was almost 14 percentage points higher than the female youth employment rate in 2008, but this gap was gradually eliminated between 2008 and 2020.
- Youth unemployment has doubled from 2008 to 2020 (from 16 to 30%), peaking at a striking 45% in 2013. Again, as unemployment rates were increasing, the gap between male and female unemployment was being bridged in some sort of 'downwards convergence'. Especially in regard to long-term unemployment (around 17% in 2020), this difference became marginal.
- NEET rates can be characterised as high overall. From 15% in 2008, they skyrocketed to 30% in 2013, before eventually falling back to 19% in 2020. The same can be said for inactivity rates, which increased by almost 10 percentage points from 2008 to 2020 (49% in 2008).
- The 2008/09 Great Recession decimated Greece's construction and manufacturing sectors, which led the national economy to turn to the tourism sector as its main sector for economic growth. As a


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result, tourism-focused regions enjoyed lower unemployment rates, and those studied here in particular were not as affected as the rest of the country during the deepest years of the Great Recession (2009-13). Consequently, by the end of the decade (in 2018) the two tourism-dependent regions covered in this chapter, the South Aegean and the Ionian Islands, had the highest GDP per capita in the country if one leaves Attica out.

- However, these regions' dependence on tourism turned against them with the onset of the COVID-19 health pandemic in 2020, as international tourist arrivals dwindled, and tourism expenditure plummeted. Specifically, whereas youth employment rates in the South Aegean and the Ionian Islands were fluctuating higher than the national youth employment rate from 2010 onwards, these regions' employment rates converged with the national average rate in 2020. For the former region, which holds the largest share of the country's international arrivals, the rate fell by 10 percentage points within a single year (from 40 to 30%). Beyond youth employment, the decline in total employment was striking (-12%), being one of the steepest in the Mediterranean EU. For its part, the latter region limited its employment losses (youth employment rates receded from 33 to 30%) due to its lower level of dependency on tourism, and possibly the region also benefited from its geographic position, as most of the islands comprising the region are highly accessible and were chosen over destinations in the Aegean amidst the pandemic.
- It must be noted that, amidst the health pandemic, young female workers were affected disproportionately in these two tourism-dependent regions. Specifically, whilst in both regions the youth employment rate for males remained above the national average after the onset of the health pandemic, the rate for females fell well below it.



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- For their part, the energy transition regions examined in this chapter followed the same trends as most of the country: unlike tourism-dependent regions, the decline in economic activity that came from the Great Recession affected them profoundly. This can be seen in the charts presented in Section 3.4, which show the gradual decline in youth employment in manufacturing, with food and accommodation, one of the main tourism related sectors, appearing to absorb this residual workforce over time.
- Both energy transitioning regions (Western Macedonia and the Peloponnese), and the one in manufacturing decline (Central Macedonia), saw youth employment rates receding rapidly until 2013, before stabilising in the following period.
- Western Macedonia, the epicentre of the country's energy production, exhibited a remarkable vulnerability, with Central Macedonia, one of Greece's most robust manufacturing regions, performing even worse.
- For its part, the Peloponnese performed better than the rest, presenting youth employment rates above the national average throughout the reference period (2008-20). However, this may well be attributed to its sturdy agricultural profile rather than its energy production aspect (Gourzis and Gialis, 2019).
- The analysis of the results by gender highlights that male youth employment rates are constantly higher than the female rates in all of these three regions. This result could be attributed to the male-dominated sectoral division of labour in the three regions, especially in agriculture, manufacturing, and energy production related activities. Thus, male youth employment in the Peloponnese is constantly higher than the national average rate. On the contrary, male youth employment rates in Central Macedonia and Western Macedonia are below the national average after 2009.



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- Female youth employment rates in all these regions are below the national average for the most part of the time period examined. The declining trends follow almost the same course in each region. The above relate to the overall more precarious position of female workers (young or not), something that was observed in tourism-dependent regions too.

## 3.7 Policy Responses

Since 2014, a number of policies have been implemented in Greece to assist youths to integrate into the labour market, mainly under the Youth Guarantee programme. In this section, we will provide an overview of the most important measures that have been introduced. However, we will begin by providing an overview of the policies that were implemented prior to the Youth Guarantee, specifically since 2008.

### 3.7.1 National level:

Even before the 2008 Great Recession, young workers in Greece constituted a vulnerable segment of the workforce. At that time (2008), two programmes were designed to assist them: i) 'Youth and Business', which subsidised young professionals aged between 22-32 with an emphasis on innovative ideas and ICT skills, and ii) 'A start, an opportunity', which assisted younger individuals aged between 16-25 who would not finish tertiary or vocational education with counselling, ICT training and 5-month internships. In its later stages, the 'A start, an opportunity' programme provided an initial sum of money to young people to establish their own business.

At the onset of the Great Recession, young people, especially those aged 16 to 32, were disproportionately hit. First, as mentioned previously, legislation was passed that lowered the minimum wage of those aged under 25



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(L.3863/2010).[61] Subsequently, additional legislation was implemented that provided exceptions that businesses could take advantage of so as to further lower wages for those aged under 25 (L.3986/2011). Eventually, legislation was passed that introduced a *sub-minimum* wage for them (L.4046/2012 and L.4093/2012).[62] The objective of these austerity policies was to reduce labour costs for younger workers so as to enhance their employability.

At the same time, a number of policies were introduced from 2010 onwards to alleviate the negative effects that the previous policies had. However, these policies were also aimed at further cutting public expenditure. Specifically, in 2010, the Greek Labour Force Employment Organisation (OAED) started assisting enterprises in hiring the long-term unemployed by covering their social security contributions. Legislation was also passed that introduced the 'employment coupon for young people' (L.4144/2013), a kind of single-day social security contribution so as to minimise undeclared work, especially in sectors abounding in seasonal labour, such as agriculture and tourism. In 2013, businesses were further provided with youth labour in the form of internships and scholarships, and innovative youth entrepreneurship was encouraged through other legislation that introduced financing tools and mentoring (L.3833/2010). Many of the aforementioned programmes were relaunched in 2016 (e.g., the 'Programme for the promotion of youth entrepreneurship through innovation/start-ups'). Most importantly, the sub-minimum wage for young workers was abolished in 2019.[63]

[61] The number following the dash in these legislations represents the year of their promulgation. For instance, this one is 2010.
[62] LABREF database: https://webgate.ec.europa.eu/labref/application
[63] LABREF database: https://webgate.ec.europa.eu/labref/application


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**Application of the Youth Guarantee in Greece: 2014-2020**

A turning point for youth support policies came in 2014, with the introduction of the National Youth Guarantee Implementation Plan, following wider EU directives. The Greek Programme was designed by the Directorate for Integration in the Labour Market of the Ministry of Labour and Social Affairs and carried out by OAED. It set the activation of idle youth as a priority. This goal was pursued through a comprehensive set of actions, including apprenticeship programmes, counselling services, vocational schools, and platform-based training in basic and advanced ICT skills.[64] Having a limited effect, the programme was amended in 2018. Specifically, those aged 25-29 were targeted with further actions. For one, the Labour Market Diagnosis System, an online dashboard which was established in 2016 by the National Labour and Human Resources Institute (EIEAD) and the Greek Ministry of Labour, was further utilised with an aim to provide an early identification of labour market needs, and ultimately, to assist in the design of employment policies. Additionally, OAED's business model was restructured, labour inspections were intensified (to limit undeclared work), and attempts were made to reverse brain drain by linking Small and Medium Enterprises (SMEs) with high-skilled youth labour. The total budget for the Youth Guarantee programme for the 2014-20 period was approximately 575 million Euros (Ministry of Labour Social Security & Social Solidarity, 2018).

**Youth Guarantee Plus Plan: 2021-2027**

In 2020, EU member states committed to intensify their efforts in assisting their youth, considering the devastating impact the COVID-19 health pandemic has had on young people. The 2021-2027 Youth Guarantee will be financed by the European Social Fund Plus (ESF+) mechanism, which has a total budget of €99 billion. As Greece exhibits higher than the EU average NEET rates, it has to invest at least 12.5% of its ESF+ resources in the national

[64] LABREF database: https://webgate.ec.europa.eu/labref/application



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Youth Guarantee program (European Commission, 2020). As of July 2022, this program has not yet been published; all actions promulgated in the last 2 years are part of the finance tools of the 2014-20 European Structural and Investment Funds.

### 3.7.2 Regional Level – Tourism Regions:

As mentioned previously, tourism has been the steam-engine of the Greek economy for the past decade. As such, youth employment policies did not focus on enhancing their employability; rather, measures that have been introduced have sought to enhance youths' skills and to provide relevant businesses, such as hotels, with as much labour force as possible (Herod et al., 2022). In 2009, pertinent policies provided that of all the beneficiaries of specific training programmes, 30% would end up at tourism-related SMEs. A year later, as the effects of the Great Recession unfolded, a policy sought to assist hotels in keeping the number of employees they had the previous year by covering part of wage costs for recruiting formerly unemployed individuals. In 2012, unemployed persons were channelled into tourism through traineeship programmes of 600 to 800 hours and training vouchers. Finally, in 2014 subsidies were provided to hotels and other accommodation businesses by OAED so as to maintain employment positions outside the tourism season months (from November through February). This policy, however, exempted Central Macedonia and Attica from the targeted regions, reflecting their higher status as tourist destinations at that time.[65]

After a decade of growth, however, the sector was severely hit by the COVID-19 pandemic in 2020. As early as April of that year, the Ministry of Tourism promulgated a series of emergency measures so as to support the sector. Specifically, financial aid was given to hospitality businesses that kept operating throughout the whole year, and additionally, businesses in the

[65] LABREF database: https://webgate.ec.europa.eu/labref/application



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sector in general were offered the choice to refund their clients who cancelled bookings by vouchers instead of money. Moreover, training programmes were offered to workers in tourism under the auspices of the Hellenic Chamber of Hotels. Finally, a marketing campaign was set up to promote domestic and international tourism in anticipation of the tourist season - namely, the summer of 2020 (Ministerial Decision 5052, 2020). By the end of 2020, the Tourism for everyone programme aimed at supporting the domestic market (Joint Ministerial Decision 9022, 2020). Most of the above mentioned measures specifically targeted tourism-dependent regions, in an effort to limit job losses at the onset of the pandemic due to the stringent measures curtailing mobility and travelling. However, their effect was impeded by the horizontally-imposed measures seeking to contain the pandemic's spread.

### 3.7.3 Regional Level – Energy Transition Regions:

To mitigate the effects of the energy transition to a climate-neutral economy, a series of policies are currently being implemented. Specifically, as part of the Special Transitional Programme for Just Development, four new employment support programmes are already running in the lignite-mining areas under the auspices of OAED.[66] First is the 'Youth Work Experience', which refers to the acquisition of work experience for young unemployed people aged from 18 to 29 in local companies, fully covering their salary and contributions. The second is the "Creation of New Jobs", which concerns the hiring of unemployed persons by companies in new full-time jobs with attractive terms with the support of OAED, which covers part of the salary and contributions. The third is the 'Relocation Subsidy', which encourages the relocation of the unemployed to the aforementioned areas in order to cover the needs of local companies in specialised personnel by covering their travel and accommodation expenses. Finally, the fourth is the

[66] https://ypen.gov.gr/koinoniko-paketo-ypsous-107-ekat-evro-gia-tin-stirixi-tis-apascholisis-stis-lignitikes-perioches-tin-periodo-2021-2022/



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'Counselling, Training and Employment, which provides counselling and training services to the unemployed for upgrading their skills, as well as subsidising companies to recruit them. Although only the first of these four policies explicitly target youths, this age cohort is included in the beneficiaries of the rest.

Other policies have also been announced but have not been implemented yet. Specifically, the latest version of the 'Territorial Just Transition Plans'[67] pinpoints strengthening local labour markets, promoting entrepreneurship, and empowering human capital as their priorities. In this frame, two flagship projects will be implemented in Western Macedonia which signal the region's productive reorientation towards research and technology: i) the Innovation Zone (which comprises an enterprise incubator, research laboratories, as well as entrepreneurship and workers' training seminars targeting tertiary education graduates), and ii) the Green Data Centre and Supercomputer, so as to meet the computing needs of the local academic and research community, the local government, and the Innovation Zone.

Additionally, for maintaining jobs, subsidy schemes have been devised for eligible companies, and counselling, training, and retraining programmes for the former employees in companies affected by lignite phase-out. Apart from those specific worker groups, vocational counselling and training programmes will target the unemployed, the long-term unemployed, the self-employed, and workers in precarious jobs, emphasising green and digital skills. Finally, for employers and employees alike, adult education programmes will be implemented on environmental protection, green energy, green economy, digital skills and entrepreneurship (Ministry of the Environment and Energy, 2021b; Ministry of the Environment and Energy, 2021c).

[67] These plans were established as a necessity in article 7 of COM(2020) 22 final /14.01.2020: Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund.



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For its part, the Digital Transformation Strategy for Just Development Transition will pursue the long-term viability of the development model of energy transition regions and includes an operational plan in the logic of a roadmap. This includes the configuration of a smart city-living lab, integrated in the aforementioned Innovation Zone, the promotion of employment in digital technologies, and the training of new IT professionals (Ministry of the Environment and Energy, 2021d). Finally, OAED recently introduced a special business grant programme aiming at the employment of 3,400 unemployed, former employees in companies affected by the lignite phase-out in the Regions of Western Macedonia and the Peloponnese.[68]

## 3.8 Policy Implications

The focus of this section is to examine if the measures outlined in the previous section assisted young people in Greece to enter the labour market, especially after the Great Recession of 2008. As mentioned, austerity policies introduced after this recession targeted youth labour disproportionately. However, the goal of reducing labour costs for young people through the measures introduced failed to enhance their employability. Specifically, youth unemployment skyrocketed within a few years (2009-13), showing that these alleviating measures failed to reverse the compound effect of the crisis and the austerity-driven policies.

Thus, it became an imperative to come up with a more comprehensive plan for supporting young workers. This was precisely the rationale behind introducing the Youth Guarantee, a robust approach for the youth. Data presented above show that youth employment rates did indeed increase after 2014, whilst NEET rates followed the opposite trend. However, this should not be seen independently of the wider (anaemic) recovery the Greek

[68] https://www.oaed.gr/eidiko-proghramma-epikhorighisis-epikheiriseon-ghia-tin-apaskholisi-3400-anerghon-prwin-erghazomenon-stis-epikheiriseis-poy-eplighisan-logho-tis-apolighnitopiisis-stis-perifereies-tis-ditikis-makedonias-kai-tis-peloponnisoy.



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economy achieved. Employability increased, but labour conditions did not improve significantly (Gourzis and Gialis, 2019). Moreover, the upwards trend of youth inactivity rates was not overturned (as Figure 3.5 shows). Most importantly, no youth employment-related programme managed to contain the severe brain drain the country suffered throughout the whole decade; this refers to the almost half a million people that left the country from 2010 onwards, with most of them being young and high-skilled (Papakonstantinou, 2021). Specific metrics reveal structural deficiencies regarding the YG program, mostly pertaining to its limited impact on the 25-29 age group, insufficient funding, inadequate adaptation to region- and nation-specific conditions and needs, and fuzzy framework to provide good-quality jobs (Emmanouil et al., 2020), with all the above being pointed out for other countries too (Thurlby-Campbell and Bell, 2017). In fact, the amendment of the Youth Guarantee in 2018 implies the limited impact it had on youths.

The fragility of youth labour markets was most evidently displayed during the COVID-19 pandemic. At that point, as all data analysed above shows, youth labour markets were hit more than employment overall. Amidst this conjuncture, the Greek state presented only temporary and passive policies that failed to mitigate job losses in the country's most vulnerable regions, such as the tourism-dependent ones. However, it must be pointed out that trends at the national level were rather mild. Total employment in Greece contracted by 1% between 2019 and 20, whereas in similar countries such as Spain (-3%), and Portugal and Italy (-2% in both), losses were larger (Herod et al., 2021). Whilst at that point the limited contraction at the national level can certainly be attributed to the lower severity of the pandemic in the country during its first waves (Herod et al., *ibid*), we cannot overlook the impact these policies have had. However, more recent data suggest their



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passive and short-sighted character, as Greece seems to record particularly steep losses in employment in the year to 2022.[69]

Now, in relation to the tourism sector, most pertinent policies throughout the 2010s sought to provide businesses (and mainly large hotels) in the sector with cheap youth labour. This came hand-in-hand with the deregulation of labour relations, something that soon translated into adverse working conditions for most workers in the hospitality and catering sectors (Gialis and Seretis, 2018). Nevertheless, as a labour-intensive industry, tourism has provided a steady supply of jobs, and amidst a 'tourism miracle' (from 2013 onwards), active labour market policies were not deemed necessary. In any case, even those policies that were eventually promulgated, prioritised the provision of labour, whilst downplaying the quality of it.

Therefore, when COVID-19 hit Greece, it had an immense impact on the country's labour market. In this framework, tourism-dependent regions were affected the most. As stated above, most of the policies put in place were temporary, passive, and equally importantly, geographically 'tone-deaf'. Therefore, while these had an impact—to some extent—on the country as a whole, they failed to make a substantial difference in its most vulnerable regions. Indicatively, the South Aegean recorded the largest total employment decline across the South EU (by almost 12%). Youth employment rates in both tourism-dependent regions fell below the national average whilst they had remained above it for almost a decade. Moreover, the measures' fuzzy scope failed to support the most vulnerable cohorts within youth labour markets, such as women, resulting in the pandemic having a disproportionate impact on them.

[69] Based on the latest Eurostat data. Accessed at: https://ec.europa.eu/eurostat/databrowser/view/lfst_r_lfe2emp/default/table?lang=en



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Thus, whether the measures to be introduced under the Youth Guarantee Plus Plan can reverse some of the adverse effects of COVID-19 on youths in Greece, especially in tourism-dependent regions, remains to be seen.

In relation to the energy transition regions examined in this study, the employment policies outlined in Section 3.7 have not yet been implemented as the country's energy transition strategy is still under development. Thus, it is not possible to evaluate if they have been effective or their impact on youth employment in particular. However, some evident implications relate to the fact that these policies are merely indicative targets and actions, meaning that their impact on affected populations, like youths, is possibly not assessable. It is known that energy transition is going to decrease employment by at least 13,500 jobs in the affected areas, and in the whole country the estimates exceed 19,100 jobs. Household income is also expected to fall (IOBE, 2020). If we consider the multiplier effects on the lignite value chains, and the potential spillover effects, the impact of the lignite phase-out is expected to be very significant. Moreover, the rapid outmigration of younger workers from the regions that face developmental decline due to energy transition is a significant issue (Christiaensen and Ferré, 2020) that potentially affects the employment policy objectives. The age composition of the workforce and its existing skills are critical to employment policy design and the need to create prospects to attract young people back to these regions should be put forth.



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# 4 Italy

## 4.1 Context

**The Italian Economic and Social Context 2008-2020:**

As with the other countries covered in this study, Italy was also badly impacted by the Great Recession of 2008, and its national economic environment has been on a difficult recovery path since the crisis. It was only in 2015-2016 that its level of gross domestic product (GDP) firmly recovered above 2008 levels (see Chapter 2). However, the onset of the COVID-19 health crisis in 2020 halted any significant growth that took place after the years 2015-2016.[70] Thus, as a result of the Great Recession, and more recently the COVID-19 pandemic and its related health security policies, the Italian economy has been characterised by low growth over the past decade.

Needless to say, this has had knock-on implications for the country's labour market. On the employment side, the Great Recession led Italy's employment rate, for the whole labour market, to decline from 58.6% in 2008 to 55.5% in 2013. Only in 2019 did the rate rise back above its 2008 level. However, it fell again in 2020 due to the COVID-19 pandemic.

In relation to unemployment, the financial crisis led this rate to increase from 6.7% in 2008 to a high of 12.6% in 2014. Since this time period, however, the unemployment rate has gradually decreased and stood at 9% in 2020.

General labour market liberalisation policies were introduced to bolster the labour market after the Great Recession, particularly in 2015. These policies may have had some effect on increasing employment rates and in reducing

[70] Source: ISTAT (gross domestic product at market prices) – see: http://dati.istat.it/



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unemployment. However, they have not resolved the gradual contraction in wages that has taken place since the financial crisis.

**The Italian Regional Context:**

From a regional perspective, the large differences between the various Italian regions remained over the crisis period. In particular, Northern Italy performed well over the period, and did so in a European context, but the South continued to lag behind considerably.

When comparing employment rates across the five regions that are being focused on in this chapter, two tourism-dependent regions – Sardinia and Basilicata - and three regions going through energy transition – Calabria, Puglia and Lazio - with the best performing Italian region, Lombardy, in 2008 we can see that the employment rate for each region before the Great Recession hit was: Lombardy 66.9%, Lazio 60.2%, Sardinia 52.3%, Basilicata 49.6%, Puglia 46.6%, and Calabria 44%. When we examine the employment situation for the worst year after the crisis, which was 2013 for Italy, Calabria performed the poorest, with its employment rate falling below 40% that year: Lombardy 64.8%, Lazio 57.7%, Sardinia 48.3%, Basilicata 46.2%, Puglia 42.3%, and Calabria 38.9%. In 2019, when the Italian economy was well into its recovery from the Great Recession, its most fragile region's labour market - Calabria - was still performing poorly, with its employment rate still below what it was before the Great Recession: Lombardy 68.4%, Lazio 61.2%, Sardinia 53.8%, Basilicata 50.8%, Puglia 46.3%, and Calabria 42.0%.

This general overview of Italy's economy and labour market illustrates a context of serious territorial differences, and this context characterised Italy even before the COVID-19 health pandemic.



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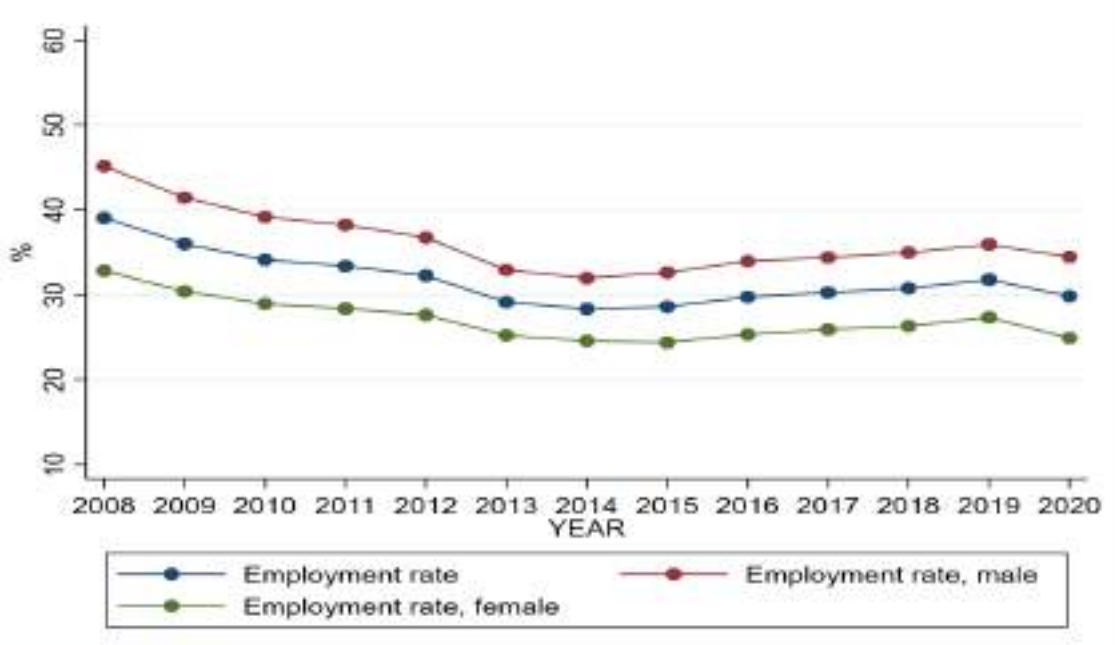
## 4.2 National Youth Employment, Unemployment, Long-Term Unemployment, and NEET Rates, and Inactive Share

### 4.2.1 Youth Employment

Just prior to the Great Recession, Italy's youth employment rate stood at 39.1% in 2008 (Figure 4.1), with the male rate over 10 percentage points higher than the female (45.1% and 32.8% respectively). The economic crisis that followed this time period led this rate to fall by just over 10 percentage points to a low of 28.3% in 2014.

**Figure 4. 1 Youth Employment Rates in Italy Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The male youth employment declined to a low of 32% that year, while it was 2015 when the female rate bottomed out at 24.4%. After 2014, Italy's overall youth employment rate rose gradually up until 2019 when it stood at 31.8%. For males, their rate reached 35.9% that year and for females 27.3%. The onset of COVID-19 in 2020 led all rates to fall, especially the female rate. It



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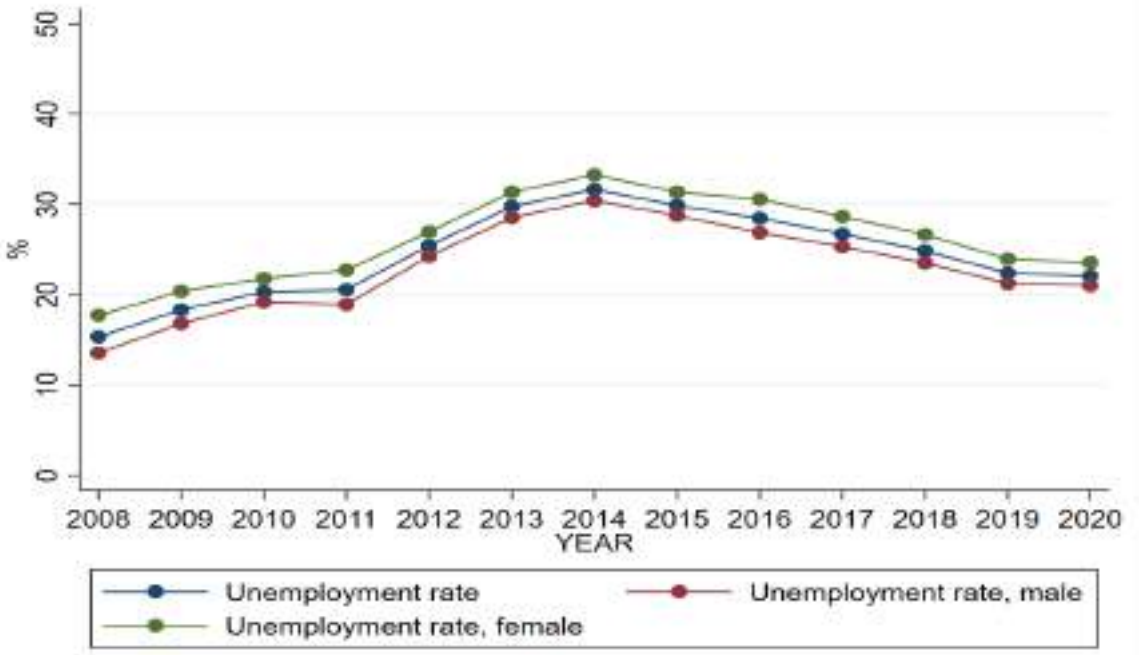
declined to 24.9%, while the overall rate fell to 29.8% and the male rate to 34.5%.

### 4.2.2 Youth Unemployment

Italy's youth unemployment rate was 15.3% in 2008, with the female rate higher (17.7%) than the male rate (13.5%). The Great Recession led the overall youth unemployment rate to increase to a high of 31.6% in 2014.

**Figure 4. 2 Youth Unemployment Rates in Italy Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The male and female rates increased over the same time period, with the female rate rising to 33.2% in 2014 and the male rate more than doubling to 30.4%. All rates declined after this, with the overall rate standing at 22.1% in 2020, the female rate 23.6% and the male rate 21%.



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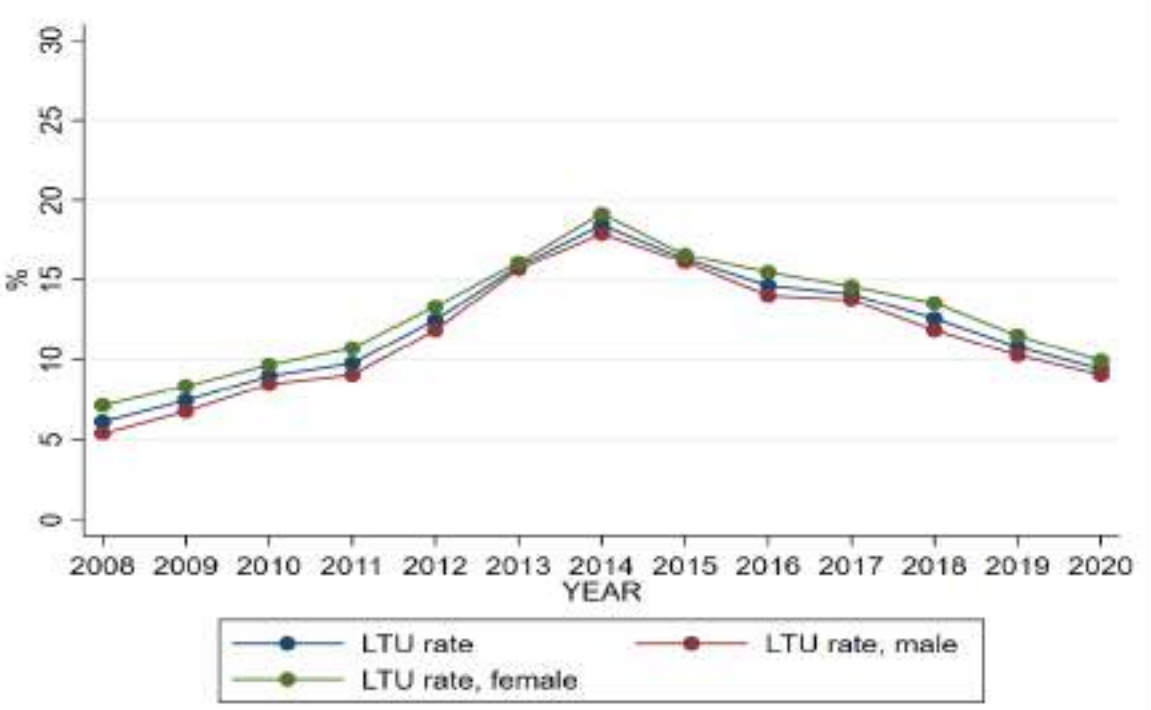
### 4.2.3 Long-Term Youth Unemployment

The Great Recession led Italy's long-term youth unemployment rate to more than triple between 2008 and 2014, increasing from 6.1% to 18.4%. The male rate increased from 5.4% to 17.9% between 2008 and 2014, and the female from 7.2% to 19.1%. Since this time period, all long-term youth unemployment rates have declined, the overall to 9.4% in 2020, the male rate to 9.1% and the female to 9.9%.

**Figure 4. 3 Long-Term Youth Unemployment Rates in Italy Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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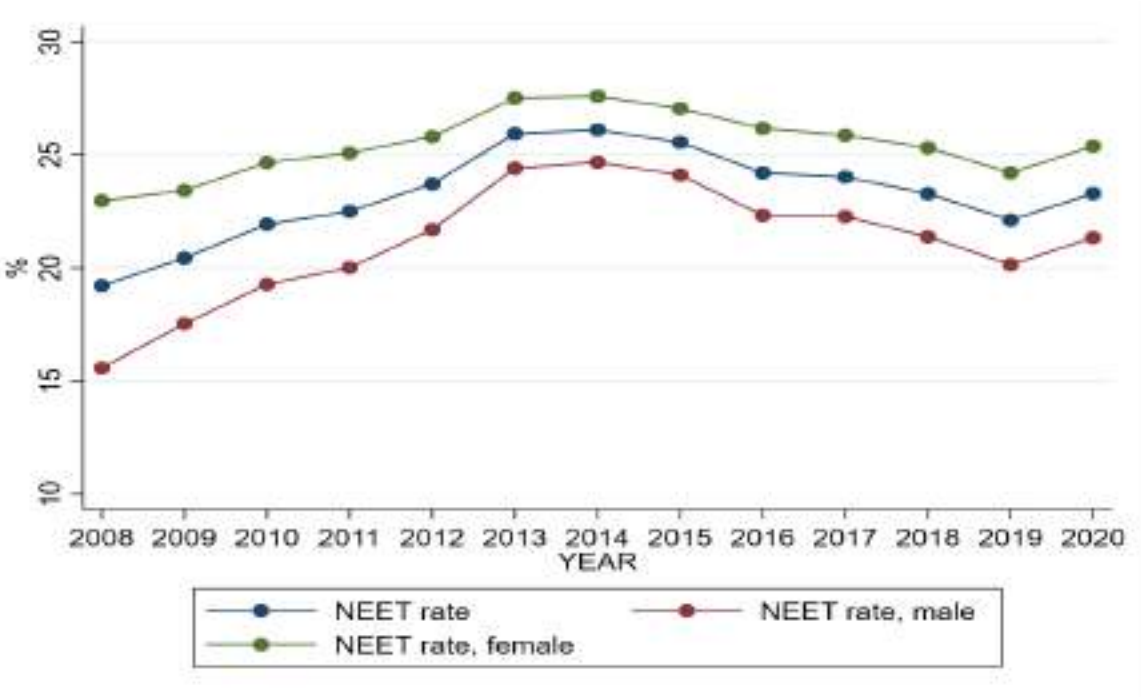
### 4.2.4 NEET Rates

The NEET rate in Italy stood at 19.2% in 2008, with the female rate higher than the male rate (23% and 15.6% respectively). The Great Recession saw the overall rate rise to a peak of 26.1% in 2014. The male rate almost increased by 10 percentage points over this time period to 24.7%, with the female rate rising to 27.6%. After 2014, the rate gradually declined, with the overall rate falling to 22.1% in 2019, the female rate to 24.2% and the male rate to 20.1%. The onset of COVID-19 in 2020 saw all rates gradually rise, the overall to 23.3%, the female to 25.4% and the male to 21.3%.

**Figure 4. 4 NEET Rates in Italy Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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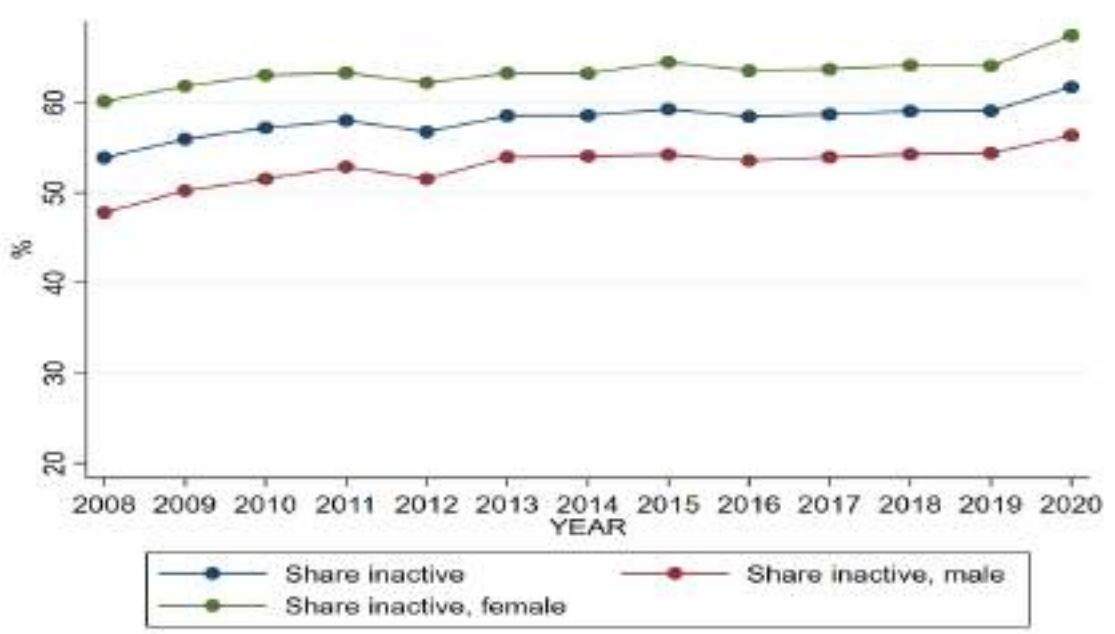
### 4.2.5 Inactive Youths

As can be seen from Figure 4.5, the share of inactive youths in Italy, overall and by gender, has grown between 2008 and 2020. Overall, the share of economically inactive youths rose from 53.9% in 2008 to 61.7% in 2020. For males, the proportion went from 47.8% in 2008 to 56.3% in 2020, while for females it rose from 60.1% to 67.4%. Thus, the increase in inactivity between 2008 and 2020 has been greater among young males, but a higher percentage of females than males are inactive, with this gap being over 11 percentage points in 2020 (67.4% for females compared to 56.3% for males).

**Figure 4. 5 Share of Inactive Youths in Italy Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## 4.3 Youth Employment Rates in Key Tourism-Dependent and Energy Transition Regions

### 4.3.1 Youth Employment in Key Tourism-Dependent Regions

In Figure 4.6, we present youth employment rates for two of Italy's key tourism-dependent regions, Basilicata and Sardinia.[71] The first point to note from this graph is that the youth employment rates in these two regions were lower than the youth employment rate for Italy as a whole over the time period examined in this study (2008-2020). Up until 2013, the employment rate in Sardinia was marginally higher than that in Basilicata, but since 2013 there has been very little difference in the two regions' youth employment rates.

In 2008, the youth employment rate in Sardinia was 33.3%. It fell then in 2009 to 28.3%. It remained between 27% and 30% between 2010 and 2012. The rate then fell to a low of 21.5% in 2013. The youth employment rate in Sardinia improved after this time period, but only marginally. In 2018, it stood at 25.9% and remained around this level until 2020 when, with the onset of COVID-19, the rate fell to 22.9%.

[71] Identified by Italian project partners, in conjunction with the calculation of location quotients.



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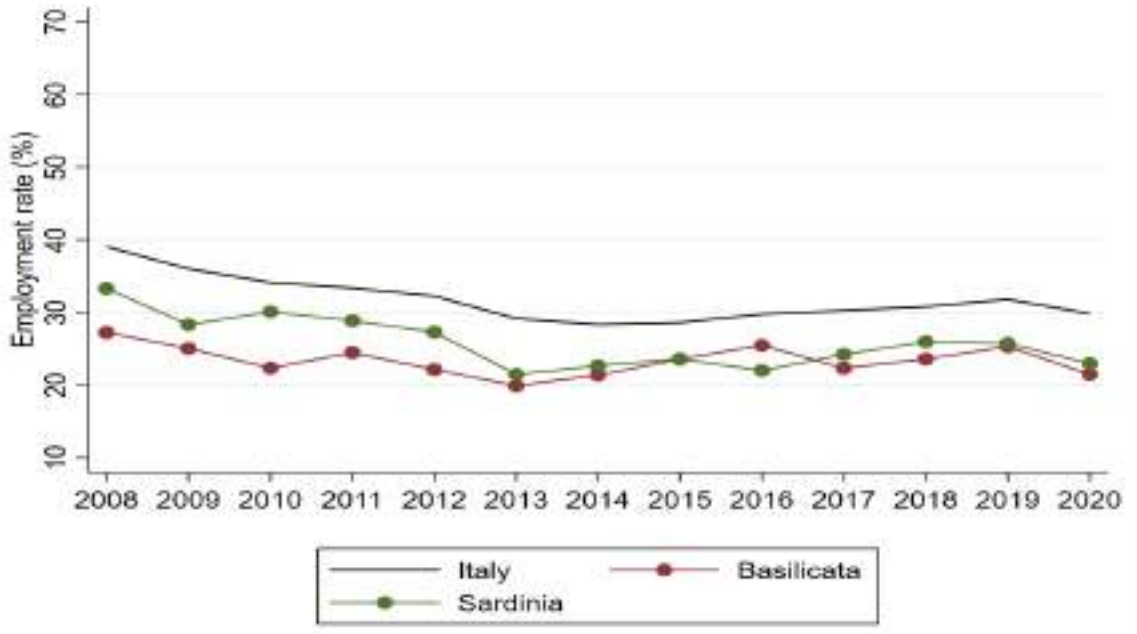
**Figure 4. 6 Youth Employment Rates in Key Tourism-Dependent Regions in Italy Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

In relation to Basilicata, its youth employment rate stood at 27.2% in 2008. There was some fluctuation in the rate over the following four years until it fell to a low of 19.9% in 2013. As with Sardinia, the rate recovered after this time period, but not considerably. In 2019, the rate stood at 25.3%, falling to 21.5% with the arrival of COVID-19 in 2020.

However, when we examine the employment rates in these two tourism-dependent regions by gender (Figures 4.7 and 4.8), we can see that COVID-19 led to a marginal decline in Sardinia's male youth employment rate, falling from 29.5% in 2019 to 28.4% in 2020 (Figure 4.7). On the other hand, the female rate fell by more with the arrival of the health pandemic, declining from 21.6% in 2019 to 17% in 2020.

COVID-19 also led to a fall in the male and female youth employment rates in Basilicata, from 32.7% in 2019 to 27.5% for males between 2019 and 2020



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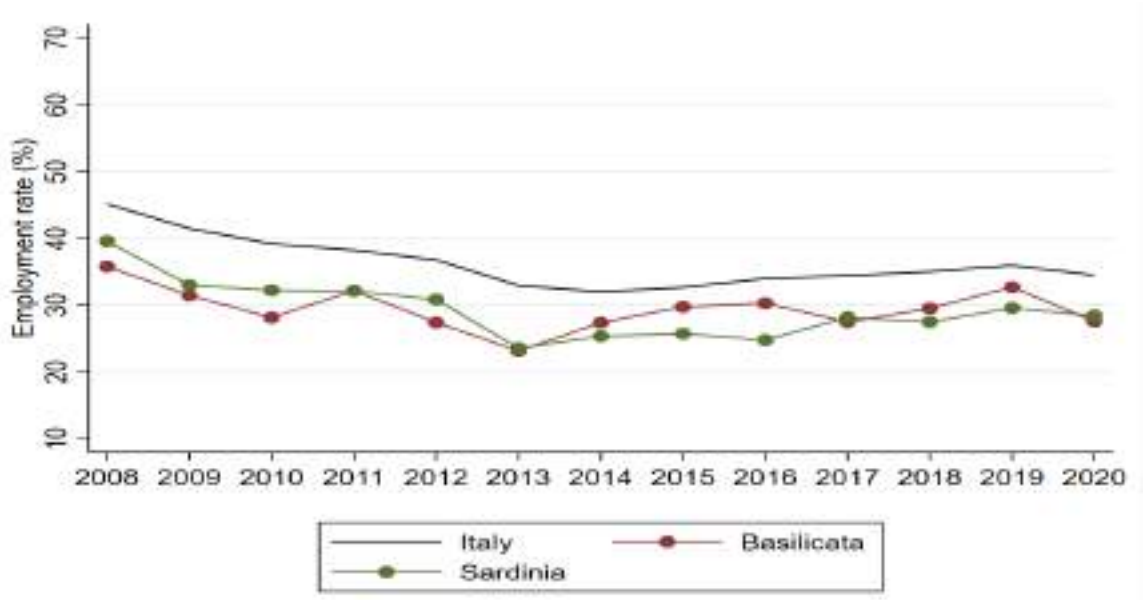
(Figure 4.7), and from 17.2% to 14.8% for females over the same time period (Figure 4.8).

Prior to the onset of the COVID-19 pandemic in 2020, the male youth employment rate in Basilicata stood at 35.8% in 2008: for Sardinia, it was 39.5% (Figure 4.7). The Great Recession led these two rates to fall to a low of 23.1% in Basilicata and to 23.6% in Sardinia in 2013. By 2019, the male employment rate in Basilicata had almost recovered to its pre–Great Recession level: it stood at 32.7% compared to 35.8% in 2008. After the Great Recession, Sardinia's male youth employment rate did not recover like it did for Basilicata: just before the COVID-19 pandemic, it stood at 29.5% in 2019, 10 percentage points less than what the rate was in 2008.

**Figure 4. 7 Youth Employment Rates in Key Tourism-Dependent Regions in Italy Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

In relation to females, their employment rate stood at 18.3% in Basilicata in 2008 (Figure 4.8). While the Great Recession led to a decline in this rate, the fall was quite marginal: it fell to a low of 15.1% in 2014. After this time period, the rate grew again and peaked at 20.3% in 2016. However, it



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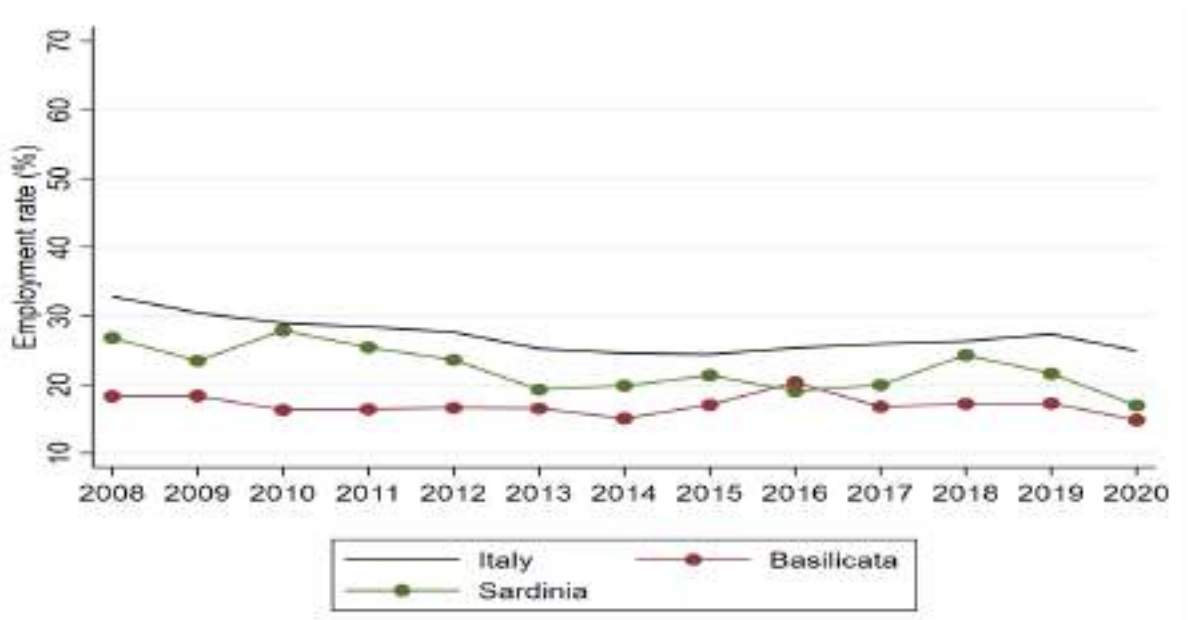
declined again after this time period: it stood at 17.2% in 2019, before declining to 14.8% when the health pandemic arrived in 2020.

With regard to Sardinia, its female employment rate has, for the most part, been higher than that in Basilicata over the time period of this study, 2008-2020. The rate stood at 26.8% in 2008. With the Great Recession, the rate fell to a low of 19.3% in 2013. It gradually recovered after this time period and stood at 24.3% in 2018. It declined after this, falling to 21.6% in 2019 and then to 17% with the start of COVID-19 in 2020.

**Figure 4. 8 Youth Employment Rates in Key Tourism-Dependent Regions in Italy Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 4.3.2 Youth Employment in Key Energy Transition Regions

Figure 4.9 presents youth employment rates for three of Italy's key energy transition regions: [72] i) Calabria, ii) Puglia, and iii) Lazio. One of the first points to note from this chart is that the rates for each region are lower than the

[72] Identified by Italian project partners, in conjunction with the calculation of location quotients.



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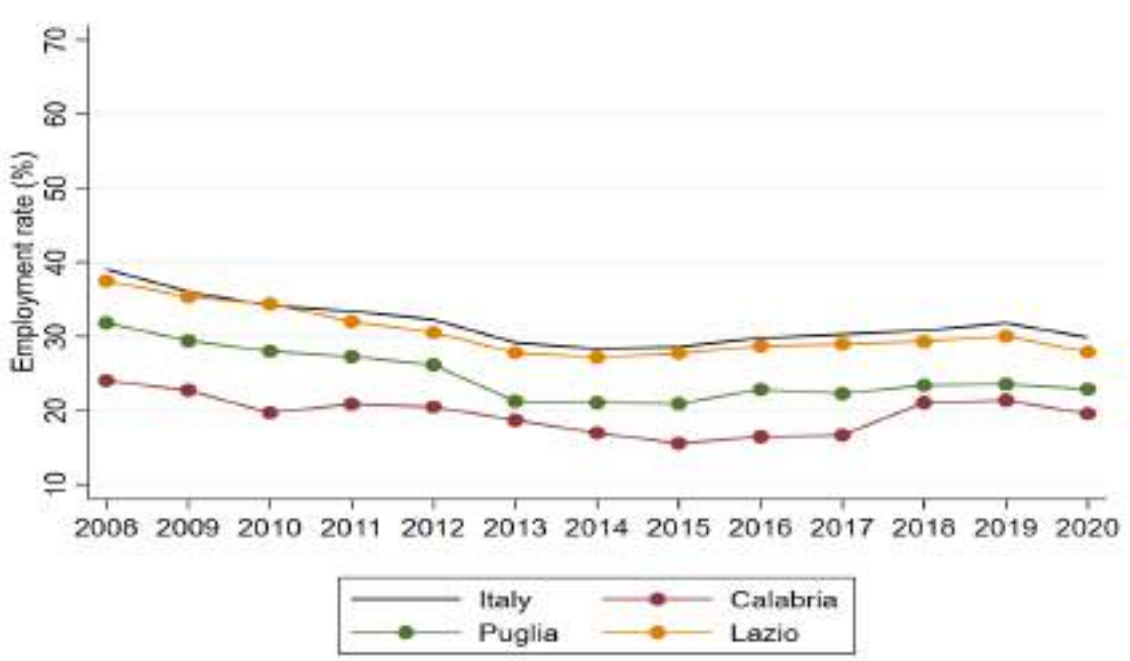
youth employment rate for Italy as a whole between 2008 and 2020. We can also see that the youth employment rate has been highest in Lazio over this time period and lowest in Calabria, which mirrors the overall rates presented in Section 4.1.

In relation to Lazio, its youth employment rate stood at 37.4% in 2008. With the Great Recession, the rate declined to a low of 27.2% in 2014. The rate subsequently recovered and stood at 30% in 2019. However, the onset of COVID-19 in 2020 saw the rate fall to 27.9%.

**Figure 4. 9 Youth Employment Rates in Key Energy Transition Regions in Italy Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The trends in the youth employment rates of both Puglia and Calabria follow a somewhat similar pattern to that of Lazio over the time period examined. Specifically, the youth employment rate in Puglia stood at 31.8% in 2008. It subsequently fell to a low of 21.1% in 2014. The rate recovered after this, but not to the same extent as it did in Lazio: by 2019 the rate stood at 23.5%,



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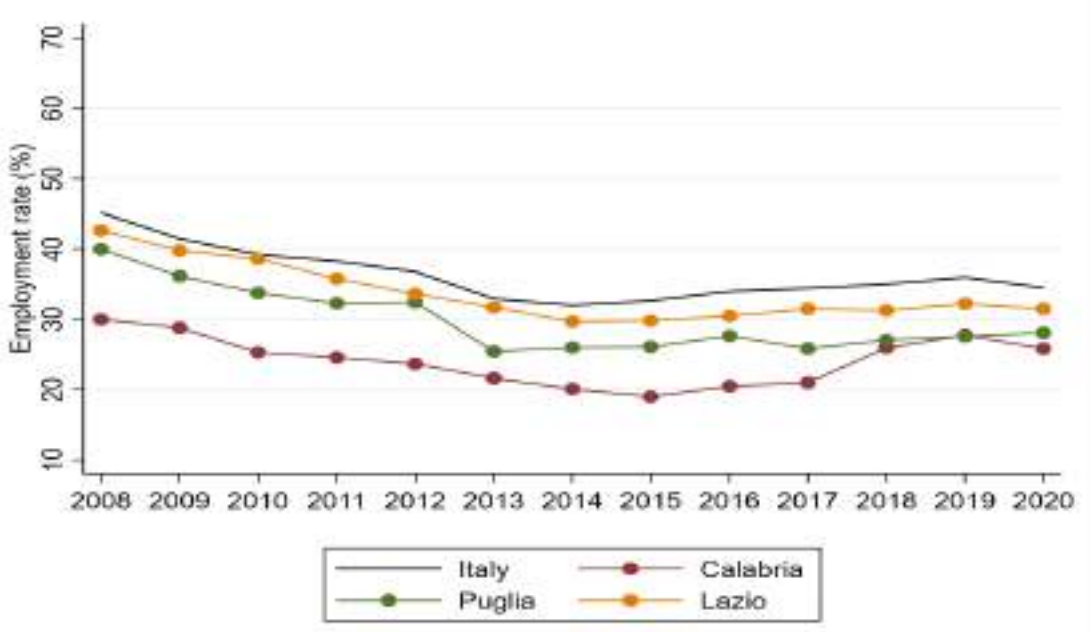
and then fell marginally to 22.9% in 2020. For Calabria, its youth employment rate stood at 24% in 2008. It then fell to a low of 15.5% in 2015, before recovering somewhat to stand at 21.4% in 2019. With the onset of COVID-19 in 2020, the rate fell to 19.6%.

In relation to the male youth employment rates in these three energy transition regions (Figure 4.10), Lazio, again, has the highest, followed by Puglia and Calabria. The Great Recession led the male employment rate in Lazio to fall from 42.6% in 2008 to a low of 29.6% in 2014. The rate recovered somewhat after this and stood at 32.2% in 2019 before falling marginally to 31.5% in 2020.

For Puglia, its male youth employment rate fell from 30% in 2008 to 19% in 2015. The rate recovered well after this time period and stood at 27.7% in 2019. However, COVID-19 led the rate to fall marginally to 25.8% in 2020.

**Figure 4. 10 Youth Employment Rates in Key Energy Transition Regions in Italy Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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With regard to female youths (Figure 4.11), their employment rate in Lazio was around the national average for female youths over the time period covered by this study, 2008 to 2020, with both Puglia and Calabria recording much lower rates of female youth employment.

In relation to Lazio, its female youth employment rate stood at 32.2% in 2008. The Great Recession then led the rate to fall to a low of 23.7% in 2013. It subsequently recovered and stood at 27.6% in 2019. However, it fell to 24.1% with the arrival of the health pandemic in 2020.

For Puglia, its female youth employment rate was 23.4% in 2008. With the Great Recession, it fell to a low of 15.5% in 2015. It subsequently increased again and stood at 19.2% in 2019. Like with Lazio, the rate fell because of COVID-19 in 2020 to 17.3%.

For Calabria, its female youth employment rate was only 18% in 2008. The Great Recession then led this rate to fall to a low of 12% in 2015. It subsequently recovered to 15.9% in 2018 but fell again after this and stood at 12.9% in 2020.



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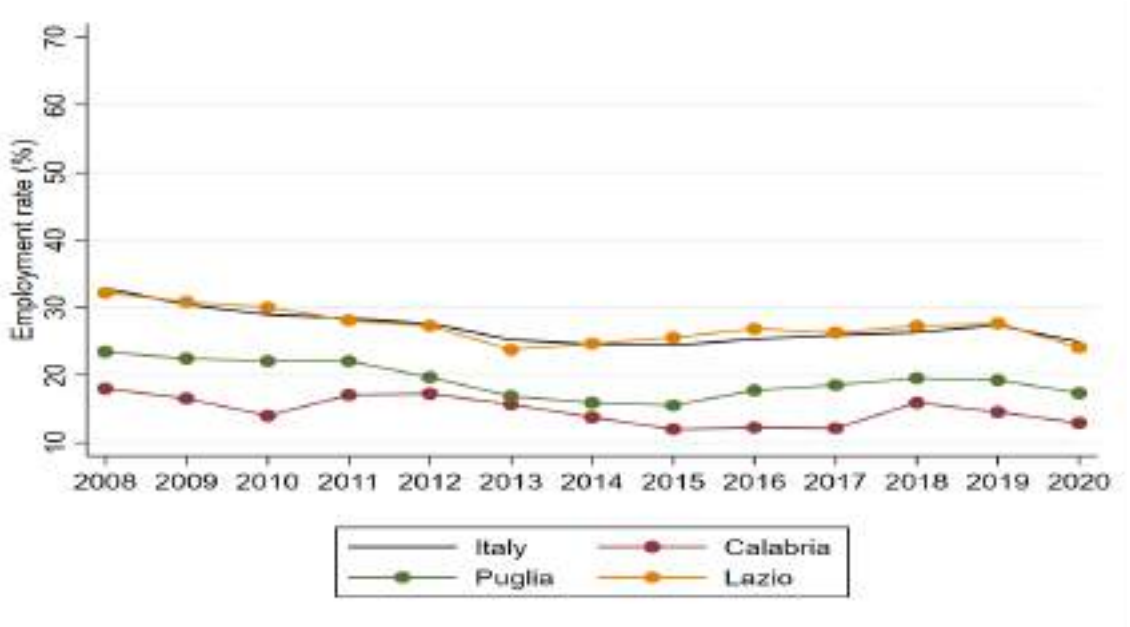
**Figure 4. 11 Youth Employment Rates in Key Energy Transition Regions in Italy Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 4.4 Sectoral Share of Employment for Key Tourism-Dependent, Energy Transition, and Intense Industrial Decline Sectors

In Figures 4.12 to 4.14, we present sectoral shares of employment of young people in Italy. Of the NACE economic sectors,[73] of which there are 21 categories for the most aggregated version of NACE (1-digit), we focus specifically on key tourism-dependent, energy transition and intense industrial decline sectors, as these are the economic sectors that are the focus of this project. For the tourism-dependent sector, we examine the employment share of young people in (i) accommodation and food, and (ii) arts and entertainment; for energy transition, we analyse the share of young people in (iii) electricity,[74] and (iv) for our intense industrial decline sector we focus on manufacturing.[75]

[73] NACE is a Statistical Classification of Economic Activities developed in the European Community.

[74] Electricity also includes gas and air conditioning. Due to small sample size, especially for females, we were not able to examine 'mining and quarrying'.

[75] The shares of employment in these four sectors are derived as a percentage of total youths in employment in Italy: we do not present shares for the other 17 NACE sectors as these other sectors are not the focus of this project.



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The share of young people employed in the electricity sector in Italy is around half a%, and this has not changed over the time period examined in this study (2008-2020).[76] The share of youths employed in arts and entertainment is also low, but, unlike the electricity sector, the proportion rose gradually between 2008 and 2016, from 1.6% to 2.8%. It declined marginally over the following years and stood at 2.2% in 2019/2020.

Of the four sectors examined in this study, manufacturing has employed the largest share of youths in Italy. This share stood at 21.5% in 2008. The Great Recession then led it to decline, falling to a low of 18.1% in 2013. After this, there was gradual recovery, with the share hovering around 21% between 2018 and 2020.

The proportion of youths working in the accommodation and food services sector has increased over time in Italy. In 2008, the share stood at 8.5%. This figure rose gradually after this to a high of 14.1% in 2017. It remained around this level for the next two years, and then declined to 12.2% when COVID-19 hit in 2020.

[76] It has fluctuated between 0.4 and 0.6% over the time period of this study (2008 to 2020).



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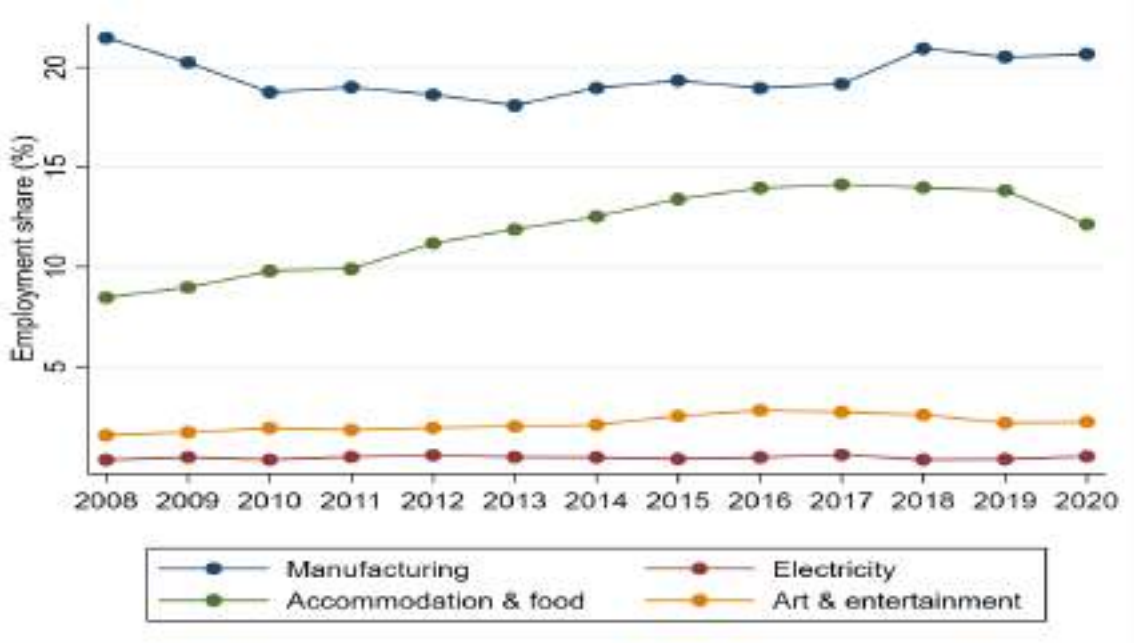
**Figure 4. 12 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Italy Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

For both young males (Figure 4.13) and females (Figure 4.14), the shares employed in the electricity sector between 2008 and 2020, especially for females, were extremely low. On the other hand, the proportions employed in the arts and entertainment sector grew over the time period. In 2008, 1.4% of males and 1.8% of females were employed in this sector. For males, this share increased to 2.7% in 2017/2018, and then declined marginally to 2.3/2.4% in 2019/2020. The share of females employed in the arts and entertainment sector increased to a high of 3.3% in 2016. It declined after this time period, falling to a low of 2% in 2020.



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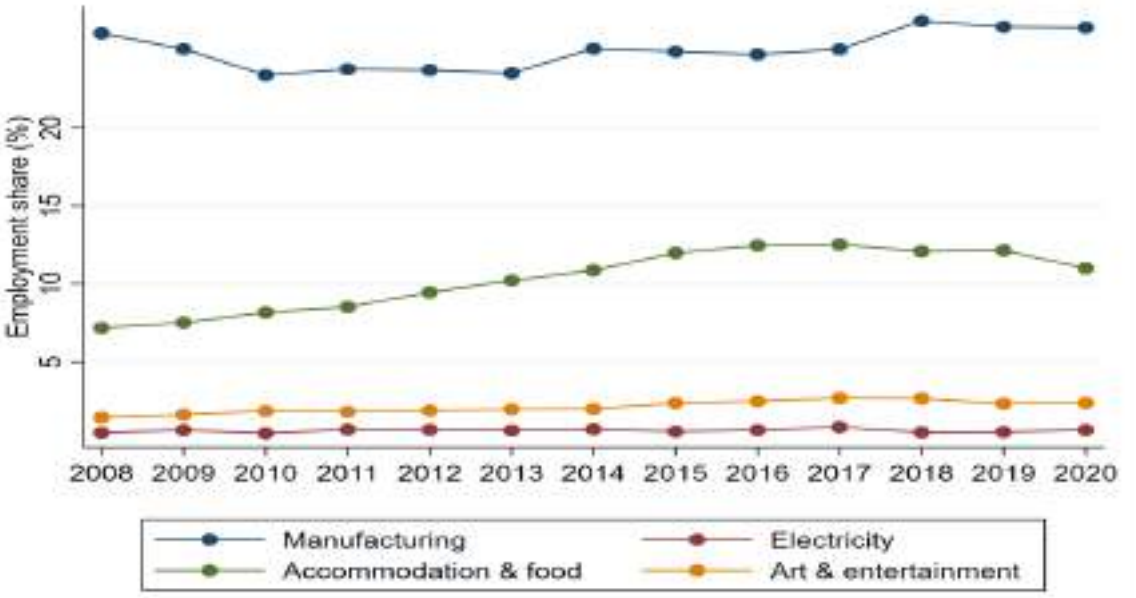
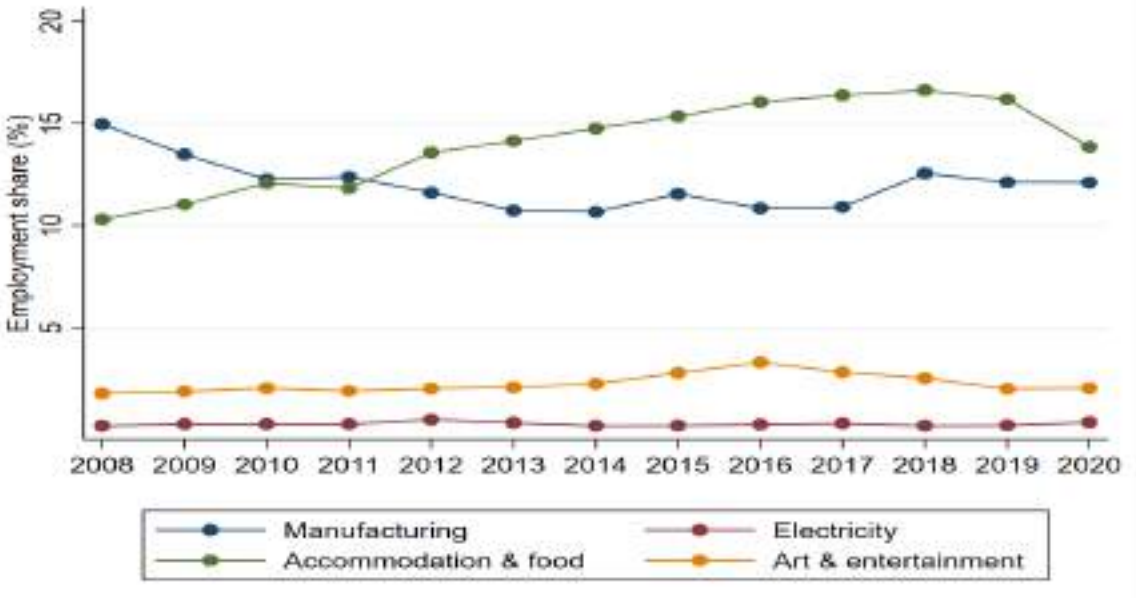
**Figure 4. 13** **Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Italy Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

**Figure 4. 14** **Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Italy Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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In relation to manufacturing, between 2008 and 2020 a larger proportion of males have been employed in this sector compared to females. For males, their share stood at 26.1% in 2008. For females, it was 15%. With the onset of the Great Recession, the share of young males employed in this sector fell to 23.4% in 2010. It hovered around 23-24% for the next three years. It then increased marginally to 25% in 2014 and remained around this level until 2018 when it rose to 26.8%. The share of young males employed in manufacturing stayed around 26% for the next two years (2019 and 2020). In relation to females, their share of employment in the manufacturing sector fell from 15% in 2008 to a low of 10.7% in 2013. The share remained around 11% until 2018 when it rose to 12.6%. For 2019 and 2020, the share stood at 12.1%.

For both males and females, their share of employment in accommodation and food has grown over time, and since 2012 it has been the main economic sector of employment, among those sectors examined, for females. For both genders, their employment shares in this sector fell with the onset of COVID-19 in 2020.

## 4.5 Profile of Youths in Employment, Unemployment, and NEETs

In Table 4.1 we present some demographic information on young people in Italy in employment, unemployment, and young NEETs in 2019.[77] Specifically, their gender, nationality, and educational attainment.

Over half of those in employment and unemployment are male, 58.4% and 54.6% respectively, while a higher percentage of NEETs are female, 52.9%. Across all economic status categories, between 12 and 14% are non-nationals, with a slightly larger percentage of NEETs being non-nationals,

[77] 2019 was selected in order to eliminate any impact of COVID-19 on the profiles of young people in employment, unemployment, and NEET.



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14.4% compared to 12.6% of those in employment and 12.4% of those in unemployment.

With regard to educational attainment, only a fifth of those in employment have a high level of education (20.1%), with the percentage less than this for those in unemployment (14.1%) and NEETs (11.6%).

**Table 4. 1 Demographic Profile of Young People in Italy in Employment, Unemployment and NEET: 2019**

| | Employment | Unemployment | NEET |
|---|---|---|---|
| **Gender:** | | | |
| Male (%) | 58.4 | 54.6 | 47.1 |
| Number (000) | (1683) | (453) | (943) |
| Female (%) | 41.6 | 45.4 | 52.9 |
| Number (000) | (1197) | (377) | (1060) |
| **Nationality:** | | | |
| Nationals (%) | 87.4 | 87.6 | 85.6 |
| Number (000) | (2518) | (727) | (1715) |
| Non-Nationals (%) | 12.6 | 12.4 | 14.4 |
| Number (000) | (362) | (103) | (289) |
| **Educational Attainment:** | | | |
| Low Education (%) | 19.2 | 31.8 | 39.3 |
| Number (000) | (551) | (264) | (787) |
| Medium Education (%) | 60.8 | 54.1 | 49.2 |
| Number (000) | (1750) | (449) | (985) |
| High Education (%) | 20.1 | 14.1 | 11.6 |
| Number (000) | (579) | (117) | (231) |
| **Field of Study:** | | | |
| Engineering, Manufacturing and Construction (%) | 18.6 | 12.5 | 9.8 |
| Number (000) | (535) | (104) | (197) |
| Business, Administration and Law (%) | 16.6 | 14.0 | 12.8 |
| Number (000) | (477) | (116) | (256) |
| Generic Programmes and Qualifications (%) | 12.1 | 12.1 | 12.1 |
| Number (000) | (349) | (100) | (243) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The main field of study pursued by young people in employment in Italy in 2019 was 'engineering, manufacturing, and construction': 18.6% of those in



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employment undertook this field of study. This compares with 12.5% of those in unemployment and 9.8% of NEETs. The second main field of study among youths in employment in 2019 was 'business administration and law', with 16.6% undertaking this course. Business administration and law was the main field of study pursued by those in unemployment (14%) and NEETs (12.8%), while the second main field among these two groups in 2019 was 'generic programmes and qualifications' (12.1% among each group).

In Table 4.2, we present some work characteristic data for young people in employment in Italy. On average, those in employment in 2019 had been with their current employment for 2.6 years. Just over a quarter (25.2%) worked part time, while almost half (48.1%) were on a temporary contract. The number of hours usually worked per week was 35.6, with actual hours being 33.6.

**Table 4. 2 Work Characteristics for Young People in Employment in Italy: 2019**

| | Employment |
|---|---|
| **Current Employment Duration (Average Years)** | 2.6 |
| Number (000) | (2880) |
| **Job Type** | |
| Full-Time Work (%) | 74.8 |
| Number (000) | (2154) |
| Part-Time Work (%) | 25.2 |
| Number (000) | (726) |
| **Contract Type:** | |
| Permanent Contract (%) | 51.9 |
| Number (000) | (1292) |
| Temporary Contract (%) | 48.1 |
| Number (000) | (1197) |
| **Usual Hours Worked Per Week (Average Hours)** | 35.6 |
| Number (000) | (2852) |
| **Actual Hours Worked Per Week (Average Hours)** | 33.6 |
| Number (000) | (2827) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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Half of the young people unemployed in Italy in 2019 were long-term unemployed, with just over a third (35.4%) unemployed for less than 6 months (Table 4.3).

**Table 4. 3 Unemployment Duration of Young Unemployed People in Italy: 2019**

| | Employment |
|---|---|
| **Unemployment Duration <6 Months** | 35.4 |
| Number (000) | (283) |
| **Unemployment Duration 6-11 Months** | 14.7 |
| Number (000) | (117) |
| **Unemployment Duration 1 Year or More** | 50.0 |
| Number (000) | (401) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 4.6 Key Findings

- The Italian economy has been characterised by low growth over the past decade, with the marginal recovery that had started to take place around 2015 after the adverse impact of the Great Recession halted by the COVID-19 pandemic in 2020.
- General labour market liberalisation policies were introduced in 2015 to help the labour market recover after the 2008 economic crisis, particularly the rise in unemployment that the recession caused, but such policies did not help prevent the gradual contraction in wages that has taken place since the financial crisis.
- Regional differences continue to persist, with Northern Italy performing relatively well over the 2008-2020 period, while the South continues to lag behind considerably.
- Sardinia and Basilicata, two of Italy's key tourism-dependent regions, held their own, in terms of employment, during the fallout from the 2008 recession, but this was not the case for Puglia and Calabria, especially Calabria, two of the country's regions being impacted by energy decarbonisation.



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- Italy's youth employment rate stood at 39.1% in 2008, with the male rate over 10 percentage points higher than the female rate: 45.1% and 32.8%, respectively. The Great Recession led the overall rate to fall by just over 10 percentage points to a low of 28.3% in 2014, with the male rate declining to 32% that year, and the female to 24.4% in 2015. Even before the onset of COVID-19 in 2020, none of the rates had recovered to their pre-recession levels.
- The 2008 recession led Italy's youth unemployment rate to more than double between 2008 (15.3%) and 2014 (31.6%). The rate declined gradually after this but was halted when the health pandemic hit in 2020.
- While the youth unemployment rate more than doubled as a result of the recession, its long-term youth unemployment more than tripled between 2008 and 2014, increasing from 6.1% to 18.4%. By 2020, the rate stood at 9.4%, with very little difference between the male and female rates.
- The NEET rate in Italy stood at 19.2% in 2008, with the female rate higher than the male rate (23% and 15.6% respectively). The Great Recession saw the overall rate rise to a peak of 26.1% in 2014, with the male rate increasing to 24.7% and the female to 27.6%. The rates fell after this, only to increase in 2020 because of COVID-19, the overall standing at 23.3% this year, while it was 25.4% for females and 21.3% for males.
- The youth employment rates in Basilicata and Sardinia never returned to their pre-Great Recession levels, with the rate for females in Basilicata being the lowest of all rates across the two regions, and remaining more or less constant over the time period of the study, 2008 to 2020.
- In terms of youth employment in three of Italy's key energy transition regions, Lazio has been the best performing between 2008 and 2020, overall and by gender.


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- Of the economic sectors examined in this study, manufacturing employs the largest share of young males, and accommodation and food services the largest share of young females since 2012.
- In 2019, a larger percentage of NEETs were female, while those unemployed and in employment were mostly males. A larger percentage of NEETs were also non-nationals, albeit there was not much difference with regard to the other two economic statuses. In 2019, almost 40% of NEETS had low levels of educational attainment: this compares with almost 32% of those that are unemployed and almost 20% of those in employment.
- The majority of youths in employment in 2019 worked full-time, with very little difference between the percentage on temporary and permanent contracts
- In 2019, half of those that were unemployed were long-term unemployed.

## 4.7 Policy Responses

This section outlines youth policies implemented in Italy since 2008, first by providing a general overview of youth policy in Italy, in terms of their basis and regulation, and then the policies implemented at both national and regional level.

**Youth Policies in Italy 2008-2020 – The Basis:**

Unlike many European countries, there is no national regulatory framework on policies for the younger generation in Italy. The legal basis for youth policies in Italy is Article 31 of the Constitution: ‘the Republic protects motherhood, childhood, and youth,’ which enshrines the state's duty to protect young people as a vulnerable part of the population.



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From a historical perspective, the evolution of youth policies in Italy can be described as a progressive shift from a protective conception of the role of the state toward subjects deserving of protection towards a function of promoting and developing young lives in transition. In the 1990s-2000s, the ageing population, youth unemployment, rising poverty rates among young people, and self-exclusion of young people from civic participation brought the issue of youth back to the centre of political discussion. This led to the development of economic, cultural, and employment interventions aimed at addressing the risks (e.g., poverty, unemployment, difficulties entering the labour market and professional development) of the most vulnerable youth population. In more recent years, along with policies to support the aforementioned critical issues that young people face, the approach of policies and measures provided at the normative and planning level seem to have shifted to the conception of the youth population as a resource for the future, to be exploited as a lever for the economic, social, and technological development of the country.

In relation to the management of youth policies in Italy, this is shared between the Central State and the Regions (Constitutional Law No. 3 2001 Reform of Title V of the Art. 114-132). Specifically, it is a multilevel governance model that provides for a system of concurrent legislation between the Central State, which is responsible for the regulation of general principles, and the Regions, which are responsible for legislative ownership and implementation of measures. The model, which also provides for the participation of public-private actors, has determined different systems of governance of youth policies at the two levels. A downside of this approach is that it has given rise to disparities in the quality of policies implemented at the regional level. In addition, youth policies in Italy have been characterised by their cross-cutting aproach with respect to different socio-economic, educational, and cultural spheres of intervention, with risks of fragmentation, overlap and lack of effective integration between different initiatives.



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Over time, an administrative apparatus dedicated to the world of youth has developed consisting of the Youth ministry, a department of the Presidency of the Council, regional departments, and municipal departments. This administrative system has engaged with a complex inter-organisational network of public and private entities, national, regional, and municipal administrations, representatives of the trade union world, businesses, the voluntary sector and NGOs to produce some innovative and successful youth policies. Nevertheless, there has been a lack of understanding of the universe of youth, its multi-dimensionalities (both subjective and objective), youths' needs and requirements, and the complex interconnections existing between youth policies and Italy's various economic, educational, cultural, and social policies. Thus, to date, there has been no political vision capable of giving life to an integrated and comprehensive programme dedicated to the diverse world of youth.

**Youth Policies in Italy 2008-2020 – Regulations:**

In 2003, Italy introduced various labour market, education, and welfare reforms that placed emphasis on young people.[78] In particular, the reforms focused on flexicurity, regulated the apprenticeship contract, and developed a more comprehensive welfare-to-work system. However, after the introduction of these reforms in 2003, it was another 11 years before additional policies were developed and implemented to support young people.

The 'Job Act', enacted in 2014, provided for a new permanent employment contract with increasing protections for workers. The aim of the act was to boost employment development, especially among young people. A framework law, equipped with a comprehensive strategy and targeting different sectors, was completed in 2015. This law consisted of eight legislative decrees that intervened in a multiplicity of labour areas: i) social

[78] Law 196/97i 'Package Treu'.



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security net, ii) labour services and active labour market policies, iii) simplification of procedures related to the employment relationship, iv) reorganisation of contractual forms and labour inspection activities, v) revision of the discipline on dismissals, and vi) work life balance.

The Job Act included a reform of the apprenticeship system aimed to fine tune the training and employment of young people. Specifically, the revised apprenticeship contract consisted of three different types: i) an apprenticeship for professional qualification and diploma; ii) professionalising apprenticeship or trade contract, and iii) apprenticeship for advanced training and research.

According to data from the Ministry of Labour, the 2014 Job Act has had a positive impact on temporary employment and the development of apprenticeship contracts but has not fully met expectations with respect to the youth labour market. (Ministry of Labour and Social Policy, Scientific Committee for the Monitoring of Labour Market Reform Labour Contracts after the Jobs Act 2016).

In the context of an overall reorganisation of the labour system in Italy, Law 150 'Reform of labour services and active policies' was enacted in 2015, a reform that outlines the governance and management model of active labour market policies and employment services in Italy, at the central and regional levels. This reform also saw the establishment of the National Agency for Labour Policies (ANPAL) as the structure for guiding and coordinating the labour system and vocational training.

Finally with regard to regulations, in 2021 a joint decree between the Minister of Labour and Social Policy and the Minister for Youth Policy was launched for the adoption by the government of a National Plan for



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Emergence and Orientation 'NEET Working' that aims to reduce the number of young people aged 15-34 not in employment, education or training (NEETs), which is more than three million. The proposed interventions to achieve this have been divided into three macro phases: i) Emergence, ii) Engagement, and iii) Activation. These have been defined centrally by the Department of Youth Policy and will be implemented through collaboration with relevant actors on the ground. This plan is reinforced by: i) the Youth Guarantee, ii) Youth Desks in Job Centres, which is a travelling information campaign by the Department of Youth Policy and Universal Civil Service, and iii) information support through the YOUTH 2030 website, which is managed by the National Youth Agency.

### 4.7.1 National level:

**Before the Youth Guarantee**

Between 2007 and 2012, national youth programmes in Italy focused on 'access'. Specifically, stated priorities were to provide youth with access opportunities to home, credit, work, family, business, study, and political life.

However, in its 2008/09 biennium budget, the resources that had been allocated to the 2006 National Youth Fund by the Italian government were cut from an initially planned €130 million per annum to €80 million. The reduction substantially impacted policies promoted at the central government level.

In 2010, the Department of Youth launched a National Plan, organised along a number of thematic strands. The first was called 'Right to the Future': this strand focused again on 'access'. Specifically, access to home, credit and work. The second strand, 'Generational Protagonism', provided for the financing of youth communities, i.e., spaces for expression managed by



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young people under 35 in which to organise conferences, courses, workshops and where to mature relationships, personal attitudes, and vocations. The third strand, called 'The Talent Revolution', called for ideas for the creation of creative or business projects.

**The Youth Guarantee and Inclusion/Citizenship Income**

Between 2014 and 2020, there were two national initiatives that targeted young people directly and indirectly. The main one was the Youth Guarantee (2014-2019), which is being extended past 2021 as part of Italy's 'Next Generation EU', a programme related to the Youth Guarantee that will be in operation until the expiration of the European funds programming cycle. The second national initiative was the 'Citizenship Income' social inclusion plan, which includes among its goals, the inclusion and reduction of youth unemployment/inactivity.

**Application of the Youth Guarantee in Italy**

The Youth Guarantee has been one of the main pillars of youth policies in Italy in recent years, aimed at promoting youth employment and reducing the number of unemployed youths and NEETS aged between 15 and 29. Two objectives of the Youth Guarantee are to promote training and integration into the labour market, including through temporary work experience. Specific measures included in the Youth Guarantee programme in Italy are: reception, guidance, training, job accompaniment, apprenticeships, internships, civil service, support for self-entrepreneurship, professional mobility within the national territory or in EU countries, and employment incentives for companies.

Of fundamental importance for the implementation of the Youth Guarantee programme in Italy is the direct involvement of the regions, which adopt a unified strategy shared with the state in order to effectively implement the



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program at the regional level, based on common guidelines but developing their own implementation plan based on the needs of their region. Consequently, EU funds allocated to this initiative are taken over and invested by the regions to implement active policies of guidance, training, and job placement, aimed in particular at NEETs.

The regions, which are responsible for coordinating the network of local public and private accredited employment services, identify the most appropriate pathways for each type of youth participating in the program and guide young people to the various employment services at which they will engage in an initial orientation interview. In addition, the regions are responsible for monitoring the interventions, observing the process of implementation of the measures, the services that are provided, the profile and number of beneficiaries, the costs incurred, etc. The financial resources that are allocated to individual measures are set out in the agreements that the regions enter into with the Ministry of Labour and Social Policy.

The tools designed to make Youth Guarantee funding effective go in two directions. On the one hand, there is a profiling system, aimed at young NEETs, which leads to the development of an individual action plan for each individual, by public employment service (PES) case officers, to assist the person in integrating into the labour market. The second option is where unemployed youths enter into a contract of employment with a company, and the company receives an employment bonus for taking on the unemployed youth. Specifically, the Youth Guarantee provides employment bonuses for new hires, and some specific incentives for the activation of internships and apprenticeship contracts, or for the transformation of an internship into an employment contract. To access these tools, companies must respond to public notices and regional calls, thus activating one of the measures provided for NEET youths who have joined the Youth Guarantee and undergone the first orientation interview. Companies also have the



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possibility of accessing subsidised loans from the European Investment Bank (EIB).

The Youth Guarantee also provides incentives in the form of micro-credits for forms of self-entrepreneurship or self-employment.

The Programme Monitoring conducted by ANPAL[79] in 2019 (ANPAL Second Evaluation Report Youth Guarantee of the National Operational Programme Youth Employment Initiative) shows that 1.390 million young people have joined the Youth Guarantee program, and more than half of them have participated in a measure of the program. Among the policies offered, internships represent the most activated measure. As of the end of September 2018, half the Youth Guarantee participants had received at least one work opportunity, and of these half were employed, mostly on permanent contracts.

**Inclusion Income/Citizenship Income**

After the Youth Guarantee, the second main national policy that has supported young people in Italy, specifically between 2018 and 2020, was a social inclusion measure known as 'Inclusion Income' (2018): this policy later became known as 'Citizenship Income' (2019). This intervention provided financial support, accompanied by social inclusion measures, to households (including single-family households) with low levels of social income (in summary, under €6,000).

In 2019 alone, there were more than 700,000 minors involved in this programme, and nearly one million beneficiaries were under the age of 25.

[79] ANPAL: Agenzia Nazionale Politiche Attive Lavoro (National Agency for Active Labor Policies)



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Thus, Citizenship Income offered an opportunity for social inclusion to a large segment of young people in socioeconomic hardship.

### 4.7.2 Regional Level:

**Regulations and Policies for Youth at the Regional Level – The Basis:**

The regions in Italy first introduced policies to assist young people around the early 2000s. With the establishment of the National Youth Policy Fund by the central government in 2006,[80] however, regions began to introduce more comprehensive interventions for youths from 2007 onwards. As mentioned previously, this fund was initially endowed with €130 million, but was then cut to €80 million in Italy's 2008/09 biennium budget. Thanks to cooperation between the central government, regions, and municipalities, national and local youth plans were, over time, launched through Framework Programme Agreements (FPAs) between the regions and the central government, and the municipalities assisted with their implementation.

Under Article 117 of the Constitution, youth-related issues are governed by concurrent legislation. Thus, legislative power over youth policy matters is attributed as much to the central government as to the regions and autonomous provinces. As indicated previously, this approach has, on the one hand, produced a wide variety of measures, models and instruments and, on the other, a fragmentation of interventions. Ten of Italy's regions and its two autonomous provinces have established laws concerning young people. Three of the regions covered in this study, Sardinia, Calabria, and Lazio, are currently drafting a youth law.

[80] Law No. 248 of August 4, 2006 'Urgent provisions for economic revitalisation'.



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**Energy Transition Regions:**

**Lazio**

In relation to regulations, there are two main laws that were introduced in Lazio in 2015 and 2018 to support youths: i) Lazio Regional Law April 20, 2015, No. 5 'Provisions on the regional educational system and vocational training', and ii) Lazio Regional Law July 27, 2018, No. 6. 'Provisions for the recognition and support of the right to study and the promotion of knowledge in the Region'. The objective of the 2015 law was to promote the centrality of the person through participation in and choice of education and training paths, as well as the recognition of the skills acquired for insertion (or reintegration) in the labour market. The 2018 law aimed, among other things, to: i) increase resources to support students and citizens in training; ii) to support students who are workers, parents, on-site or off-site, as well as those who have suspended their course of study; and iii) to promote orientation and job placement activities in collaboration with all the institutions in charge and the most representative employer and trade associations.

With regard to policies to support youths in Lazio, between 2009 and 2020, the region implemented several interventions for the youth population. This included the '*Extraordinary plan for employment "Beyond the crisis"*'. The Department of Labour in the Lazio region coordinated interventions implemented under this plan, which aimed to contain the effects of the economic crisis on the local economy, support job creation, and strengthen public employment services (PESs). The Plan, which was financed within the framework of ESF regional funds (€77 million euros), provided for specific interventions for youths, along with dependent and freelance employment.

Another policy, called '*Project "GenerActions"*', targeted young people over the age of 30 and aimed to support their employment placement through



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active labour market policy measures. Another intervention called '*Lazio Sound*' provided for funding for youth system actions, aimed specifically at supporting the entire music sector supply chain. A policy called '*Lazio Youth Card*' provided financial support to young people aged 14-30 in the form of free access to sports, cultural and entertainment events. A project called '*I'll be right back*' was targeted at young high school and university graduates in Lazio and aimed to strengthen their human capital through integrated paths of higher education and work experience. Finally, an intervention called "'*Call for ideas*' provided funding to support youth self-initiative projects in creative activities.

**Calabria Region**

With regard to regulations, there are three main laws in Calabria that contain measures to support young people in the region. The first, Regional Law No. 2 of February 14, 2000, 'Progetto Giovani Text', which was amended and updated by Regional Law No. 14 of August 28, 2000 (B.U.R. No. 10 of February 21, 2000), set out that, among other things, the region of Calabria would establish a 'Youth Project' tasked with supporting and enhancing the value of Calabrian Youth Associations.

The second law, Resolution of the Calabria Regional Council January 31, 2017, No. 25. 'Calabria Action Plan Employment and Active Inclusion - Development of services and active labour policies in Calabria', focused on the creation and implementation of active labour market policies in Calabria, along with active inclusion policies. Finally, the third law, Decreto Dirigenziale Regione Calabria March 11, 2019, n. 2925, "POR Calabria FESR FSE 2014/2020. Axis 8 action 8.5.1 'Promotion of sustainable and quality employment', focused on the provision of employment vouchers to companies and employers who would hire young people from the region.



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With regard to projects that are implemented in Calabria that provide support to young people, the main one is the '2016-2020 Action and Active Inclusion Plan'. The active labour market policy measures that were introduced under this plan aim to combat poverty by focusing on young people, women, the unemployed, people in difficult situations and immigrants.

**Tourism Regions:**

**Basilicata**

A number of regulations in the Basilicata region contain measures to support youths. The first relates to apprenticeships.[81] In order for the training aspects of the apprenticeship contract to be considered a factor of interest to both companies and young people, the Basilicata region has set out the following objectives under this regulation: i) greater interaction between enterprise and educational institution; ii) increased emphasis on the enterprise as a training subject; iii) characterisation and qualification of the educational supply system; and iv) development of the role of the Social Partners in the apprenticeship system.

The second piece of regulation[82] focuses on, among other things, increasing labour market participation rates, with special attention given to young people. Under this legislation, the Basilicata region intends to support entry into the world of work through the granting of an incentive, aimed at permanent employment with a company or the establishment of a new business. In particular, the regulation focuses on the following objectives: i) enabling young graduates and high school graduates to utilise their skills and

[81] Resolution of the Basilicata Regional Council April 24, 2012, No. 485: Memorandum of Understanding between the Basilicata Region and the Associations of Employers and Workers concerning the first measures for the implementation of the Consolidated Apprenticeship Act pursuant to Legislative Decree 167/2011.

[82] Basilicata Region Managerial Determination Nov. 11, 2013, No. 885, funding from PO FSE Basilicata 2007-2013 - Axis II Employability - DGR No. 987 of Aug. 6, 2013. This determination approves the Public Notice 'Interventions in favour of the Recipients of the Program "A Bridge to Employment."'



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competencies in a concrete job opportunity; and ii) encouraging the establishment of new businesses in the regional territory by highly qualified individuals, with the aim of making them active players in change and innovation in the region. In order to meet these aims, two lines of intervention are being pursued. The first provides grants for the hiring of permanent staff of one or more recipients of the Program 'A Bridge to Employment' to companies that have their operational headquarters in Basilicata (for a maximum of ten thousand euros for each recipient). The second intervention is the provision of grants for self-entrepreneurship that intend to start a new business in the region (worth a maximum of ten thousand euros).

Other regulations focus on lifelong learning,[83] implementation of the European Youth Employment Initiative,[84] and development of minimum income to combat poverty and unemployment and to facilitate the social and work integration of the beneficiaries.[85]

**Sardinia**

As with the other regions, Sardinia also has regulations that cover support of youths. Its 2017 'Interventions in the field of youth policies',[86] aimed to promote guidance and placement activities, as well as activities directed to the prevention of youth discomfort and the support of young talent. In 2018, legislation was introduced that established a list of training paths for those individuals aged between 18 and 19 that had joined the Youth Guarantee in

[83] "Approval of Draft Law 'Integrated System for Lifelong Learning and Support for Transitions to Active Life (SIAP)'," prepared by the Department of Development Policy, Labour, Training.
[84] Basilicata Regional Council Resolution of September 4, 2015, No. 1253, "National Operational Programme for the Implementation of the European Youth Employment Initiative - Regional Council Resolution of September 16, 2014, No. 1107 "Approval of Regional Operational Plan and Governance System".
[85] Resolution of the Regional Council of Basilicata June 9, 2015, No. 769. "Programme for a minimum income of inclusion" - ex Article 15, paragraph 3 of Regional Law No. 26/2014.
[86] Annexed to the regional level. no. 58/11 of 27.12.2017.


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Sardinia, along with defining the procedures for identifying recipients and the timing for implementing individual training paths.[87]

In relation to Sardinia's policies, in 2010 it introduced the 'Youth Centres, Youth Forums and Associations' programme. This is a regional programme that, through funding of more than €16 million euros, provides for the creation of Youth Centres in the region's municipalities. It also covers the financing of qualified professional workers to plan and coordinate the activities of each centre, along with the co-financing of projects to non-profit associations in various areas of youth interest, including cultural exchanges.

Another policy was also introduced in 2015[88] that granted employment incentives to companies that hire young people, along with women and the unemployed, on open-ended and fixed-term contracts.

## 4.8 Policy Implications

In addition to continuing to address the lingering effects of the Great Recession, youth policies in Italy are now also going to have to be able to address the fall-out of COVID-19 on young people. Especially, as was seen in this chapter, in terms of employment, unemployment, inactivity and NEET rates. In doing this, the policies are going to have to take into consideration the heterogeneity of this group, in terms of education levels, socio-family conditions, needs, expectations, etc. Regional differences are also going to have to be taken on board, which is why regional policy is as important as national-level interventions for assisting young people in Italy.

[87] Directorial Determination Sardinia Region May 9, 2018, No. 1746, Integrated Multi fund Program for Employment LavoRas. LR no. 1/18, art. 2. Active labour policies measure - training allowances - DGR no. 15/22 of March 27, 2018. Approval of Public Notice for the constitution of the training offer dedicated to recipients of training cheques - within the framework of the integrated program "Plurifondo per il Lavoro LavoRas" - aged between 18 and 19 years who have joined the Youth Guarantee in Sardinia.
[88] 2015 Public Notice "T.V.B. - Occupational Bonuses" - - POR FSE 2014/2020 Sardinia - Axis I Employment - Action 8.1.5.



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From this perspective, the interventions envisaged in the PNRR (Piano Nazionale di Ripresa e Resilienza – NRRP, National Recovery and Resilience Plan), integrated with the initiatives financed at the territorial level by the structural funds represent an important tool for the development of new policies for young people, even if they are not designed within a youth framework. Specifically, through the construction and development at the central level of systemic reforms (from education to work, welfare, and housing), and the fine-tuning at the regional level of integrated, multidimensional policies and interventions. With regard to regional-level policy, while each territory will set their own goals and objectives with their designed youth policies, all regions can simultaneously respond to a common strategic, interregional, prospective vision of policies for the new generations of youth.

An analysis of the Italian context demonstrates several problems, both in terms of the quantity of work and its quality, which are important in the development of policies to assist youths. These issues can be summarised as follows:

- Interventions to reduce the tax burden on labour as a policy to support employment, when reinforced by appropriate training interventions, have shown effectiveness in producing stable employment. However, competition with precarious and poor forms of work has significantly reduced the impact of such interventions in terms of the number and quality of work.
- The presence of poor work, precarious work, and the gig-economy has been increasing over the years, and these developments have impacted youth groups the most. The absence of any form of wage safeguard, and the presence of a high number of variants in the employment relationship, creates competition between poor work and regulated work that weakens the impact of policies, including those for training reinforcement of human capital and employability, with more training than actual work available.



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- Weaknesses in the labour market entry phase, and the persistent impact of the Great Recession, which has now lasted more than a decade and was interrupted by only one two-year period of robust growth, have repercussions for the youth group throughout their working lives. It would be of great benefit if policies to increase the quality of employment targeted at the youth age groups for which this phenomenon is most evident could be created.

Based on these analyses, the following policy urgencies for Italy can be summarised as follows:

- Reduce contractual variations and eliminate forms of employment relationships that are characterised as not being supportive of workers to ensure policy effectiveness.
- Intervene through taxation by selecting age groups and territories that need to strengthen their position, avoiding interventions that do not increase wage redistribution, in the medium and long term.
- Continue to invest in human capital, in the context of supporting process and product innovation: one without the other is a waste of resources.
- Encourage generational autonomy, through appropriate housing policies, to maximise the economic impact on the territory of wages.
- Enhance what was unexpectedly learnt from the lockdown period, with smart working to reduce the regional gaps that exist.



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# 5 Spain

## 5.1 Context

**The Spanish National Economic and Social Context 2008-2020:**

Spain, as the fourth largest economy of the Eurozone, was particularly hard hit by the Great Recession of 2008. Before then, the country had undergone the longest period of expansion in its history (1994/1995-2007): employment grew from 13.3 to 20.6 million workers (Andrés, Boscá, Doménech & Ferri, 2011), average economic growth amounted to over 3% and the per capita income of Spanish citizens became closer to that of its European neighbours (García-Santana, Moral-Benito, Pijoan-Mas, Ramos, 2019). However, the advent of the economic crisis made its chronic labour market problems more evident (Sanz-de-Galdeano & Terskaya, 2018). Despite slight signs of recovery at the end of the decade of the 2010s, the COVID-19 health crisis reverted the growing pattern that had started to flourish (Fana, Torrejón-Pérez & Fernández-Macías, 2020), making Spain one of the world's hardest hit labour markets (Dolado, Felgueroso & Jimeno, 2021).

The Spanish labour market faces a number of challenges. First, the country has a high rate of temporary employment contracts, which amount to 21%, almost double the EU-27 average (Gorjón et al., 2021). This is, however, not fully explained by the country's heavy reliance on sectors that are largely seasonal in nature, such as the hospitality sector. In fact, nearly all sectors – including those where seasonality is not present, such as the financial sector – record higher temporary employment contract rates than the EU average. Youth and long-term unemployment are also worrying features of the labour market, with youth unemployment rates, which will be discussed further below, reaching levels as high as 40% in recent years.[89] An additional problem of the Spanish labour market is the high elasticity of employment

[89] Based on published Eurostat data.



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based on the economic cycle (Doménech, García & Ulloa, 2018), which makes hiring and firing the main adjusting variables. This implies that the country sees extensive job creation in booming periods, but employment massively drops in economic downturns. Undesired part-time jobs also play a key role in explaining deficiencies of the Spanish labour market, and those are mostly undertaken by women.

NEETs, as will be examined further below, are also numerous in Spain: in the past few years, NEET rates have been consistently above 14%, well above the EU-27 average.[90] This partly relates to relatively high rates of early leavers from education and training: this was estimated to be 17.3% nationally in 2019, which is in sharp contrast with the EU-27 average of 10.2% (Eurostat).

The precariousness of the Spanish labour market particularly affects the youth. This is largely due to the presence of temporary employment contracts, which makes transitions from employment to unemployment very frequent for a sizeable proportion of youths. This has been found to trigger negative consequences for these individuals in the medium and long term. For instance, Gorjón et al. (2021) find that two in every three young Spaniards who enter the labour market do so in precarious jobs (i.e., jobs that entail low hourly wages and/or few working hours and/or high job rotation). In addition, they find that entering the labour market during downturns doubles young workers' chances of landing bad jobs in the future, known as the 'scarring effect' in the literature. In particular, the main determinant of precariousness is mostly attributed to the low work intensity (i.e., working few hours per year), which severely affects young workers' labour trajectories.

[90] Based on published Eurostat data.



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**The Spanish Regional Context:**

Spain is comprised of 17 regions, which present very heterogeneous features. This chapter will focus on five specific regions, selected to represent the two categories that are the focus of this baseline study: i) tourism-dependent regions, represented in this study by Andalusia and the Canary Islands, and ii) regions in energy transition, comprising Principado de Asturias, the Basque Country and Castile-León for this study.[91]

**Tourism-Dependent Regions**

Andalusia and the Canary Islands are two regions, located in the south of Spain and in the Atlantic Ocean, respectively, where tourism plays an important role in their economies. While the economic features of both regions differ, as will be outlined below, their labour markets have certain common features, such as their high unemployment rates and precarious jobs. Focusing on the youth, their NEET rates are substantially above the national average, standing at around 19% in both cases in 2019, more than 4 percentage points higher than the Spanish average. Andalusia and the Canary Islands record very high rates of early leavers from education and training, around 21% in 2019, more than twice the EU-27 average (10.2%).

In particular, Andalusia has one of the highest unemployment rates in Europe and is at the bottom of the competitiveness index, jeopardising convergence with the rest of Spain and the EU. This is despite the significant improvements observed in its economy over the past 25 years: GDP per capita doubled over this period, exports have increased, as has the share of graduates. However, Andalusia's reliance on tourism, as well as agriculture, implies that other potentially more productive sectors, with better quality jobs, have less importance in its economy.

[91] The five selected regions were identified by the Spanish project partners, in conjunction with the calculation of location quotients.



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The Canary Islands constitute one of Europe's leading tourism destinations. In fact, tourism represents around 35% of local GDP (2019). Relatedly, employment in tourism represents around 40% of total employment in the region. The Canary Islands record one of the lowest GDP and productivity growth rates in the whole country, reflected in the region's high unemployment rates and, overall, its precarious labour market, where temporary contracts prevail.

**Regions in Energy Transition**

The Basque Country, located in the north of Spain, is one of the regions with the largest per capita GDP in the country. Its labour market is also more resilient than Spain's average. Focusing on NEETs, in 2019 the region had a NEET rate of 8.8%, one of the lowest in the whole country. Similarly, the rate of early leavers from education and training was 6.7%, substantially lower than the national average (17.3%).

The Basque region has a very important industrial past, and this sector is still paramount to the region, representing around 23% of local GDP. This is close to the weight of this sector in Germany's GDP, and significantly higher than the EU-28 average (19.6%) and the national average (16.2%). The second half of the 20$^{th}$ century, up until the 1980s, was characterised by the importance of heavy industries, steel mills and large shipyards in the Basque economy. While these contributed to large growth in the region, they were based on a productive and energy model that was petrol- and coal- based. The Basque region has since implemented a strategy for its energy transition, consisting of a number of measures that include reduction of oil dependency and investment in renewable energies.

Castile-León and Asturias are neighbouring regions, located in the north-west of Spain. Both regions' per capita GDPs are slightly below national



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average. The NEET rate in Castile-León was 12% in 2019, somewhat below the national average of 14.9%. The NEET rate in Asturias has been consistently above Castile-León's in the past few years, amounting to 17.1% in 2019. The rate of early leavers, however, is slightly lower in Asturias (12.4%) than in Castile-León (14.3%), and lower in both cases than the national average (17.3%).

Castile-León and Asturias have a large history of exploitation of mines for coal extraction. However, the economic activity and employment arising from these areas has experienced large changes given the EU's policies to foster alternative sources of energy to ensure a sustainable green transition. In 2018, practically all of the mining operations in Spain closed their business as part of EU decision 2010/787. Asturias and Castile-León were the most affected regions from the closure of the coal mining industry. In fact, of the 2,000 miners that were still working in the industry in Spain in October 2018, 80% were working in Asturias, and 16% in Castile-León[92] (according to the International Institute for Law and the Environment, IIDMA; see Barreira, Patierno & Ruiz-Bautista, 2019). In order to provide alternative employment options to these coal mining-dependent areas, a number of policy measures have been put in place. These include policies to reinsert ex-miners into other sectors through training and orientation programmes.

## 5.2 National Youth Employment, Unemployment, Long-Term Unemployment, and NEET Rates, and Inactive Share

### 5.2.1 Youth Employment

At the onset of the Great Recession, which hit Spain in the spring of 2008,[93] its youth employment rate stood at 52.1% (Figure 5.1), with the male rate

[92] The remaining 4% was working in the region of Aragon.

[93] Royo S. (2020). From Boom to Bust: The Economic Crisis in Spain 2008–2013. *Why Banks Fail: The Political Roots of Banking Crises in Spain*, 119–140. https://doi.org/10.1057/978-1-137-53228-2_4.



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approximately 6 percentage points higher than the female rate (55.3% and 48.7%, respectively). At the peak of the financial and economic crises, which occurred in Spain in 2013, its youth employment rate hit a low of 32.1%, falling to 31.1% among females and 33% among males. Thus, the Great Recession had a bigger impact on young men in Spain, like in most, if not all, European countries. This is most likely due to higher concentrations of their employment in sectors severely impacted by the recession (e.g., construction sector). After 2013, Spain's youth employment rate started to recover and stood at 37.8% in 2019. The male rate recovered more so than the female rate, reaching 39.7% in 2019 compared to 35.8% among females. When COVID-19 hit in 2020, this health crisis led Spain's youth employment rate to fall by just over 4 percentage points to 33.6% in 2020. As with the Great Recession, COVID-19 had a bigger impact on male youths in Spain, at least in the first year of the pandemic: their employment rate fell by almost 5 percentage points to 34.9% in 2020 compared to just over a 3 percentage point fall in the female employment rate (32.2%).[94]

[94] The same finding that young males in Spain were more negatively impacted by COVID-19 in the first year of the health pandemic also holds when you examine this in relative terms: the rate declined by 0.14 for males (39.7/34.9-1) and 0.11 for females (35.8/32.2-1).



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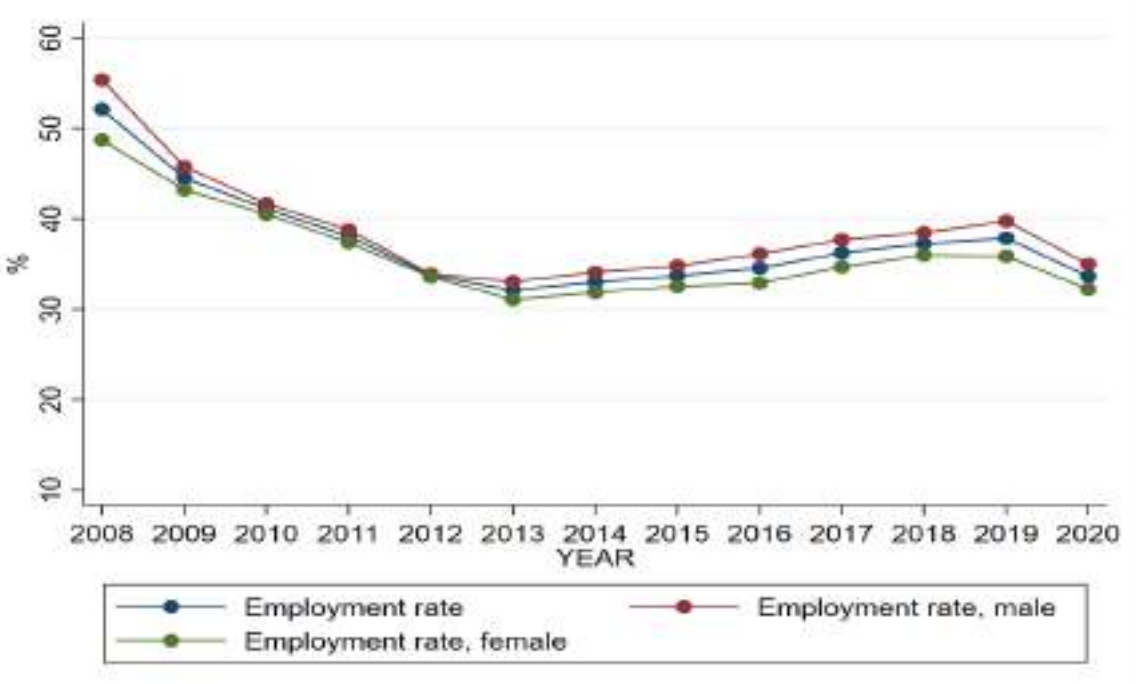
**Figure 5. 1 Youth Employment Rates in Spain Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 5.2.2 Youth Unemployment

In 2008, Spain's youth unemployment rate was 18.1%, with the female rate marginally higher than the male rate: 18.7% and 17.6% respectively. Over the time period examined in this study, 2008 to 2020, the female and male youth unemployment rates have been quite similar. Overall, as was seen in Chapter 2, Spain's youth unemployment rate has been close to double the EU-27 average in some of the years analysed.

The Great Recession caused Spain's youth unemployment rate to more than double, reaching a peak of 43.2% in 2013. Among males, the rate rose to 43.7% in 2013, with the female rate close behind at 42.7%. With the recovery that took place in the Spanish economy after this time period, the youth unemployment rate fell to 24.9 per cent in 2019. However, the COVID-19 pandemic has led the rate to rise again, standing at 29.2% in 2020. For males,



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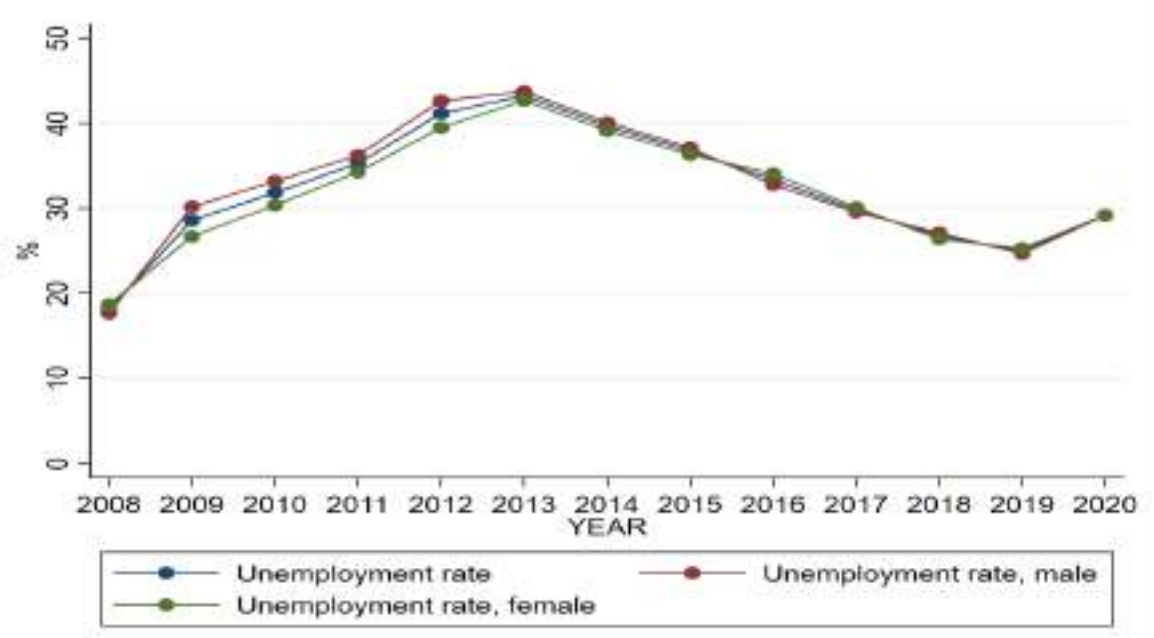
their unemployment rate fell to 24.6% in 2019, while the female rate fell to 25.3%. With COVID-19, both genders' rates increased to 29.2% in 2020.

**Figure 5. 2 Youth Unemployment Rates in Spain Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 5.2.3 Long-Term Youth Unemployment

At 2.1%, Spain had a very low long-term youth unemployment rate in 2008 (2.3% for females and 1.9% for males). However, the Great Recession caused this rate to rise considerably, and it peaked at 17.5% in 2013. For young females, the rate rose to 16.4% in 2013 and to 18.5% for males. Spain's long-term youth unemployment rate started to recover after this time period and had fallen to 5.4% (2019) before COVID-19 hit in 2020. Over this time period, there was good recovery in both gender rates, with the female falling to 4.9% in 2019 and the male to 5.8%. With the onset of COVID-19, Spain's long-term youth unemployment rate increased slightly again in 2020 to 5.8%. The impact of the pandemic has been greater on the long-term female youth unemployment rate than that for males: it rose to 6.1% compared to the male rate falling marginally to 5.6% in 2020.



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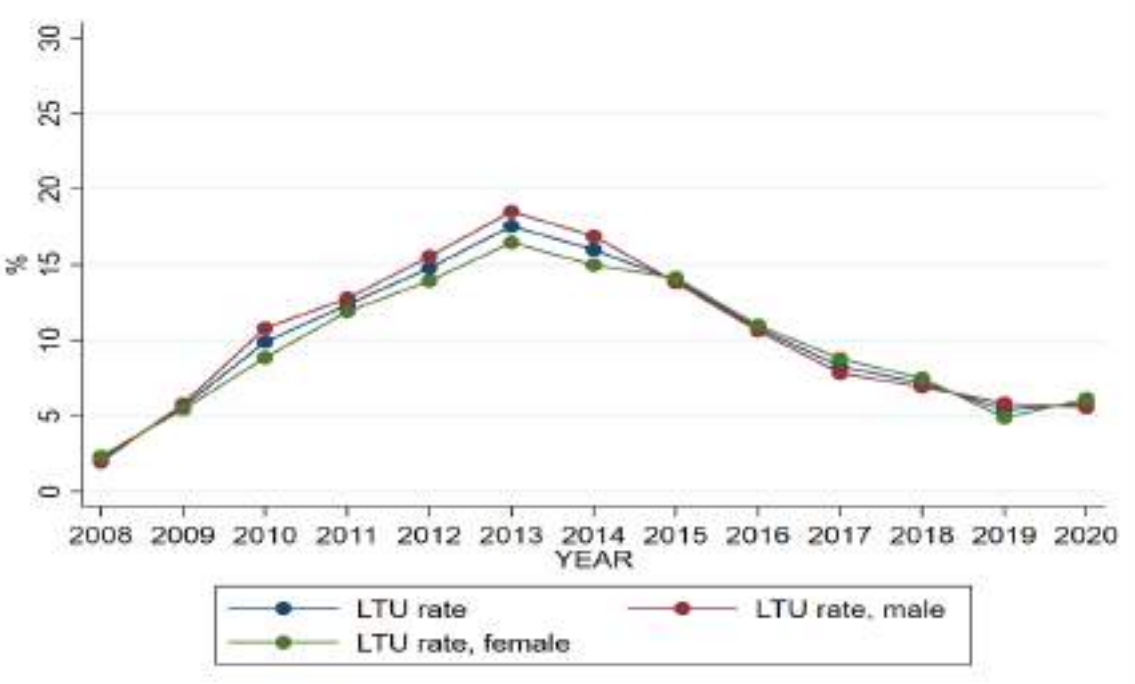
**Figure 5. 3 Long-Term Youth Unemployment Rates in Spain Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 5.2.4 NEET Rates

Spain's NEET rate stood at 14.5% in 2008, with the rate marginally higher among young females, 15.9% compared to 13.2% for males. The Great Recession led Spain's NEET rate to rise to a peak of 22% in 2013. For young females, the rate rose to 21.2% in 2013 and for males to 22.7%. Thus, the growth in the percentage of NEETS during the recession period was higher among males. The rate fell after this period, and had fallen below its 2008 level before COVID-19 hit in 2020, standing at 14.3% in 2019. With the onset of the pandemic in 2020, the rate rose to 16.8%. The female NEET rate had also declined to below its 2008 level in 2019 (14.6%) before rising marginally in 2020 (15.9%). The male rate also declined after the recessionary period and stood at 14% in 2019. However, the pandemic led it to rise to 17.6% in 2020. Overall, as seen in Chapter 2, NEET rates in Spain are substantially above the EU-27 average.



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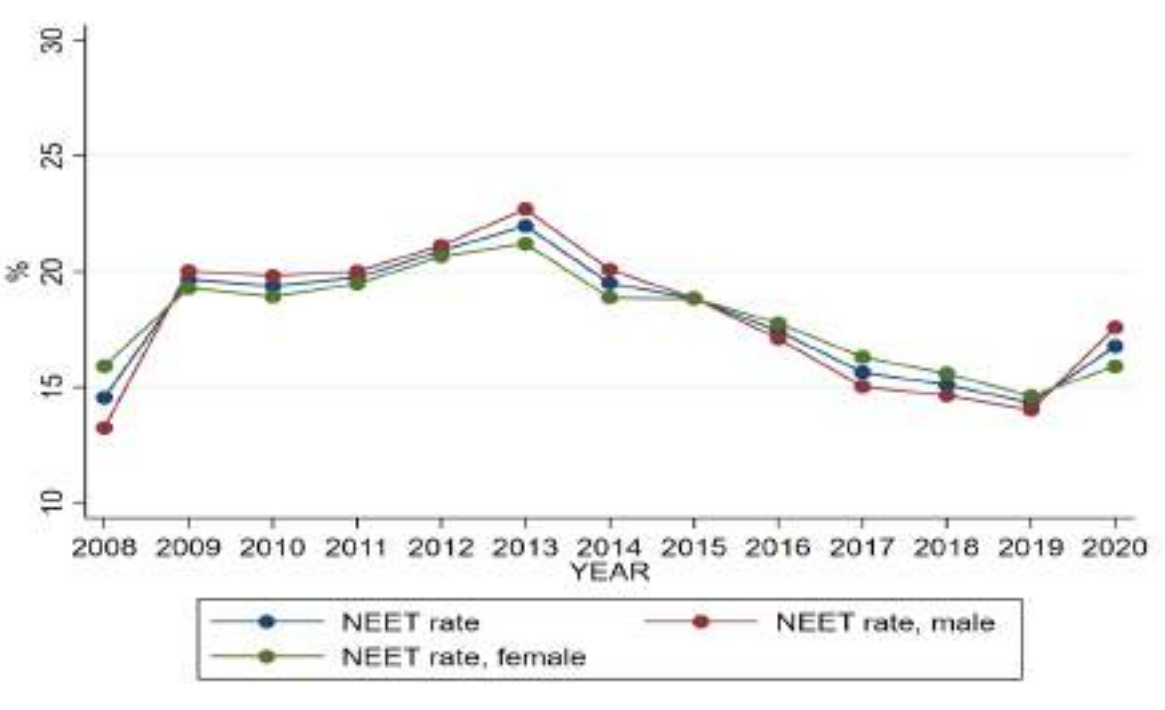
**Figure 5. 4 NEET Rates in Spain Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 5.2.5 Inactive Youths

The percentage of economically inactive youths in Spain has been rising steadily since 2008, overall and by gender. In 2008, this rate stood at 36.4% (40.2% of females and 32.8% of males). By 2020, however, this figure had increased to 52.6% (54.6% of females and 50.7% of males). This means that over half of youths are economically inactive. While a greater proportion of young females are economically inactive, the rise in the inactive percentage over time has been greater among males. This rise in economic inactivity over time, among both males and females, could be due to a higher proportion of young people choosing to stay on in education to study instead of entering the labour market.



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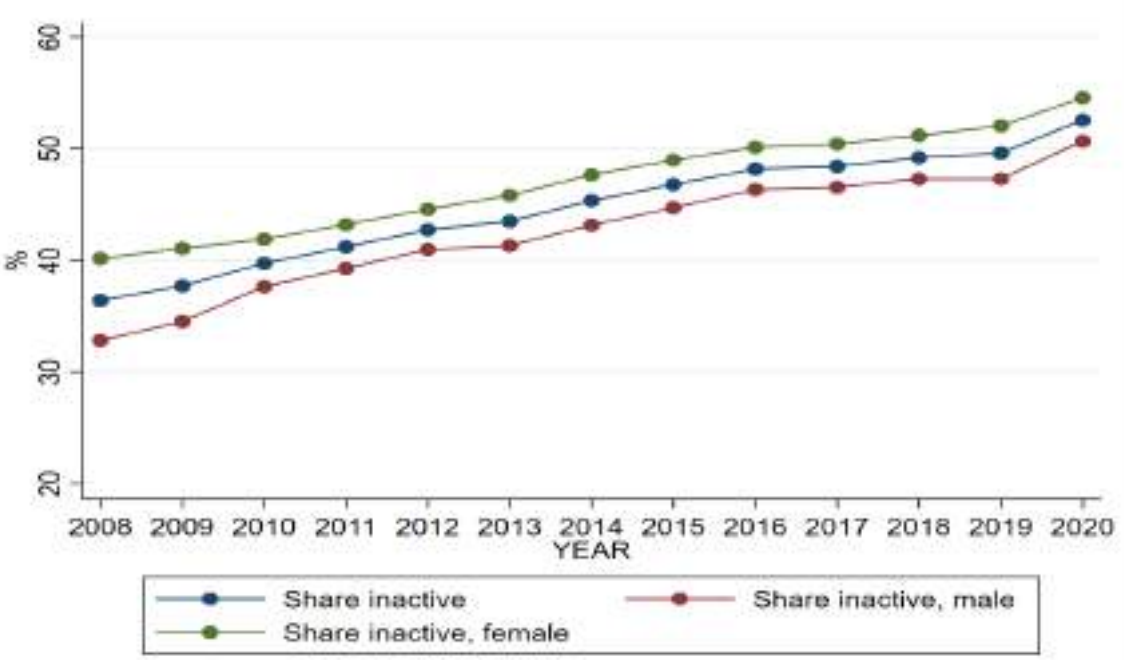
**Figure 5. 5 Share of Inactive Youths in Spain Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 5.3 Youth Employment Rates in Key Tourism-Dependent and Energy Transition Regions

### 5.3.1 Youth Employment in Key Tourism-Dependent Regions

As mentioned in Section 5.1, the Canary Islands and Andalusia are two of Spain's key tourism-dependent regions. In spite of the importance of the tourism sector to the Spanish economy, in terms of employment and economic growth, Figure 5.6 shows that the youth employment rate for these two regions is lower than the youth employment rate for Spain as a whole. The youth employment rate in Andalusia was higher than that in the Canary Islands in 2008, 46.2% and 42% respectively, compared to 52.1% for Spain as a whole (see Section 5.2.1). The Great Recession led both regions' youth employment rates to decline at a similar pace, falling to a low of 26.1% in Andalusia in 2013 and to 26.5% in the Canary Islands in 2014 (26.6% in 2013). After this, the two regions' youth employment rates recovered up until 2018 for Andalusia and 2017 for the Canary Islands, when the rates



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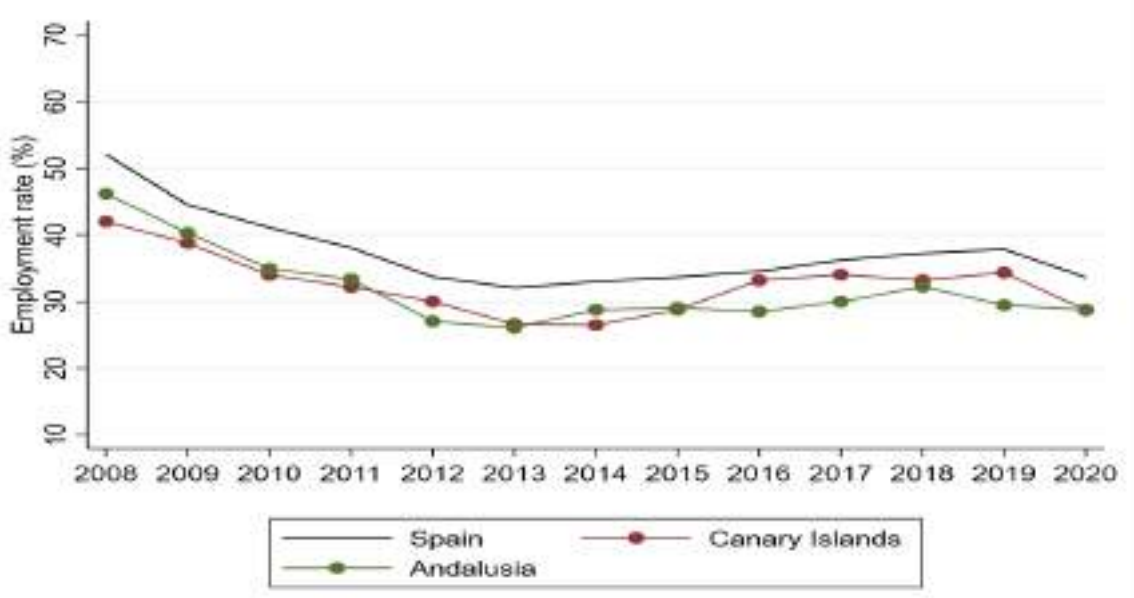
increased to 32.2% and 34%, respectively. Both regions' youth employment rates had started to decline before the onset of the COVID-19 health pandemic in 2020, with the youth employment rate in Andalusia falling marginally to 29.5% in 2019 and that in the Canary Islands to 33.2% in 2018. The rate in the Canary Islands recovered marginally to 34.3% in 2019, but then fell, as it did in Andalusia, with the onset of COVID-19 in 2020. The rate fell more in the Canary Islands than in Andalusia with the onset of the health pandemic in 2020, and the two regions' rates were almost the same in 2020 – 28.8% in Andalusia and 28.7% in the Canary Islands.

**Figure 5. 6 Youth Employment Rates in Key Tourism-Dependent Regions in Spain Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

When we examine the male youth employment rate for these two regions (Figure 5.7), we can see that the rates were quite similar before the onset of the Great Recession — 50% in Andalusia and 46.6% in the Canary Islands — and followed a similar downward trajectory in the aftermath of the crisis up until around 2013. After this time point, however, the rates vary quite noticeably. Initially, the male youth employment rate recovered somewhat stronger in Andalusia (31.4% compared to 24.3% in the Canary Islands in



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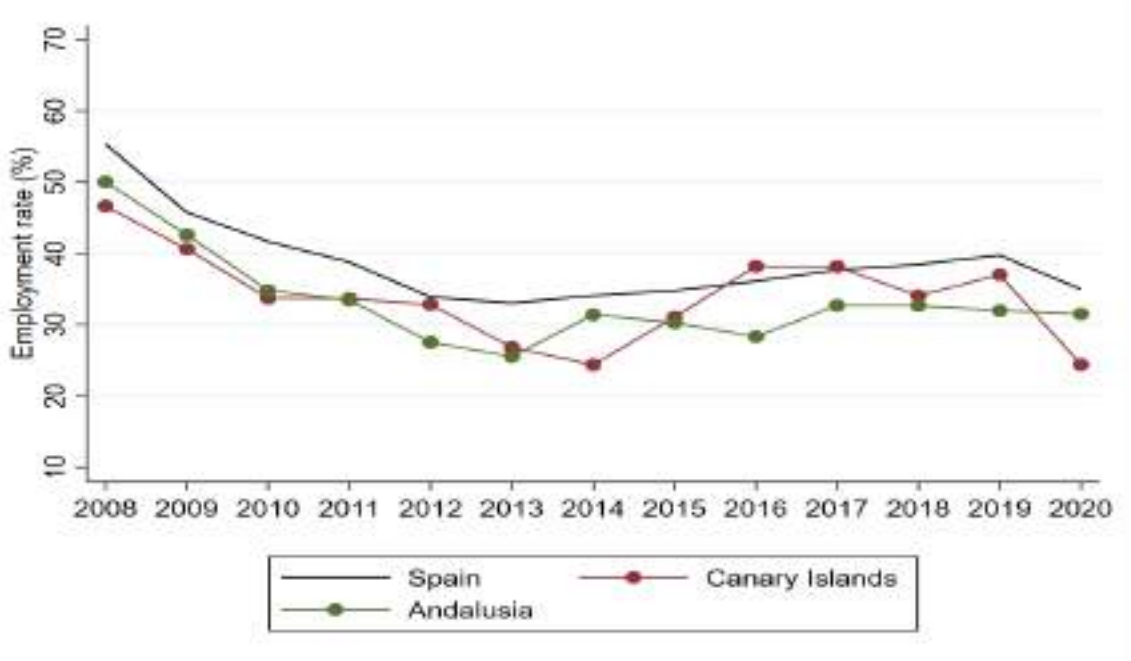
2014), but from 2015 onwards the rate in the Canary Islands surpassed that of Andalusia and remained higher until 2019, peaking at 38% around 2016/2017 (compared to 32.7% in Andalusia). The COVID-19 pandemic seems to have had a bigger impact on male youth employment in the Canary Islands compared to Andalusia: the rate fell from 37% in 2019 to 24.4% in 2020 compared to it declining from 32% to 31.5% in Andalusia.

**Figure 5. 7 Youth Employment Rates in Key Tourism-Dependent Regions in Spain Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The female youth employment rate in Andalusia was approximately 4 percentage points higher than that in the Canary Islands in 2008 – 42.2% compared to 37.9% (Figure 5.8). Each region's rate declined after this on account of the Great Recession, with the impact of the crisis being quite uniform across both regions. The rate in Andalusia fell to a low of 25.9% in 2014, while it was at its lowest level in the Canary Islands in 2015 when it stood at 26.2%. The female youth employment rate peaked in Andalusia and the Canary Islands in 2018 at 31.7% and 32.3%, respectively. After 2018, the rate declined in Andalusia and stood at 25.9% in 2020. For the Canary



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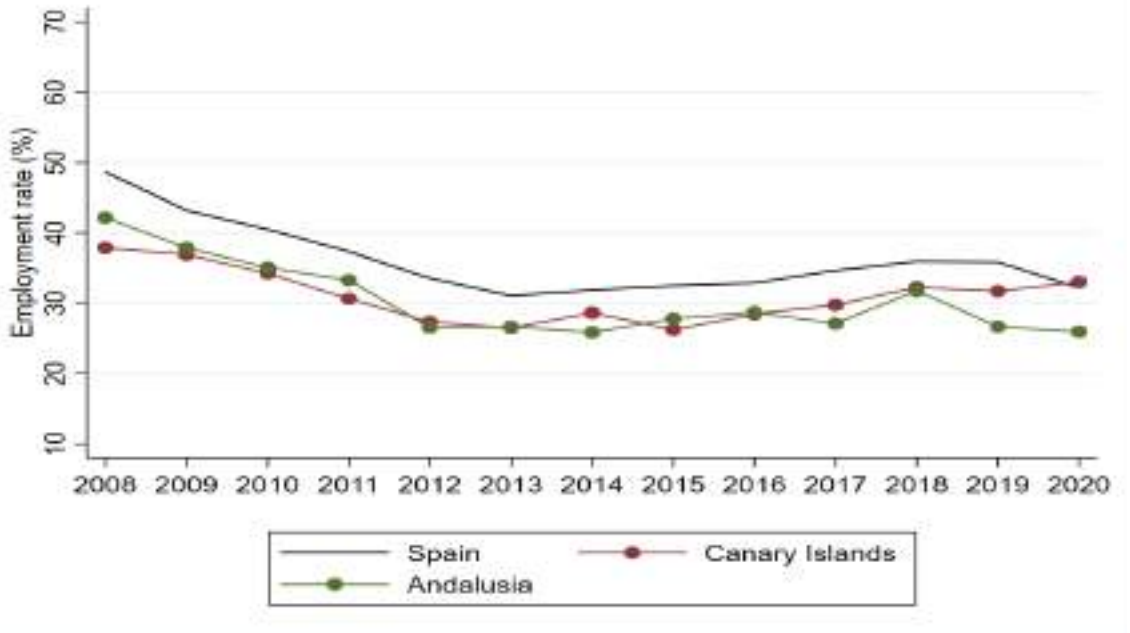
Islands, the rate fell marginally in 2019 to 31.7%, before rising again in 2020, the first year of COVID-19, to 33%.

**Figure 5. 8 Youth Employment Rates in Key Tourism-Dependent Regions in Spain Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 5.3.2 Youth Employment in Key Energy Transition Regions

In Figure 5.9, we present youth employment rates between 2008 and 2020 for three of Spain's key energy transition regions: i) Castile-Leon, ii) Principado de Asturias, and iii) the Basque Country. For the most part, the youth employment rate has been the highest in the Basque Country over the time period examined. At 50.9%, the youth employment rate in this energy transition region was at its peak in 2008: only Principado de Asturias recorded a higher rate at this time point, 52.4%, and this was the highest rate among all three regions over the time period examined in this study. For Castile-Leon, its youth employment rate was 47.7% in 2008.

After this time period, the rate declined in each region because of the Great Recession, falling to a low of 26.7% in Principado de Asturias in 2015, to



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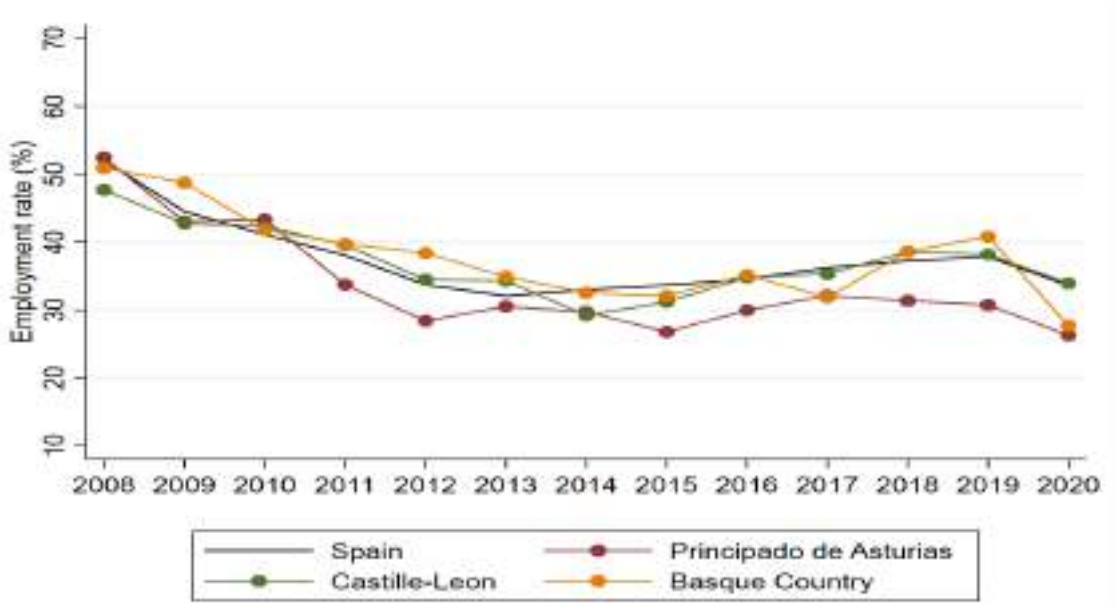
32.1% in the Basque Country in 2015, and to 29.2% in Castile-Leon in 2014. Trends in youth employment rates across the three regions varied after this. For the Basque Country, the rate initially recovered to 35.1% in 2016, fell again to 31.8% in 2017, and then recovered after this to reach 40.8% in 2019. With the onset of the COVID-19 health pandemic in 2020, the rate in this region fell considerably to 27.7%. For Principado de Asturias, after 2015 the youth employment rate rose again and hovered between 30% and 32% between 2016 and 2019. With COVID-19, the rate fell to 26.2% in 2020. For Castile-Leon, its youth employment rate recovered considerably after 2014 to reach 38.2% in 2019. With the onset of COVID-19 in 2020, the rate fell to 33.9%.

**Figure 5. 9 Youth Employment Rates in Key Energy Transition Regions in Spain Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

In 2008, the male youth employment rate was similar across the three energy transition regions being examined in this study: 54.3% in Principado de Asturias, 53.7% in Castile-Leon and 52.7% in the Basque Country (Figure 5.10). While the Great Recession led the youth employment rate to fall across all three regions, it fell most in Principado de Asturias. In 2015, the



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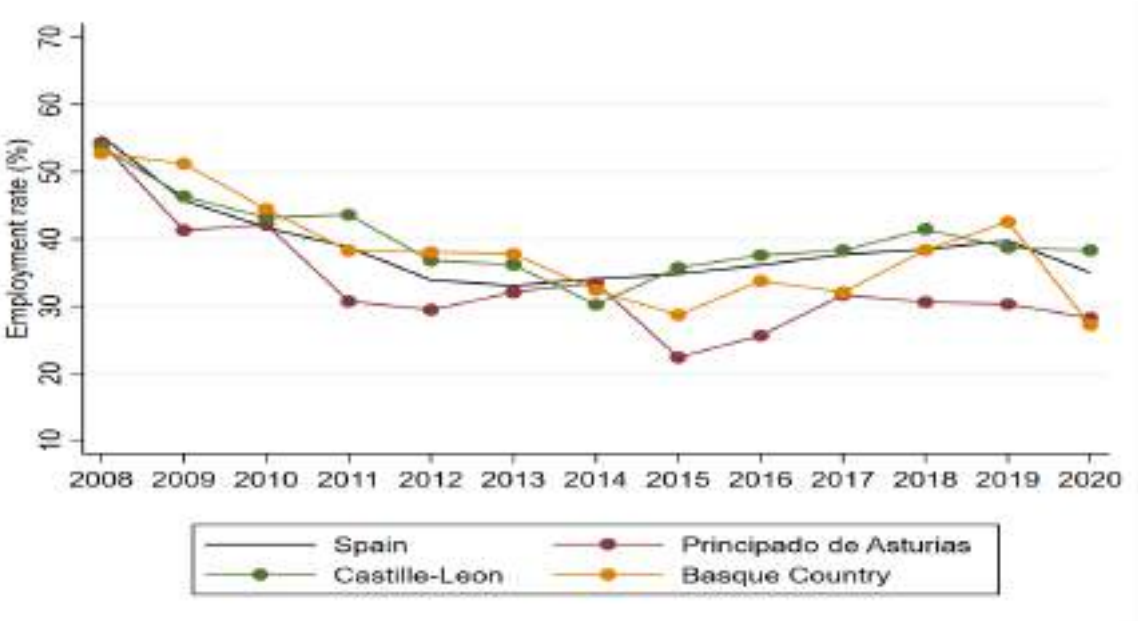
male youth employment rate in this region reached a low of 22.3%. This compares to a low of 28.6% in the Basque Country in 2015 and to 30.2% in Castile-Leon in 2014.

**Figure 5. 10 Youth Employment Rates in Key Energy Transition Regions in Spain Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The rate recovered across all three regions after this time period, but not uniformly. The male youth employment rate in Principado de Asturias increased to 31.6% in 2017, but has been on a downward trajectory since this, standing at 28.2% in 2020. For the Basque Country, its male youth employment rate recovered after 2015 and stood at 42.5% in 2019. With the onset of COVID-19 in 2020, the rate fell quite considerably to 27.2%. In relation to Castile-Leon, its rate recovered to 41.4% in 2018 and declined thereafter, standing at 38.3% in 2020. Of all three regions, COVID-19 seems to have had the largest impact on male youth employment in the Basque Country.



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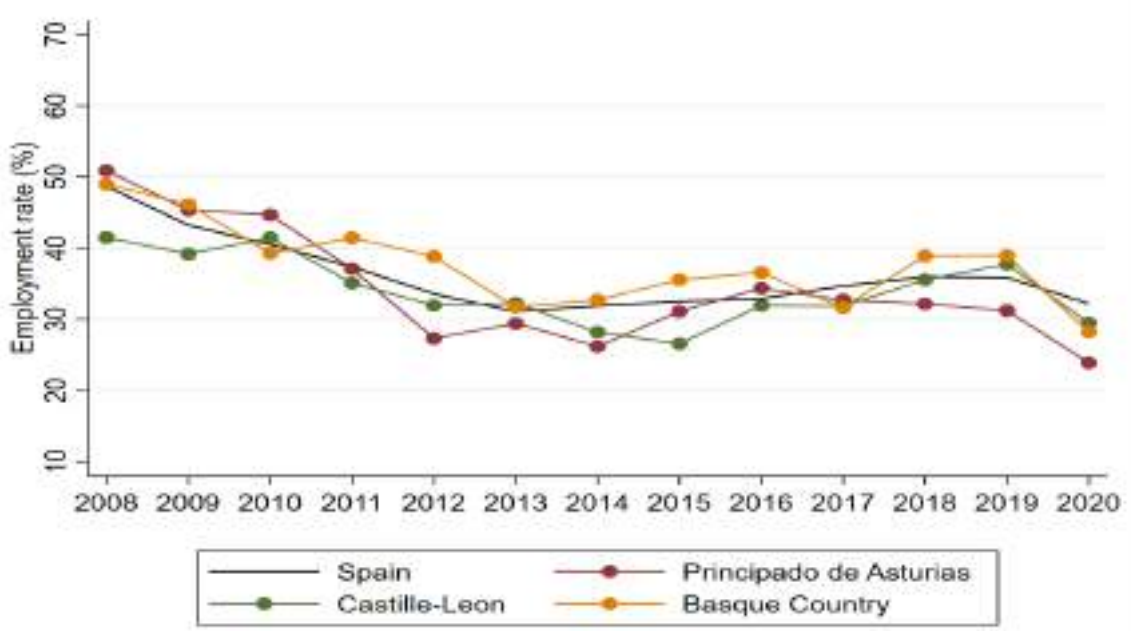
Principado de Asturias and the Basque Country recorded similar female youth employment rates in 2008, 50.8% and 48.9% respectively (Figure 5.11). At 41.5%, it was somewhat lower in Castile-Leon in 2008.

**Figure 5. 11 Youth Employment Rates in Key Energy Transition Regions in Spain Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The impact of the Great Recession on the female youth employment rate was not uniform across the three regions. For Principado de Asturias, its female youth employment rate fell to a low of 26.2% in 2014, the lowest of the three regions examined. The rate subsequently recovered to 31% in 2015, and hovered between this and 33% between then and 2019. With the onset of COVID-19 in 2020, its female youth employment rate fell sharply to 23.9%, again the lowest of the three regions examined.

In relation to the Basque Country, its female youth employment rate fell to a low of 31.7% in 2013. It subsequently recovered to stand at 36.5% in 2016. It appears to have declined again in 2017, but then rebounded sharply to



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38.9% for 2018 and 2019. In 2020, COVID-19 seems to have contributed to the rate falling by over 10 percentage points to 28.2%.

For Castile-Leon, its rate fell to a low of 26.5% in 2015. It then recovered and stood at 37.7% in 2019. In 2020, with the onset of COVID-19, the rate fell to 29.5%.

## 5.4 Sectoral Share of Employment for Key Tourism-Dependent, Energy Transition, and Intense Industrial Decline Sectors

In Figures 5.12 to 5.14, we present sectoral shares of employment of young people in Spain. Of the NACE economic sectors,[95] of which there are 21 categories for the most aggregated version of NACE (1-digit), we focus specifically on key tourism-dependent, energy transition, and intense industrial decline sectors, as these are the economic sectors that are the focus of this project. For the tourism-dependent sector, we examine the employment share of young people in (i) accommodation and food, and (ii) arts and entertainment; for energy transition, we analyse the share of young people in (iii) electricity,[96] and (iv) for our intense industrial decline sector we focus on manufacturing.[97]

Overall, we can see from Figure 5.12 that the share of young people employed in the electricity sector is very low (less than one%) and has not changed considerably between 2008 and 2020. The proportion employed in arts and entertainment is also low. However, there was gradual growth in the share of young people employed in this tourism-related sector between

[95] NACE is a Statistical Classification of Economic Activities developed in the European Community.

[96] Electricity also includes gas and air conditioning. Due to small sample size, especially for females, we were not able to examine 'mining and quarrying'.

[97] The shares of employment in these four sectors are derived as a percentage of total youths in employment in Spain: we do not present shares for the other 17 NACE sectors as these other sectors are not the focus of this project.



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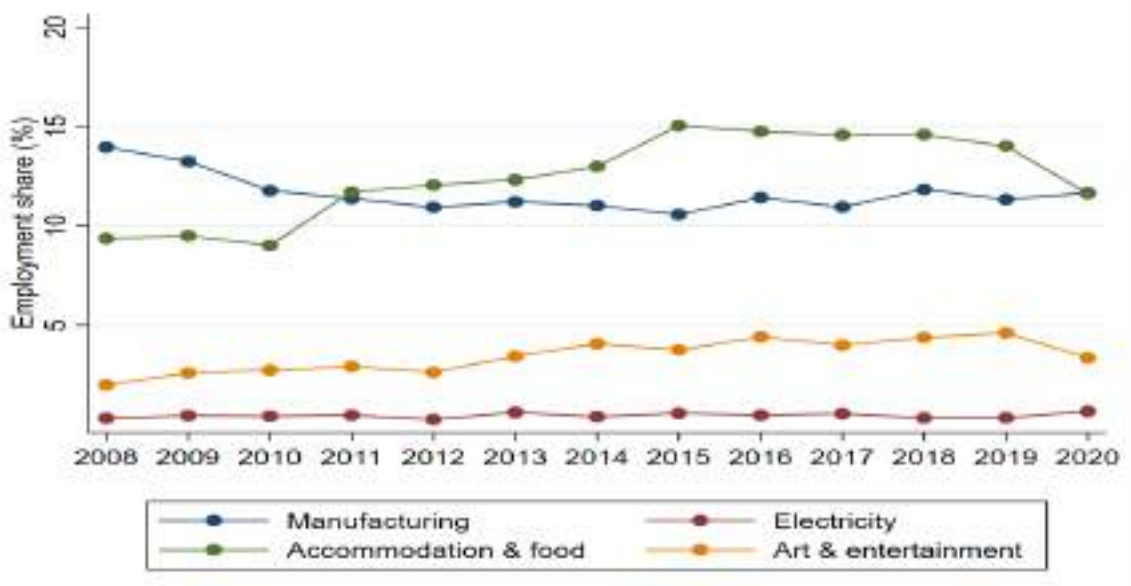
2008 (2%) and 2019 (4.6%) ; COVID-19 seems to have caused a decline in 2020 (3.3%), when tourism activity almost halted after March 2020.

The share of young people employed in manufacturing declined between 2008 (14%) and 2012 (10.9%), possibly initiated by the Great Recession. There was a very marginal recovery in 2013 (11.2%). However, for the most part, the share of young people employed in manufacturing has not changed since its fall to around 11% in 2012. Between 2008 and 2015, the share of young people employed in the accommodation and food service sector grew gradually, from 9.4% to 15%. It remained relatively stable around this level until 2019 but declined somewhat in 2020 (11.6%), possibly due to the impact of COVID-19 on this economic sector.

**Figure 5. 12 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Spain Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

With regard to young males (Figure 5.13), their employment shares in the tourism-dependent, energy transition and intense industrial decline sectors examined follow similar trends as for all young people (Figure 5.12).



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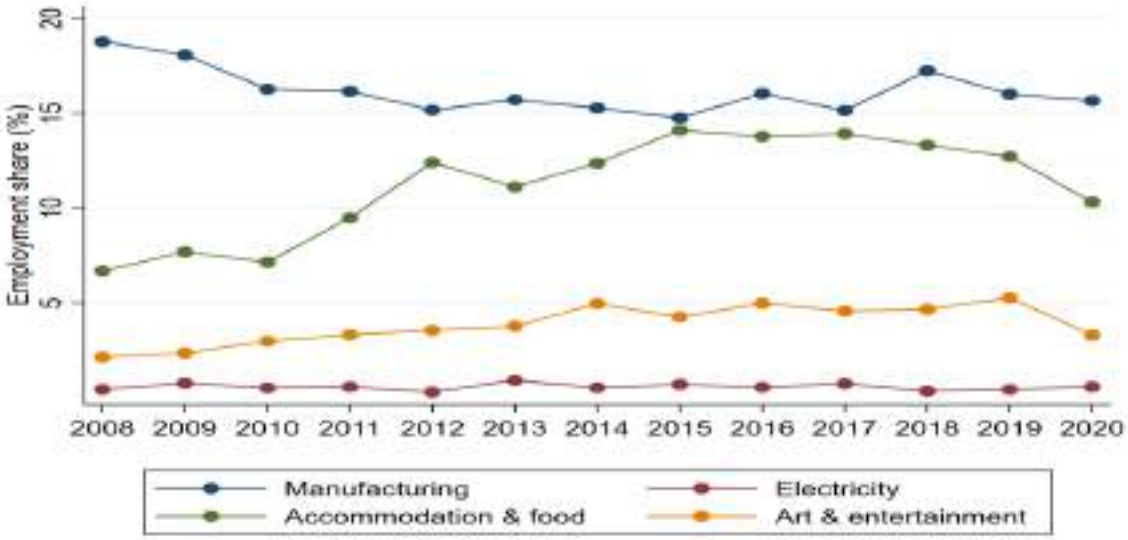
However, in spite of the decline in the share employed in manufacturing since 2008, when it stood at 18.8%, manufacturing is still, out of all the sectors focused on in this study, the sector with the largest share of their employment: in 2020, it stood at 15.7%. The shares employed in the tourism-related sectors examined (accommodation and food, and arts and entertainment) have grown since 2008: the share employed in the accommodation and food sector peaked at 14.1% in 2015 and for the arts and entertainment sector at 5.3% in 2019. However, the employment shares for both of these tourism-dependent sectors fell with the onset of COVID-19 in 2020, to 10.3% for accommodation and food services and 3.3% for arts and entertainment.

**Figure 5. 13 Youth Employment Shares in Key Tourism- Dependent, Energy Transition and Intense Industrial Decline Sectors in Spain Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

Of the sectors examined in this study, accommodation and food services is the sector with the largest share of female employment (Figure 5.14): this share stood at 12.5% in 2008, peaked at 16.1% in 2015, fluctuated around this level until 2019, and then declined to 13.1% with the onset of COVID-19 in 2020. The share of female employment in the other three sectors



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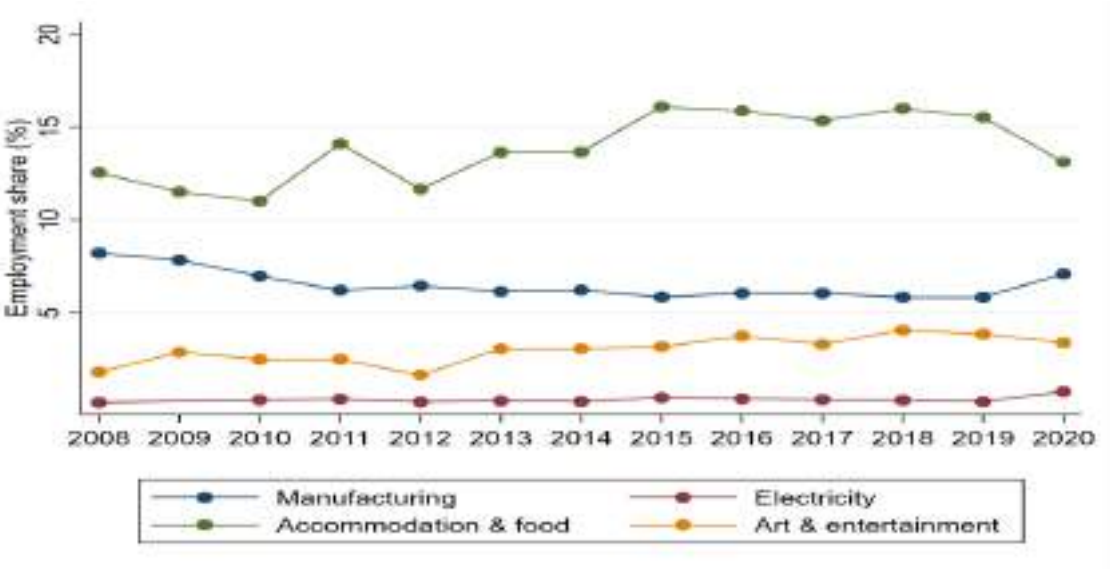
examined has always been less than 10%. While their employment share in the manufacturing sector declined between 2008 (8.2%) and 2019 (5.8%), there was a very slight increase in 2020 (7.1%).

**Figure 5. 14 Youth Employment Shares in Key Tourism- Dependent, Energy Transition and Intense Industrial Decline Sectors in Spain Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 5.5 Profile of Youths in Employment, Unemployment, and NEETs

In Table 5.1 we present some demographic information on young people in employment, unemployment, and young NEETs in 2019.[98] Specifically, their gender, nationality, and educational attainment.

In all economic statuses (employment, unemployment, and NEETs), the larger proportion consists of males. However, the gender split for those not in employment, education or training (NEETs) is almost equal - 50.3% are male, and 49.7% are female - while for those in employment and unemployment, the percentage of males is around 53-54%. Just over a fifth

[98] 2019 was selected in order to eliminate any impact of COVID-19 on the profiles of young people in employment, unemployment, and NEET.



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(22.1%) of NEETs are non-nationals, compared to 13.3% of those in employment and 14.5% of unemployed individuals.

**Table 5. 1 Demographic Profile of Young People in Spain in Employment, Unemployment, and NEETs: 2019**

| | Employment | Unemployment | NEET |
|---|---|---|---|
| **Gender:** | | | |
| Male (%) | 54.0 | 53.1 | 50.3 |
| Number (000) | (1449) | (474) | (511) |
| Female (%) | 46.5 | 46.9 | 49.7 |
| Number (000) | (1236) | (418) | (504) |
| **Nationality:** | | | |
| National (%) | 86.7 | 85.5 | 77.9 |
| Number (000) | (2328) | (762) | (791) |
| Non-Nationals (%) | 13.3 | 14.5 | 22.1 |
| Number (000) | (356) | (130) | (224) |
| **Educational Attainment:** | | | |
| Low Education (%) | 25.5 | 41.8 | 54.1 |
| Number (000) | (684) | (373) | (550) |
| Medium Education (%) | 30.2 | 31.6 | 24.9 |
| Number (000) | (812) | (282) | (253) |
| High Education (%) | 44.3 | 26.7 | 21.0 |
| Number (000) | (1189) | (238) | (213) |
| **Field of Study:** | | | |
| Top Field: Business, Administration and Law (%) | 12.2 | 7.9 | 7..2 |
| Number (000) | (327) | (70) | (73) |
| 2nd Field: Engineering, Manufacturing and Construction (%) | 10.6 | 6.2 | 4.6 |
| Number (000) | (286) | (55) | (4.6) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

When it comes to educational attainment, not surprisingly, a larger proportion of those in employment have a high level of education: 44.3%. This falls considerably among those who are unemployed and NEETs: just over a quarter of those that are unemployed have a high level of education (26.7%) and a fifth of NEETs (21%).



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With regard to field of study, the top field studied by young people in Spain[99] is 'business, administration and law': 12.2% of those in employment undertook this field of study, 7.9% of those unemployed and 7.2% of NEETs. The second top field for those in employment and those classified as unemployed is 'engineering, manufacturing, and construction': this course was undertaken by 10.6% of youths in employment and 6.2% of those in unemployment.[100] For NEETs, 4.6% studied this field, with slightly higher proportions undertaking 'health and welfare' (5%) and 'services' (4.8%).

In Table 5.2, we present some work characteristic information for young people in employment. On average, those in employment in 2019 had been with their current employment for 1.9 years. Just over a quarter (26.4%) were working part-time. A large proportion were on temporary contracts as opposed to permanent, 56.5%. The number of hours usually worked per week was 32.1, while the actual hours were marginally less at 31.9.

[99] For those in employment, this is the top field after 'generic programmes and qualifications', which 15.6% of individuals in employment are categorised as studying. The same is true of those classified as unemployed: 16.3% are categorised as having studied 'generic programmes and qualifications', while for NEETs the figure is 12.6%.

[100] For those in employment, close behind this field is 'health and welfare' (10.5%). The same is true for those classified as unemployed: 5.4% studied 'health and welfare'.



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**Table 5. 2 Work Characteristics for Young People in Employment in Spain: 2019**

| | Employment |
|---|---|
| **Current Employment Duration (Average Years)** | 1.9 |
| Number (000) | (2685) |
| **Job Type:** | |
| Full-Time Work (%) | 73.6 |
| Number (000) | (1976) |
| Part-Time Work (%) | 26.4 |
| Number (000) | (709) |
| **Contract Type:** | |
| Permanent Contract (%) | 43.5 |
| Number (000) | (1087) |
| Temporary Contract (%) | 56.5 |
| Number (000) | (1409) |
| **Usual Hours Worked Per Week (Average Hours)** | 32.1 |
| Number (000) | (2685) |
| **Actual Hours Worked Per Week (Average Hours)** | 31.9 |
| Number (000) | (2685) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

As can be seen in Table 5.3, the majority of young people unemployed in Spain in 2019 were less than six months unemployed (61.1%). Nevertheless, over a fifth (21.6%) were long-term unemployed.

**Table 5. 3 Unemployment Duration of Young Unemployed People in Spain: 2019**

| | Employment |
|---|---|
| **Unemployment Duration <6 Months** | 61.1 |
| Number (000) | (545) |
| **Unemployment Duration 6-11 Months** | 17.3 |
| Number (000) | (154) |
| **Unemployment Duration 1 Year or More** | 21.6 |
| Number (000) | (193) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## 5.6 Key Findings

- The structural problems of the Spanish labour market particularly affect the young workforce, in the form of precarious jobs, above-EU NEET rates and high unemployment rates.
- Youth unemployment rates in Spain have been almost double the EU-27 average in some years over the time period 2008-2020. These rates have been very similar for males and females.
- NEET rates in Spain are also above the EU average. This is partly explained by the high early leaving rates from education and training, which affected 17% of the youth in 2019.
- The regional context in the Spanish economy is highly heterogeneous: the Basque Country's young labour market figures compare to the EU average, whereas other regions with higher reliance on the tourism sector, and relatively less on the industry sector, such as Andalusia, lag behind very considerably in the different labour market indicators analysed in this chapter.
- Throughout the last decade, Andalusia and the Canary Islands had lower youth employment rates than Spain's average, overall and for both genders. Focusing on regions in energy transition, the Basque Country's employment rate has been either comparable or higher than the country's average, in contrast with Asturias. For Castile-Leon, the trend is mixed.
- Around one fourth of youth employment in the selected Spanish regions examined in this chapter is concentrated in the manufacturing and accommodation and food sectors. Of the four sectors analysed, the manufacturing sector accounted for the highest percentage of male youth employment, whereas the accommodation and food sector accounted for the highest percentage of female youth employment..



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- In 2019, almost 6 in every 10 young Spaniards were on temporary contracts. Relatedly, 60% of Spaniards had unemployment spells of less than six months' duration. These two facts evidence the very frequent transitions from employment to unemployment that the Spanish youth faces. The heavy use of such contracts has the potential to have negative long-term implications for such youths, such as lower earnings trajectories compared to those on fixed-term contracts.

## 5.7 Policy Responses

Over the last decade, a number of policies have been implemented with the aim of mitigating some of the deficiencies in the Spanish labour market, many of which have been described in previous sections. These policies have been either specific to the younger cohorts or addressed towards the broader population. This section will provide an overview of the most noteworthy policies undertaken since 2008, first by providing an overview of the implementation of the National Youth Guarantee in Spain and then focusing on some regional-level policies, given that in Spain the implementation of active labour market policies is under the remit of the 17 Autonomous Communities (i.e., regional governments). For simplicity, one policy will be described for each region covered in this study.

### 5.7.1 National level:

At the national level, a number of relevant policies are framed within the Youth Guarantee (YG), a European initiative to ensure that young people under the age of 30 access the labour market. The scheme was introduced in 2013 and was addressed to countries whose youth unemployment rate surpassed 25%, which, at that time, was the case in Spain.



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The implementation of the YG in Spain was preceded by the approval of the National Plan for the Implementation of the Youth Guarantee in Spain (NPIYGS) [101] in 2013. This incorporated a number of policy measures arising from the Strategy for Young Entrepreneurship and Employment 2013-2016 (SYEE) — outlined in the following subsection — which was then further extended to the 2014-2020 period. In 2014, the National System of Youth Guarantee (NSYG)[102] was established. Additional measures were approved in 2018 through the Shock Plan for Youth Employment 2019-2021, as described later.

**Application of the Youth Guarantee in Spain: 2013-2018**

The SYEE 2013-2016 was addressed to young NEETs and aimed to tackle a number of structural problems concerning Spanish youth and the labour market, including the country's high rates of early school leaving, the polarisation of the labour market or the difficulty of vulnerable groups in accessing the labour market. The strategy prioritised under-30s who were unemployed and lacked employment experience (or whose prior experience was below three months), as well as the inactive young people studying, among others. Overall, 100 measures were approved with the aim of promoting youth labour insertion through hiring or entrepreneurship.

Among the measures taken to stimulate hiring, the introduction of the internship contract is worth noting. This contract allowed companies to hire young workers after graduation through a reduction in the Social Security contribution of 50%. Another measure relates to the 'First Young Employment' ('Primer Empleo Joven'), aimed at providing an opportunity for young people to gain a first working experience. The duration of those temporary contracts was 3-6 months, extendable to 12. Companies were

[101] This is a strategy that details the implementation process of the YG in Spain, including measures and initiatives addressed to young NEETs and other measures to evaluate all the actions and measures undertaken in the framework of the YG.
[102] The National System of Youth Guarantee provides that young NEETs register themselves (on a voluntary basis) in a single list that is available to the entities responsible for proposing specific offers.



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incentivised to transform these temporary contracts into indefinite ones by receiving reductions in the Social Security contributions. A number of additional measures relate to training and improving employability. For instance, one of the measures was aimed at incentivising the youth to finish their secondary education. Other measures were related to entrepreneurship of young NEETs, and improvements in the intermediation between employers and employees.

**Action Plan for Youth Employment: 2019-2021**

The Shock Plan for Youth Employment (2019-2021), approved in 2018, consists of 50 measures designed to reduce the number of NEETs, by increasing youth employment and establishing a framework for employment quality and dignity at work. The measures are organised around the following pillars: i) guidance, ii) professional training, iii) job opportunities, iv) equal opportunities in access to work, v) entrepreneurship, and iv) improvements in the institutional framework.

Some of the measures include the creation of a network to provide guidance, consisting of 3,000 technical staff to personally assist young NEETs in finding employment, or the implementation of training agreements with small and medium-sized companies where support in training is provided to ensure that young workers' skills meet the employers' needs. The promotion of dual training is another key measure of the plan to match labour demand and supply. Additional measures to avoid the excessive use of temporary contracts were also implemented to counter this widespread practice that particularly affects young cohorts. The last pillar incorporated a key feature to foster engagement into the National System of Youth Guarantee (described above) by simplifying the application procedure.



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**Youth Guarantee Plus Plan: 2021-2027**

Going forward, the Youth Guarantee Plus Plan (2021-2027) is the latest plan in this context and it consists of 69 personalised guidance measures for the youth, to provide them with the necessary skills and training for their insertion into the labour market. The plan includes measures to support youth entrepreneurship on account of the severe consequences that the COVID-19 health crisis has had on the employment prospects of the youth. Through this measure, aid is provided to cover the payment of Social Security contributions for six months and also for advertising and digital transformation of the business, as well as training in digital marketing and commercialisation for entrepreneurs. The Youth Guarantee Plus Plan also includes additional measures, such as actions to foster entrepreneurship through access to microcredits[103] or the preparation of workers towards new sectors (e.g., those derived from the blue or green economies).

### 5.7.2 Regional Level – Tourism Regions:

**Andalusia**

In Andalusia, 'Bono Empleo Joven' is a programme of wage subsidies that aims to foster the hiring of the unemployed youth aged below 30. Beneficiaries should be registered as unemployed on the previous day of the starting date of the contract and should be registered in the National System of Youth Guarantee (NYSG).

The wage subsidies related to the programme are applicable in two different phases. The first one consists of the hiring of the aforementioned unemployed persons for a minimum period of 12 months. The second part

[103] This enables entrepreneurs who cannot access ordinary credit to obtain financing without the need for guarantees. In addition to the financial contribution, the beneficiaries receive guidance and counselling support after receiving the loan.



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consists of the hiring of the beneficiaries through a permanent contract after the first phase is over.[104]

The programme has a maximum annual budget of 30 million euros, most of which is articulated through EU funds (92%) and, to a lesser extent, by the Andalusian Government (8%). Overall, the programme has been important in terms of coverage, with the participation of 10,600 young Andalusians between 2004 and 2018.

**Canary Islands**

In the Canary Islands, 'Incentívate' is a programme to subsidise companies who hire or formalise training/learning or internship contracts. Participants are required to be registered in the National System of Youth Guarantee (NSYG) and the Canarian Public Employment Service (PES).

For beneficiaries hired through training/learning contracts, the minimum duration of the contract is twelve months.[105] For those with an internship contract, the duration should be over six months.

The financial amount provided to companies varies significantly depending on the type of contract and its established duration. For instance, training / learning contracts of 12-18 months include subsidies of 3,000 euros, which increases to 4,000 euros if this lasts two years. Internship contracts, conversely, involve a subsidy of 4,000 euros for contracts of 12-18 months' duration, which increases to 5,000 euros if the contract is of two years. The annual budget amounts to around 300,000 euros.

[104] The subsidy arising from this second phase can still apply even if in the first phase the hiring of the person was already done through a permanent contract.
[105] If the collective agreement of the corresponding sector has a different minimum duration, the duration should be at least six months.



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### 5.7.3 Regional Level – Energy Transition Regions:

**Basque Country**

In the Basque Country, 'Lehen Aukera' ('First Opportunity') is a programme of wage subsidies aimed at improving the employability and consolidation in employment of people under 30 years of age. This programme was created and managed by the Basque Public Employment Service (Lanbide). Lehen Aukera provides direct aid to companies to reduce the cost of hiring young unemployed people with little or no work experience.

The programme has an annual budget of 4 million euros. The hiring of young people is articulated through two modalities: i) by means of a permanent contract and ii) by means of a work experience contract.

With regard to the requirements for companies, the contracts must have a minimum duration of 6 months and a minimum work intensity of 70% of the working day established for the position. In addition, the conditions of access to the programme require a minimum annual remuneration.

Beneficiaries are required to be between 16 and 30 years of age; be registered as jobseekers with Lanbide; have a maximum of 6 months' work experience and hold a qualification equivalent to or higher than Basic Vocational Training.

In order to favour net job creation and minimise the risks of 'dead weight', the Lehen Aukera contracts must involve an increase in the number of company personnel compared to the average personnel in the 6 months immediately prior to the incorporation of the contracted persons.



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**Castile-Leon**

In Castile-Leon, the OFI ('Orientación, Formación e Inserción', or 'Guidance, Training and Insertion') programme consists of the awarding of subsidies to training entities, on a competitive basis, to finance integrated guidance, training and support itineraries for integration aimed at the unemployed, with the aim of improving their professional qualifications and their ability to enter the labour market. Likewise, there is a commitment to labour market insertion that must be fulfilled by the entity implementing the programme. Unlike the other programmes described here, OFI is not exclusively addressed to the youth. However, it is of great relevance to this group, as one in every three participants is aged below 30 (AIReF, 2021).

It is a programme of the Employment Service of Castile-León, and half of it is co-financed by the European Social Fund (ESF). In the process, the training entities must present projects consisting of a complete itinerary for each participant that includes guidance, training and support for integration, actions that are developed transversally throughout the project.

The project starts with a personal interview to analyse participants' profiles and design the labour itinerary to be followed. Certain guidance and insertion support actions must be carried out, which include training for the preparation of the curriculum vitae, job interviews or psycho-technical tests, information sessions on training, the labour market or labour regulations, advice on self-employment or interviews with companies, among other actions.

The project may contain one or more training actions on a wide number of topics, although up to 25% of participants are able to skip them. In addition, after this process, the beneficiary companies insert a number of unemployed



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people equal to or higher than the threshold determined in the call for proposals.

The budget of this programme amounted to around 11 million euros in 2018.

**Principado de Asturias**

In Principado de Asturias, 'Joven Ocúpate' is a programme that combines training and real working experience (e.g. in local entities or in not-for-profit organisations). It allows participants to obtain an official Professional Certificate (Level 1)[106] to ultimately facilitate their transition towards employment. The programme is addressed to youths between 16 and 29 years of age, preferably to those who lack compulsory secondary education. Participants are required to register with the National System of Youth Guarantee (NSYG).

The programme has a duration of nine months[107] and is articulated through contracts for training and learning. The process is divided into three phases of three months' duration each. Each of the phases combines training with work experience, and the distribution of training/work time varies across these phases. In particular, the first mostly focuses on the training of the beneficiaries, that is, the development of key competences. In this initial part only 20% of the time is devoted to the work itself. The second phase is split evenly between training and work. The third phase is mostly focused on the work experience, with 75% devoted to it (and the remainder to training).

[106] These certificates are official and valid throughout the national territory and are issued by the Spanish Public Employment Service and the relevant bodies of the Autonomous Communities. These certificates are grouped into 26 vocational families and three qualification levels. An example of a certificate granted in this programme is that of "Auxiliary Operations of Administrative and General Services".

[107] Prior to 2020, the duration was six months.



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The financial aid also varies across the phases: it amounts to 30% of the minimum wage in the first phase, 50% in the second phase, 75% in the seventh and eighth months, and 100% in the last month.

The maximum annual budget granted through this programme is over 7 million euros.

## 5.8 Policy Implications

The aim of this section is twofold. First, it aims to identify whether the aforementioned policies served their purpose of helping the youth access the labour market. In order to analyse this, this section will review whether previous research has evaluated the effectiveness of these programmes. These types of studies are also referred to as 'impact evaluation' studies. Secondly, it will highlight the challenges that remain to be solved in the public policy domain, particularly on account of the severe impact of COVID-19 on the Spanish labour market.

Evaluations of policies allow to quantify the impact of a certain policy (e.g., a programme to insert the young unemployed into the labour market) on a certain outcome (e.g., the probability of insertion in the labour market). The rationale of impact evaluations requires to predict what the outcome would have been should the person not have participated in the programme. The literature often finds the existence of so-called 'dead weight' of certain policies. This implies that the hiring of the person would have happened even if the programme had not existed, which would suggest that those public resources would not be serving their intended purpose. This section will aim to identify whether this has been the case or, conversely, whether policies have indeed proven effective. It should be noted that, unfortunately, evaluations of active labour market policies in Spain are still typically scarce, so only those policies for which evaluations do exist will be described.



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In Andalusia, the impact of the Bono Empleo Joven programme was evaluated[108] by Rebollo-Sanz & García Pérez (2021) for the period 2016-2018. The research finds that the probability of being employed six months after participation in the programme is 8.5 percentage points lower due to participation in the programme. This negative causal impact on the employability is found to hold for a number of population subgroups, i.e., by gender, age groups and education. The authors highlight the need for a better *ex ante* analysis of the profile of active employment policy recipients. In other words, those policies should be addressed exclusively to those who are expected to gain the most in terms of their level of employability, offering them a better and more stable insertion in the labour market.

In the Basque Country, the Lehen Aukera programme was evaluated by de la Rica et al. (2022b). The results suggest that the programme is effective in serving its purpose of integrating the unemployed youth into the labour market (i.e., the risk of a 'dead weight' is moderate). In particular, during the first year after finalisation of the programme, the duration of participants' unemployment is reduced by 50% compared to a situation where they would not have participated in the programme. Similarly, the number of days in employment during the year after the programme increases by 26-29%.

In Castile-León, the impact of OFI[109] on employability was evaluated by the Spanish Independent Authority for Fiscal Responsibility (AIReF, 2021). Results show that the probability of insertion in employment increases thanks to participation in the OFI programme. This is the case in all the time periods analysed: 1, 3, 6, 12 and 24 months after the programme.

[108] The Bono Empleo Joven is part of the broader Emple@Joven initiative, which is evaluated in Rebollo-Sanz & García Pérez (2021).
[109] It should be noted that the analysis focused on four specific types of training courses, given the wide range of existing courses in the programme, in order to allow for comparability.



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The two remaining programmes described here, which take place in Principado de Asturias (Joven, Ocúpate) and the Canary Islands (Incentívate) have not yet been evaluated in terms of their causal impact.

Beyond the policies analysed, this chapter has shed light on a number of key features of the Spanish labour market, particularly focusing on young NEETs. Young Spaniards in particular have been hardly hit by the two economic crises of the 21st century, first the financial crisis in 2008 and then the health pandemic in 2020. As outlined throughout the chapter, there are two main problems faced by the youth: (i) high unemployment rates (double relative to the general population), which can reach 50% in economic downturns; and (ii) temporary employment contracts, which affect half of the workers under 30 (de la Rica & Gorjón, 2022a).

Since the 1990s and, more importantly, in the 2010s, measures aimed at fighting youth labour precariousness have been introduced. These active labour market policies, mainly implemented by means of subsidies, have gained momentum notably with the advent of the Youth Guarantee and some other labour reforms undertaken by the Government. From an *ex ante* policy perspective (i.e., in the earlier phase where the policy is designed, and prior to its implementation) it is important to correctly target the individuals who would clearly benefit from participation. This is key on account of the higher degree of vulnerability of certain social groups in the Spanish labour market, such as young mothers and, more broadly, young women not in employment, education, or training.

From an *ex post* perspective, while a number of policies have been implemented, few of them have been evaluated. This is paramount on account of the public resources invested in such measures. Evaluations of impact would enable policy makers to identify the policies that prove effective and those that were not effective and could, hence, be either


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modified or discarded. Overall, when well designed, active policies on training prove to ease transitions into employment, more so than policies aimed at providing working experience. This is documented in Orfao & Malo (2021) through a meta-evaluation. More specifically, they find that direct job creation policies have a negative effect on transitions to employment (−3.9 percentage points difference if the individual participated in the policy compared to a situation where she/he would not have participated), and training policies have a positive average effect, either in isolation (2.4 percentage points) or when combined with job search assistance or counselling (1.7 percentage points). In turn, *ex ante* and *ex post* analyses of active labour market policies are paramount for ensuring the success of these programmes, and such evaluations are still scarce in Spain.



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# 6 Ireland

## 6.1 Context

**The Irish National Economic and Social Context 2008-2020:**

In 2007, Ireland was seen by many as top of the European class on account of its economic achievements. In particular, it had experienced a long period of high economic growth rates (known as the 'Celtic Tiger' era) and low unemployment, along with budget surpluses (Whelan, 2014). As was seen in Chapter 2, its debt-GDP ratio at that time was 25%, the lowest of the four baseline study countries. It also had a sovereign wealth fund that was worth about €5000 per head (Whelan, 2014). Thus, the country was, in theory, well placed to deal with any economic slowdown.

However, the subsequent Great Recession that hit in 2008, also known as the Global Financial Crisis (GFC), proved too much for the country to be able to manage on its own. Like with Greece, the Irish Government agreed to an adjustment programme with the EU, IMF, and ECB (the 'Troika'), which was signed in late November 2010. The programme provided funding commitments of €67.5 billion, to be paid over the following three years.[110] In exchange for this funding, the Irish government committed to: i) restructuring the banking sector, ii) implementing (continuing to) fiscal adjustments, and iii) introducing various structural reforms in product and labour markets (Whelan, 2014). The main aim of the labour market reforms was to remove barriers to employment and disincentives to work. In this regard, the reforms, which the Government initially set out in its *National Recovery Plan 2011-2014*,[111] included: i) cutting the minimum wage by one euro to €7.65 per hour; ii) reviewing agricultural, catering, construction, and

[110] IMF. (2018): Working Together: Ireland and IMF

[111] Department of Enterprise, Trade and Employment. (2011). *The National Recovery Plan 2011-2014.* Dublin: The Stationary Office. This plan set out a roadmap for a return to sustainable growth for the economy after the 2008 economic crisis. with regard to labour market reforms, the details in the Troika program closely reflected the key objectives set out in this plan for this area (Report of the Joint Committee of Inquiry into the Banking Crisis-2016.



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electrical contracting sectors employment agreements;[112] iii) reforming social welfare rates;[113] and iv) re-orientating activation measures.[114] Some of these reforms were implemented, to some extent at least, over the course of the Troika programme. However, one of the main measures, cutting the minimum wage by one euro, was reversed six months after its introduction in January 2011. Ireland initially introduced a National Minimum Wage (NMW) in 2000 (at a rate of €5.59 per hour). In 2010, the rate, which stood at €8.65 an hour, was the second highest in absolute terms compared to other EU countries[115] and was seen by the government at that time as both endangering jobs in those sectors that the majority of those in receipt of the NMW worked in (textiles, retail, tourism related sectors such as hotels, restaurants and bars, and personal services), along with being a barrier to creating jobs in these sectors, many of which experienced significant job losses because of the recession.[116] However, when a new government was elected in March 2011, they, with approval from the Troika, restored the minimum wage to €8.65 per hour, as the policy to cut it was viewed as mainly impacting the lowest paid and most vulnerable workers, such as non-nationals, females and young people.[117] In general, compared to other European countries, Ireland was seen by many at the time it commenced its EC-EU-IMF economic adjustment programme as already having a relatively deregulated and flexible labour market (Whelan, 2014). Thus, the reform programmes that were agreed with the Troika were, compared with other countries that also obtained assistance, somewhat modest.

[112] To ensure these agreements, of which there were two types (Registered Employment Agreements (REA's) and Employment Regulation Orders (ERO's) were not endangering existing jobs in the specified sectors or preventing the creation of new jobs, especially for young people.

[113] In order to incentivise employment and discourage long-term attachment to social welfare support.

[114] In order to increase the incentive of jobseekers to work, and to reduce long-term unemployment.

[115] However, it was only the sixth highest when expressed in purchasing power terms (see Department of Enterprise, Trade and Employment. (2011). *The National Recovery Plan 2011-2014.* Dublin: The Stationary Office). In 2019, this ranking had fallen to seventh. However, based on 2017 data, Ireland was fourth lowest across EU member states when comparing the ratio of a country's NMW to the median wages for full-time employees in that country (Malone and O'Connell, 2019). Thus, Ireland has a relatively high NMW compared to most other European countries, but when you adjust it for purchasing power, or compare it to median wages, Ireland does not perform as well as other EU countries.

[116] Department of Enterprise, Trade and Employment. (2011). *The National Recovery Plan 2011-2014.* Dublin: The Stationary Office.

[117] National Minimum Wage – Thursday, 16 Oct 2014 – Parliamentary Questions (31st Dáil) – Houses of the Oireachtas



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For Ireland, the recession that commenced in 2008 was not just the result of the full-scale banking crisis that hit most countries globally, triggered by the collapse of Lehman Brothers in the United States that year, but also because of structural distortions within the economy that magnified the impact of the GFC. Specifically, an inflated property market/construction sector and credit bubbles, both of which had evolved unchecked over the previous decade. Banks, and many businesses and households, were over-leveraged because of the credit bubble, while the Government had become too reliant on revenues from the booming construction sector (Allen-Coghlan and Varthalitis, 2020). The country's labour market had also become overly dependent on the construction sector, with the sector accounting for 13.3% of all employment, the highest share in the OECD (Whelan, 2014). The GFC caused these two distortions to rupture leading banks and some businesses to become insolvent, households to fall into negative equity, and the public finances to collapse (Allen-Coghlan and Varthalitis, 2020).

These developments also had negative repercussions for Ireland's labour market, with the severe deterioration that took place as a result of the crisis being well documented. In particular, the collapse in economic activity that occurred between 2008 and 2011 resulted in Ireland's unemployment rate increasing from 5% in 2007 to 15.5% in 2012 (see Chapter 2), while the employment rate declined from 65.9% to 58.8% over the same time period (Kelly and Barrett, 2017). Research on the impact of the recession on Ireland's labour market showed that young people in particular were severely affected (e.g., Kelly et al., 2014; Kelly and McGuinness, 2014), along with immigrants (e.g., Barrett and Kelly, 2012; McGinnity et al., 2014) and males (McGinnity et al., 2014). The aforementioned collapse in the property sector contributed to some of these observed results; particularly for males, especially the age group covered in this baseline study, as, relative to females, their employment was over-concentrated in the construction sector prior to the recession (see McGinnity et al., 2014).



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With regard to the impact of the 2008 GFC on Ireland's economic growth, of the four baseline study countries the effect was most immediate, with its real GDP growth falling from 5.4% in 2007 to -4.4% in 2008.[118] Ireland's economy contracted substantially again in 2009, with real GDP growth of -5%. However, the economy started recording growth again in 2010 (Chapter 2), the year it signed its economic adjustment programme with the Troika. Recorded growth was tentative for the first few years after this, with domestic demand severely dampened by the austerity measures that had been introduced as part of the economic adjustment programme. Instead, the renewed growth that took place from 2010 was driven by exports, with net exports being 25% of GDP in 2012 (Whelan, 2015). This growth in exports can be partly attributed to an improvement in Ireland's competitiveness, in particular a decline in unit labour costs (Whelan, 2015). This, in turn, was related to the poor state of Ireland's labour market at that time, which was highlighted above, along with its economy being relatively flexible. With regard to the latter, Venn (2009) showed that Ireland had one of the lowest scores on the OECD's Employment Protection Index,[119] being lower than the OECD average and the lowest of the four baseline study countries. This was particularly the case with regard to regulation on temporary forms of employment.

In relation to Ireland's labour market, it started to show signs of recovery towards the end of 2012 with the unemployment rate falling to 14.5 per cent[120] and the numbers in employment starting to grow again for the first time since the start of 2008 (Kelly and Barrett, 2017). Unemployment continued to fall after this time period. The rate stood at 5% in 2019, the same that it was at just prior to the Great Recession in 2007. However, the COVID-19 pandemic led it to rise to 5.9% in 2020 (Chapter 2). Employment

[118] Greece's fell from 3.3% to -0.3% over the same time period and Italy's from 1.5% to -1.1%. Spain's growth did not turn negative until 2009 (3.8% in 2007, 1.1% in 2008 and -3.6% in 2009).
[119] Countries' regulations around hiring and dismissing workers, which are important in determining worker security and firm adaptability.
[120] CSO - Ireland's Unemployment Rates



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also continued to increase from the end of 2012 onwards, with the rate at the end of 2019 standing at 70.1%, the highest that it had been since the middle of 2008. [121] However, as with unemployment, COVID -19 led to a fall in employment in Ireland in 2020: the rate fell to 63.2% in the second quarter of that year, but has been recovering since this time period.[122] In terms of the quality of the jobs created in Ireland during the recession and recovery period, Kelly and Barrett (2017) found that Ireland experienced an increase in atypical work (temporary contracts and part-time employment) among the holders of new jobs in the recession period. In the recovery period of 2014-2015, there was a decrease in this trend. Nevertheless, they found that the likelihood of being in atypical work among new job holders in 2014-2015 remained above the pre-crisis level.[123]

**The Irish Regional Context:**

Unlike the other three baseline study countries, Ireland is not as defined by its regions, either in terms of dependence on certain economic sectors for growth and employment or governing structures. This is possibly due to a combination of the geographic size of the country and the country's economic and social policies being, for the most part, centrally developed and administered.[124] Thus, unlike the other three baseline study countries, we cannot be as definite in identifying certain Irish regions as being tourism-dependent or facing challenges associated with energy decarbonisation.[125] Given this, we will next give an overview of the role of tourism in the Irish economy, noting that while some counties,[126] and therefore regions within Ireland are more dependent on it for employment than others, tourism

[121] CSO - Ireland's Employment Rates

[122] The employment rate stood at 72.8% in Q1 2022, the highest that the rate has been since the Labour Force Survey (LFS) commenced in 1998.

[123] See Gialis and Leontidou (2016) for similar findings for a number of Mediterranean countries.

[124] The latter is also true with regard to Greece: its economic and social policies are also centrally developed and administered.

[125] Based on the regional data that is available in the EU-LFS microdata that is used in this study (NUTS-2 classification), there are only three for Ireland. This also complicates the regional sectoral dependency employment analysis for Ireland. Nevertheless, we do present employment rate trends for the three regions that we can identify with the microdata, with two designated as tourism-dependent and one associated with energy decarbonisation. This is discussed in more detail in Section 6.3.

[126] Ireland's regions are each made up of a certain number of counties (see Section 6.3).



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tends to contribute to employment in every county/region in Ireland. We also give a brief overview of climate change and Irish policy in this area, including support being provided for the main region impacted by the closing of fossil fuel electricity generating power stations as part of Ireland's commitment to halving the country's emissions by 2030 and reaching net zero emissions by 2050.[127]

**Role of Tourism in Ireland's Economy**

Ireland's tourism sector has experienced periods of growth and decline over the decades, largely driven by fluctuations in the country's economic cycle impacting the domestic tourist market, and international developments affecting overseas visitors.

In December 2008, in response to the economic crisis, the Irish government identified tourism as a key sector in its medium-term economic recovery plan, in terms of both revenue and employment.[128] This was followed-up with the publication of two further policy documents in 2010 that set specific targets with regard to aiding the tourism sector's recovery and growth up to 2015, and how to achieve the specified targets. [129] The importance of the sector to the Irish economy's recovery was further reinforced in the Government's *National Recovery Plan 2011-2014*.[130] In particular, given the tourism sector's regionally dispersed nature, the diverse skills required by the sector and its labour-intensive nature, tourism was identified as having

[127] Department of the Taoiseach. (2021). *Climate Action Plan 2021 – Securing Our Future*. Dublin: Department of the Taoiseach.

[128] Department of the Taoiseach. (2008). *Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal.* Dublin: Department of the Taoiseach.

[129] The Department of Enterprise, Trade and Employment (2010). *Making it Happen – Growing Enterprise for Ireland*. Dublin: Department of Enterprise, Trade and Employment. This enterprise policy document set out targets for the tourism sector with regard to new job creation, along with the importance of the sector for the country's growth. This policy was seen as having an important role to play in delivering on the objectives of the Government's 2008 *Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal* plan; while the Department of Enterprise, Trade and Innovation's 2010 *Trading and Investing in a Smart Economy – A Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015* policy document detailed how the Government and its agencies would contribute to achieving the targets set out in *Making it Happen.*

[130] The National Economic Recovery Plan 2011 - 2014.



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an important role to play in reversing the increase in unemployment that had taken place between 2008 and 2011.

To support the sector to both recover and become an engine for growth, the government has introduced a number of measures since the 2008 economic crisis to encourage both domestic and overseas visitors. For example, a tourism marketing budget of €44 million for 2010, the launch of a €4 million domestic tourism marketing scheme in 2011, the introduction of a nine% VAT rate, the Gathering Ireland 2013, the introduction of a zero% air travel tax and a visa waiver. These, and other, measures aided the sector to contribute around €5.7 billion to the Irish economy in 2013, and to a rise in employment in the sector from 114,900 in 2011 to 128,500 in 2013.[131]

While good progress was made in assisting the tourism sector to recover and grow again after the 2008 financial crisis, a 2015 review of targets set for the sector in 2010 recommended revised targets and measurement metrics because of a slower than expected pace of recovery in key trading partners and a deeper domestic recession than had been predicted at the time that the original targets for the sector were set.[132]

In 2015, the Government introduced a new policy framework for the tourism sector that set out a longer-term vision for the sector, up to 2025.[133] In particular, the framework[134] listed a number of objectives to help Ireland achieve its full potential as a destination for overseas tourism, with the

[131] Quarter 1 2011 and 2013 Labour Force Survey (LFS) data: QLF03 - Persons aged 15-89 years in Employment (cso.ie)

[132] Department of Foreign Affairs and Trade (2015). *Review of the Government Trade, Tourism and Investment Strategy 2010-2015.* Dublin: Department of Foreign Affairs and Trade.

[133] Department of Transport, Tourism and Sport (2019). *People, Place and Policy: Growing Tourism to 2025*. Dublin: Department of Transport, Tourism and Sport.

[134] Supported, to date, by two action plans that set out specific measures to be implemented to achieve the framework's policy objectives: Department of Transport, Tourism and Sport (2016). *Tourism Action Plan 2016 – 2018.* Dublin: Department of Transport, Tourism and Sport. Department of Transport, Tourism and Sport (2017). *Tourism Action Plan 2016 – 2018: Progress Report.* Dublin: Department of Transport, Tourism and Sport. Department of Transport, Tourism and Sport (2019). *Tourism Action Plan 2019-2021.* Dublin: Department of Transport, Tourism and Sport).



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intention that this would, among other things, contribute to sustaining tourism employment. The framework also set out new targets for the tourism sector to achieve by 2025, such as employment in the sector reaching 250,000, 10 million overseas visits per year by 2025 (compared with 7.6 million in 2014), and overseas tourism revenue reaching €5 billion in real terms. As part of this policy statement, the Government agreed that it would place tourism as a key element of its economic strategy.

With the recovery that took place in both the domestic and international economy after 2015, along with the various policies that have been developed and measures put in place since the financial crisis to assist the tourism sector, both tourism revenue and employment increased to an estimated €9.5 billion and 178,300 in 2019.[135] However, the onset of the COVID-19 pandemic in 2020 halted the progress that the Government had made with regard to its targets and objectives for the tourism sector. In addition to the significant fall off in overseas visitors, along with a decline in domestic tourism numbers, impacting set revenue and overseas visitors' targets, the pandemic also led to a considerable drop in employment in the tourism sector: initially falling from 178,300 in 2019 to 173,100 in 2020 and then to 104,000 in 2021.[136] However, as the country has started to emerge from the pandemic, and the measures put in place by the Government to manage COVID-19 are facilitating a return to 'normality', employment in the sector has started to increase again: as of Quarter 1 2022, employment in the sector stood at 166,400 (up from 104,000 in Quarter 1 2021).[137]

[135] Quarter 1 2019 Labour Force Survey (LFS) data: QLF03 - Persons aged 15-89 years in Employment (cso.ie). Fáilte Ireland, Ireland's national tourism development authority, estimated total employment in the tourism sector to be approximately 260,000 in 2019: this estimate was based on Fáilte Ireland's surveys of businesses, and included additional categories of tourism services and attractions not covered in the LFS (LFS estimated are based only on the 'accommodation and food service activities' sector).

[136] Quarter 1 Labour Force Survey (LFS) data: QLF03 - Persons aged 15-89 years in Employment (cso.ie)

[137] Labour Force Survey (LFS) data: QLF03 - Persons aged 15-89 years in Employment (cso.ie)



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**Climate Change in Ireland: Policy and Regional Impact**

Climate change, and the threat that it poses, has been discussed at an international and EU level for the last five decades. The first international conference took place in Stockholm in 1972.[138] In 1992, the United Nations Framework Convention on Climate Change (UNFCCC), also known as the Convention, was adopted by most countries: this Convention lays out the structure by which all governments work together to address the issues posed by climate change. The objective of this Convention, along with the 1997 Kyoto Protocol[139] and the 2015 Paris Agreement,[140] is to stabilise greenhouse gas emissions at a level that will prevent human interference with the climate and enable sustainable development.[141] Every year since 1995,[142] a meeting is held by the Conference of the Parties (COP), which is the decision-making body of the UNFCCC: all States that signed-up to the Convention are represented at the COP meetings.[143]

Ireland is a member of the COP and has signed-up to all three agreements: the Convention, the Kyoto Protocol, and the Paris Agreement. The Kyoto protocol set binding targets[144] for industrialised countries to meet with regard to their greenhouse gas (GHG) emissions. Ireland met its targets through the EU burden-sharing agreement.[145] A second commitment was signed-up to under the Kyoto protocol to cover the period 2013 to 2020.[146] The Paris Agreement was adopted at COP 21 in December 2015 and came into force in November 2016. It was a landmark agreement because it is a

[138] Hosted by the United Nations (UN), this was the first major conference on international environmental issues (see https://www.epa.ie/environment-and-you/climate-change/what-is-europe-and-the-world-doing/ ).

[139] This policy did not come into force until February 2005, at which time it was ratified by most states (192). The policy was designed to enable industrial countries to take the lead in addressing the climate change problem.

[140] The Convention is a parent treaty to both.

[141] https://unfccc.int/about-us/about-the-secretariat

[142] Apart from when COVID-19 hit in 2020.

[143] https://unfccc.int/process/bodies/supreme-bodies/conference-of-the-parties-cop

[144] To reduce GHG emissions relative to a country's 1990 levels for the period 2008 to 2012.

[145] An agreement on burden sharing was reached in June 1998 that facilitated the sharing out of emissions allowances among EU member states, which then totalled 15 countries: it was made legally binding as part of the EU's instrument of ratification of the Kyoto Protocol (see: https://www.eea.europa.eu/help/glossary/eea-glossary/burden-sharing).

[146] Known as the Doha Agreement, it was adopted in 2012 and came into force when it was ratified at the end of December 2020.



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legally binding international treaty on climate change. This agreement's implementation phase began in 2020, replacing the 1997 Kyoto Protocol as the framework for the achievement of the objective of the UNFCCC. Ireland's contributions to the goals of the Paris Agreement come under the European Union's identified 2030 emission reduction targets.

Ireland's own national policies and legislation around climate change have been in development for a number of years. They became more concrete around 2014, which was around the time that Ireland started to emerge from the Great Recession, when the Government published its *National Policy Position on Climate Action and Low Carbon Development*.[147] This was followed in 2015 with its *Climate Action and Low Carbon Development Act*.[148] The *National Policy Position* document outlined high-level policy direction for the adoption and implementation of plans to enable Ireland to move to a low carbon economy by 2050, which was an objective adopted on the back of the European Commission's *Roadmap for Moving to a Competitive Low Carbon Economy in 2050*.[149]

The goal of a low carbon economy by 2050 was reiterated in the Government's 2019 *Climate Action Plan*. [150] This plan also set out a detailed sectoral roadmap to allow Ireland to achieve its EU targets for 2030. For the electricity sector, this included the phasing out of peat and coal[151] electricity generating plants to allow the Government to meet its target of 70% renewable electricity by 2030. The two main geographic areas of the country impacted by this initiative are the Midlands and Southern regions; especially the Midlands, as this is where most of the peat fossil fuel is harvested and

[147] gov.ie - National Policy Position on Climate Action and Low Carbon Development (www.gov.ie)
[148] Climate Action and Low Carbon Development Act 2015 (irishstatutebook.ie)
[149] European Commission (2011) - A Roadmap for Moving to a Competitive Low Carbon Economy in 2050
[150] Climate Action Plan 2019
[151] Both fossil fuels.


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associated electricity generating plants based.[152] With regard to the Southern Region, Moneypoint in County Clare is Ireland's largest energy generating plant and it uses coal as its main input. Under the 2019 *Climate Action Plan*, the Government committed to ending the burning of coal in the Moneypoint plant by 2025 and to replace it with low-carbon and renewable technologies. With regard to peat production and associated power plants, there was a commitment in the plan to transition away from peat by 2028.[153]

The 2019 plan also indicated that the Midlands would be included in the *EU Coal Regions in Transition Platform*,[154] along with the establishment of a cross-Government policy framework to support employment in the region as it transitioned away from peat production, and the provision of support to the Midlands Regional Transition Team (MRTT), which was a group established to address specific challenges posed by the transition.[155] In 2020, the Government established the *National Just Transition Fund* (JTF) to support communities in the Midlands to transition to a low carbon economy.[156] The specific focus of the fund is to provide grants to projects that focus on retraining workers and generating sustainable employment in green enterprises across the region. To date, the Government has funded[157] 56 projects[158] that are supporting 174 direct and 987 indirect jobs.[159]

[152] In 2018, the peat harvesting body, Bord na Móna, had announced in its decarbonisation strategy that it would cease traditional peat harvesting operations over a period of 10 years, but this ended up taking place for two of the country's three peat-fired electricity generation stations over a two-year period (December 2020): Shannonbridge in County Offaly and Lanesborough in County Longford. The one remaining peat power station in Edenderry County Offaly is scheduled to continue in operation using biomass and peat until 2023 (Climate Action Plan 2021 - Securing Our Future).

[153] As mentioned, this has already taken place for two of the country's three peat-fired electricity generating plants (see: Just Transition Final Progress Report - December 2021 and Climate Action Plan 2021 - Securing Our Future).

[154] An initiative to assist EU countries to address the socio-economic challenges associated with transitioning to a low-carbon economy. In particular, to ensure that the transition is 'just' and fair and that no individual or region gets left behind. The initiative provides targeted support for the most affected regions, with funding of approximately €55 billion provided for the period 2021-2027 (see: The Just Transition Mechanism: making sure no one is left behind | European Commission (europa.eu)). Ireland has secured €84.5 million from this fund for the period 2021 to 2027 (see: Climate Action Plan 2021 - Securing Our Future).

[155] Climate Action Plan 2019

[156] gov.ie - National Just Transition Fund (www.gov.ie). See also: Just Transition Final Progress Report - December 2021.

[157] Fund of €21.5 million. The ESB, Ireland's main energy company, has also contributed €5 million to assist with the impact of decarbonisation in the Midlands.

[158] The level of support provided was based on EU state aid rules.

[159] Estimates provided by grantees when applying for funding.



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In July 2021, the *Climate Action and Low Carbon Development (Amendment) Act* was signed into law, which has legally bound Ireland to a path of net-zero emissions by 2050 and a 51% reduction by 2030, both of which are international and EU climate commitments. This was followed-up in November 2021 by the publication of the *Climate Action Plan 2021 – Securing Our Future*.[160] This plan set out a number of sectoral emission reduction targets, and actions to achieve those targets, in order to facilitate the Government to achieve its legally binding targets of net-zero greenhouse gas emissions by 2050 and a reduction of 51% by 2030. The 2021 plan also noted that the Midlands is the first region in Ireland to directly experience the negative impacts of decarbonisation, with the ending of peat harvesting for electricity generation, and set out a just transition implementation plan for the region, which includes addressing the issue of employment opportunities and education, training and reskilling in the region.[161]

## 6.2 National Youth Employment, Unemployment, Long-Term Unemployment, and NEET Rates, and Inactive Share

### 6.2.1 Youth Employment

Prior to the Great Recession, Ireland's youth employment rate stood at 65.6% (Figure 6.1), with the male rate 4.6 percentage points higher than the female rate (67.8% and 63.2% respectively). Of the four countries examined in this baseline study, Ireland recorded the highest youth employment rate among this age group in 2008, with Spain next (52.1%) and Italy the lowest (39.1%).

[160] Climate Action Plan 2021 - Securing Our Future

[161] For details, see Climate Action Plan 2021 - Securing Our Future



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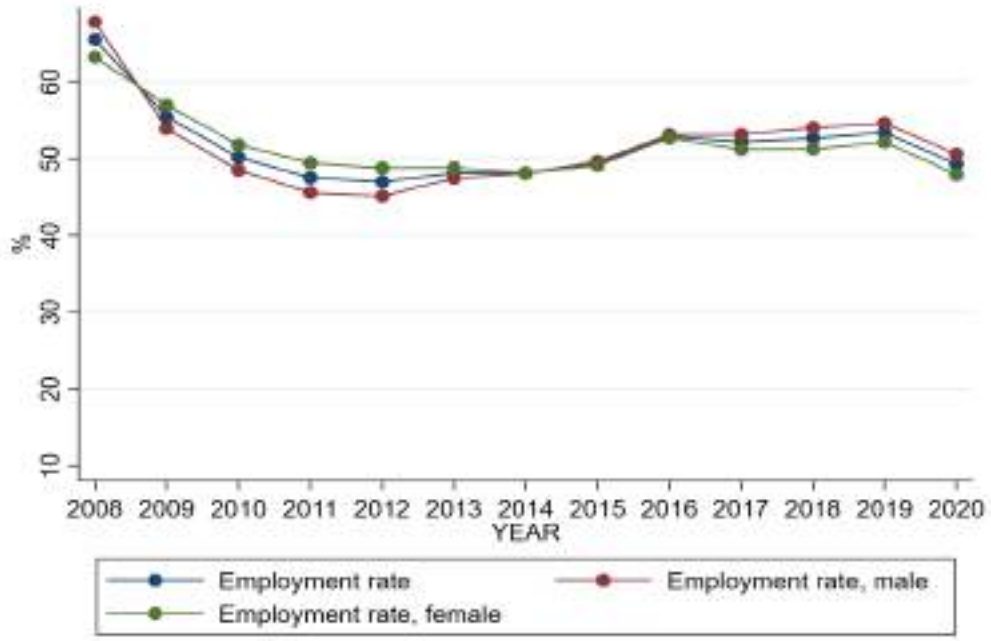
**Figure 6. 1 Youth Employment Rates in Ireland Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The Great Recession led the Irish youth employment rate to fall to a low of 47% in 2012: the male rate declined to a low of 45.1% that year, and the female rate to 48.8%. After the economic crisis hit in 2008, Spain and Greece experienced their lowest youth employment rates in 2013, while in Italy this occurred in 2014. By these time points, the Irish youth employment rate had started to recover, albeit very modestly, and the rate continued to recover very modestly until 2019 when it stood at 53.4%, which was over 12 percentage points less than what the rate stood at in 2008 (65.6%). The male rate was 54.6% in 2019, over 13 percentage points less than its 2008 level, while the female rate was 52.1% in 2019, 11% less than what the rate was in 2008.

The onset of COVID-19 in 2020 led the youth employment rate to fall: the overall to 49.2%, the male to 50.6% and the female to 47.9%.



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In general, the gap between the male and female youth employment rates in Ireland has been quite small. The same is true of Spain (Figure 5.1), whereas larger gaps exist between both genders' employment rates in Greece (Figure 3.1) and Italy (Figure 4.1).

### 6.2.2 Youth Unemployment

Prior to the Great Recession, Ireland's youth unemployment rate stood at 10.9% in 2008 (Figure 6.2), with the male rate almost 5 percentage points higher than the female rate (13% and 8.4% respectively). Of the four baseline study countries, Ireland had the lowest youth unemployment rate at this time point, with Spain recording the highest rate (18.1%).

The fallout from the financial and economic crisis led the Irish youth unemployment rate to peak at 24.9% in 2011. The male rate rose to 30.7% that year, which was more than double what its rate was in 2008 (13 %), and the female rate increased to 18.8%, almost 10 percentage points higher than its 2008 rate.

The youth unemployment rate fell again after this time point, falling to below its 2008 level in 2019 when it stood at 9.6% (10.9% in 2008). The male rate stood at 10.9% in 2019, again below its 2008 level (13%), and the female rate was 8.1%, which was marginally below its 2008 level (8.4%).

The COVID-19 pandemic in 2020 led all rates to rise, the overall to 11.8%, the male to 12.2% and the female to 11.3%. Thus, as of 2020, there is less than a percentage point difference in the male and female unemployment rates. This convergence is most likely due to higher concentrations of females in the sectors most impacted by the health pandemic and, therefore, greater job losses among females in 2020.



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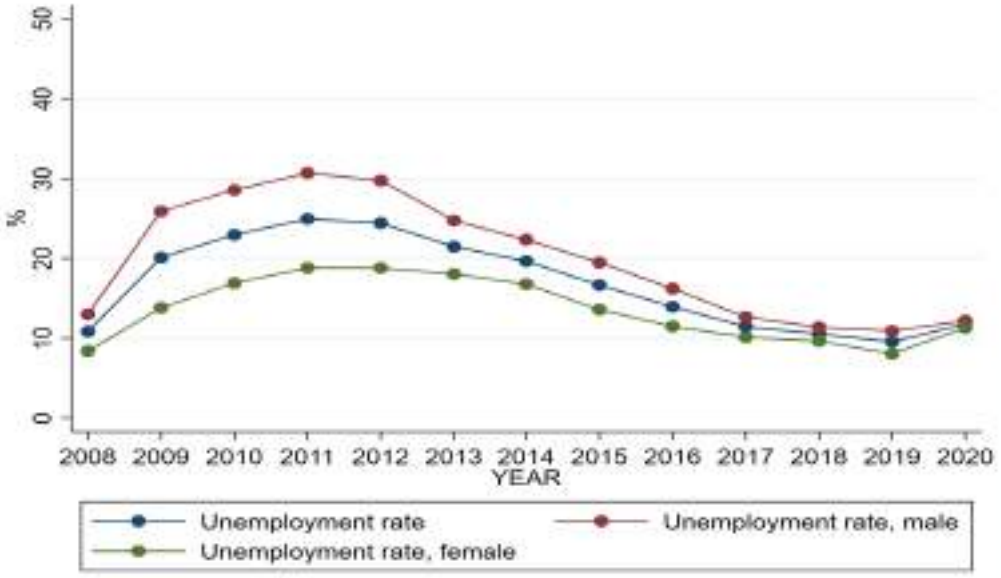
**Figure 6. 2 Youth Unemployment Rates in Ireland Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

### 6.2.3 Long-Term Youth Unemployment

Like Spain, Ireland had a relatively low long-term youth unemployment rate in 2008 (Figure 6.3): 2.1% overall, with the female rate over a percentage point lower than the male rate (1.2% and 2.9%, respectively).

The Great Recession led the rate to rise to a high of 12.5% in 2012, an increase of over 10 percentage points on its 2008 level. The long-term male youth unemployment rate rose by considerably more than the female rate over this time period. Specifically, the male rate increased to 17.1% in 2012 from 2.9% in 2008, while the female rate increased to 7.7% from 1.2%.



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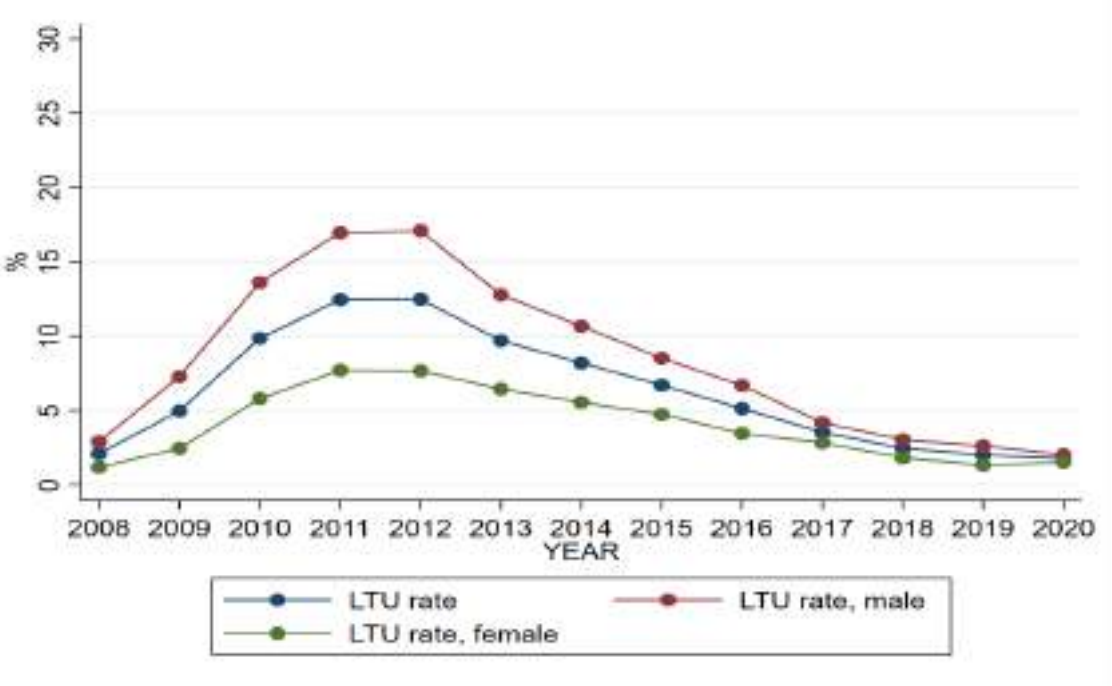
**Figure 6. 3 Long-Term Youth Unemployment Rates in Ireland Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The long-term youth unemployment rate fell after this time period, with the overall rate standing at 1.8% in 2020, the male rate at 2% and the female rate at 1.5%. Both the overall and male rates were less than their levels in 2008 (2.1% and 2.9%, respectively), while the female rate was very marginally higher than its 2008 rate (1.2%).

### 6.2.4 NEET Rates

In 2008, Ireland's NEET rate stood at 14%, with very little difference between the male (13.5%) and female (14.5%) rates. This overall rate was very similar to that recorded by both Spain (14.5%) and Greece (14.8%) at that time, with Italy having the highest rate (19.2%) among the four baseline study countries in 2008.

The Great Recession led Ireland's NEET rate to increase to a high of 22.4% in 2011, with the male rate rising to 23.8% and the female rate to 20.9%. This was a similar increase to that experienced by Spain, albeit its NEET rate hit



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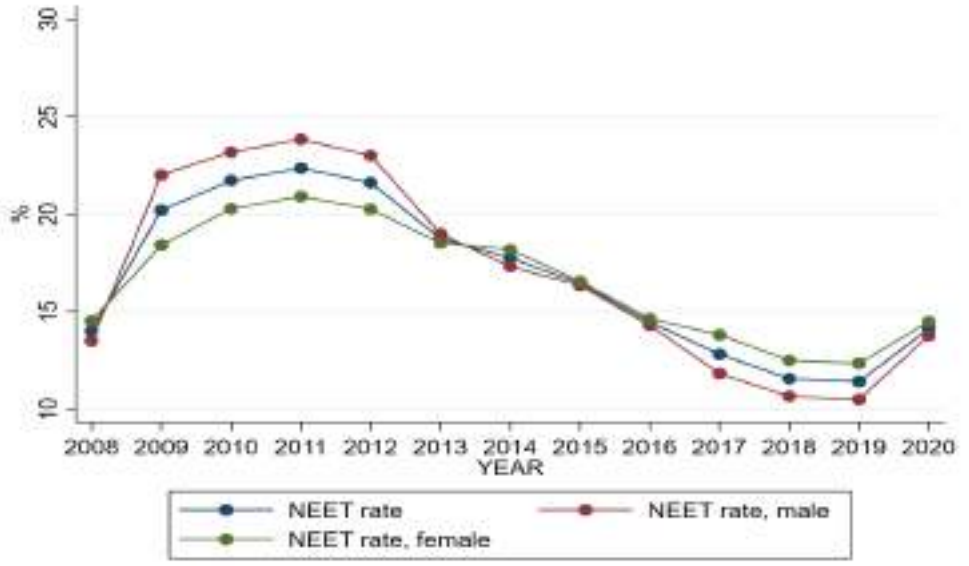
its peak two years later in 2013 (22%), as did Greece and Italy, but with somewhat higher peak rates (28.5% and 25.9% respectively).

**Figure 6. 4 NEET Rates in Ireland Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

Ireland's NEET rate fell after 2011 and stood at 11.4% in 2019, below its 2008 level of 14%. The male and female rates were 10.5% and 12.4% respectively in 2019, also below their 2008 levels (13.5% and 14.5%, respectively). Spain's NEET rate had also fallen to below its pre-Great Recession level in 2019 (14.3% compared to 14.5% in 2008). By 2019, Greece and Italy's NEET rates had also fallen from their peak levels in 2013, but were still not back to their pre-recession levels (17.7% in 2019 compared to 14.8% in 2008 for Greece, and 22.1% in 2019 compared to 19.2% in 2008 for Italy). As with the other baseline study countries, COVID-19 also led Ireland's NEET rate to rise in 2020 (14.1%).



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### 6.2.5 Inactive Youths

The share of inactive youths in Ireland stood at 26.5% in 2008, with the rate being almost 9 percentage points higher among females (31% compared to 22.1% of males). As with the other three baseline study countries, the proportion of inactive youths has grown steadily over time. There was a particularly large increase in the share in response to the Great Recession, with the rate standing at 37.9% in 2012, the year that the detrimental impact that the crisis had on the Irish labour market peaked. This was driven by a larger percentage of male youths becoming economically inactive: their rate grew from 22.1% in 2008 to 35.8% in 2012, more than a 13 percentage point increase, while the female rate rose from 31% to 39.9% over the same time period, almost a 9 percentage point increase. It is believed that the growth in the male rate during that time period was due to their overexposure to the collapse in the construction sector and consequential job losses that took place in this sector during the economic downturn, with many young males subsequently choosing to stay on in education as opposed to entering the labour market or undertaking construction sector-related apprenticeships.[162]

The share of inactive youths increased further to 41% in 2019, with the male rate rising to 38.7% and the female rate to 43.3%, both similar rises from 2012 (approximately three percentage points). The onset of COVID-19 in 2020 saw the share of inactive youths grow by almost four percentage points to 44.2 percent: the male rate rose to 42.4% and the female to 46%, again similar rises in the two gender rates.

[162] For more information on this, see Conefrey T., (2011). "Unemployment and Labour Force Participation during the Recession", Economic Letters 04/EL/11, Central Bank of Ireland.



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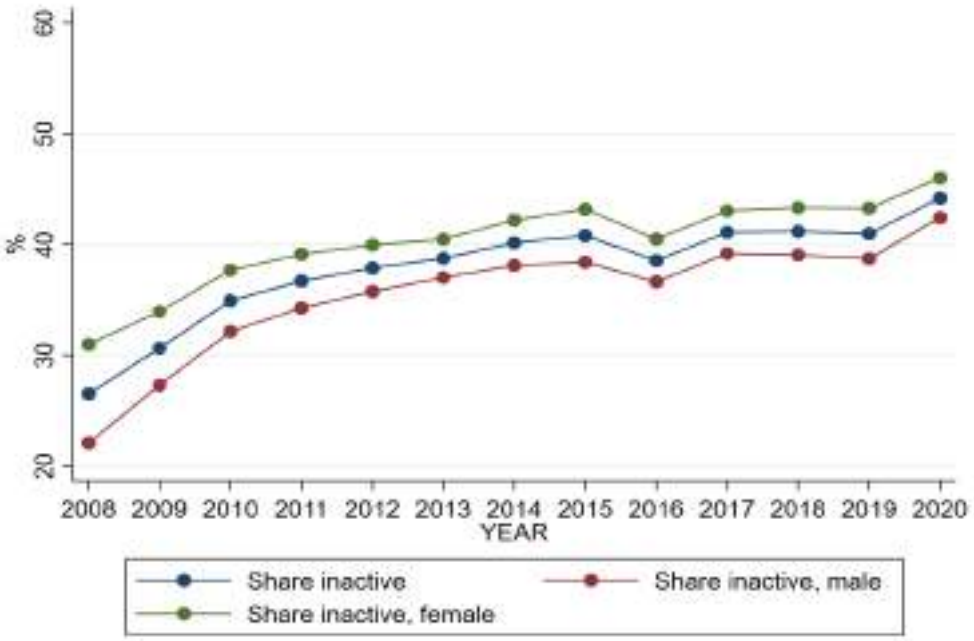
**Figure 6. 5 Share of Inactive Youths in Ireland Between 2008 and 2020: Overall, Males and Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 6.3 Youth Employment Rates in Key Tourism-Dependent and Energy Transition Regions

As mentioned earlier, unlike the other three countries in this baseline study, Ireland does not have readily identifiable tourism-dependent and energy transition regions. It is more so that specific counties[163] within Ireland are more tourism-dependent than others and also impacted by energy transition. The tourism counties are, for the most part, located in the South-West (Kerry), West (Galway), Mid-West (Clare), South-East (Wexford), and Border (Donegal) regions, while the energy-transition counties are in the Midlands (Offaly, Longford, Laois, Westmeath), West (Roscommon, East Galway), Mid-East (Kildare) and Mid-West (North Tipperary). With regard to the contribution of tourism to the regions in Ireland, based on Fáilte Ireland

[163] The island of Ireland consists of 32 counties, which are divided into four provinces (Connacht, Leinster, Munster, and Ulster). The Republic of Ireland, which is the focus in this baseline study, consists of 26 counties (covering the provinces of Connacht, Leinster and Munster), which, based on the NUTS 3 regional classification, are divided into 7 regions: Dublin, Mid-East/Midlands, South-East, South-West, Mid-West, West and Border.



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data[164] the region of Dublin had the highest percentage of overseas visitors in 2019 (6,644), followed by the South-West (2,335), West (1,943) and Mid-West (1,432).

There is no county-level data in EU-LFS microdata to identify employment trends in the specific counties in Ireland that are more reliant on tourism and impacted by energy decarbonisation. In addition, the regional EU-LFS microdata are only available at the NUTS 2 level: for Ireland, this means 'Border, Midland and Western' and 'Southern and Eastern' between 2008 and 2011, and 'Southern', 'Northern and Western', and 'Eastern and Midlands' from 2012 onwards, because of a reclassification of the NUTS 2 regions for Ireland in 2012. Unlike for Greece, Spain and Italy, this narrow regional classification that NUTS 2 offers for Ireland makes it difficult to identify the locations (i.e., counties) that are more tourism-dependent and impacted by decarbonisation/energy transition. This is especially the case for the 2008 - 2011 microdata, given that there are only two identified regions with the NUTS 2 regional classification for that time period. For this reason, and while still not ideal, we will present regional employment rates for Ireland from 2012 onwards when the more disaggregated NUTS 2 regional classification was introduced. This period also corresponds with the peak time point for the negative impact of the Great Recession on Ireland's labour market (2012) up until the onset of COVID-19 (2020).

'Southern' and 'Northern and Western' are defined as Ireland's tourism-dependent regions, and 'Eastern and Midlands' as the country's energy transition region. As indicated, these tourism and energy transition region definitions are not ideal, especially the identified energy transition region, as 'Eastern and Midlands' also includes Dublin, Ireland's capital and main centre of economic activity.

[164] Tourism Facts 2019 Final March 2021 (failteireland.ie)



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### 6.3.1 Ireland's Tourism-Dependent and Energy Transition Region Youth Employment Rates

Over the period of this examination, 2012 to 2020, youth employment rates in Ireland's two main tourism-dependent regions, the 'Southern' and 'Northern and Western' regions, have been below the national average youth employment rate (Figure 6.6). In 2020, the national youth employment rate came very close to that for the Southern region, 49.2% and 48.6% respectively. On the other hand, the youth employment rate for Ireland's identified energy transition region, the 'Eastern and Midlands' region, has been above the national rate between 2012 and 2020, most likely driven by Ireland's capital and main centre of economic activity, Dublin, being included in this region's classification.

The youth employment rates for the 'Southern' and 'Northern and Western' regions tracked each other closely between 2012 and 2019, but then diverged somewhat with the onset of COVID-19 in 2020 when the pandemic had a bigger negative impact on the 'Northern and Western' youth employment rate: it fell from 51% in 2019 to 44.8% in 2020 compared to the 'Southern' rate falling from 50.9% to 48.6%.

After the peak of the impact of the crisis on the Irish labour market in 2012, the youth employment rate in the 'Eastern and Midlands' region grew steadily until 2016 when it stood at 55.1% (50.6% in the 'Southern' region and 50.4% in the 'Western and Northern' region). It remained relatively stable around this level over the next three years and then fell to 51.1% with the arrival of COVID-19 in 2020.



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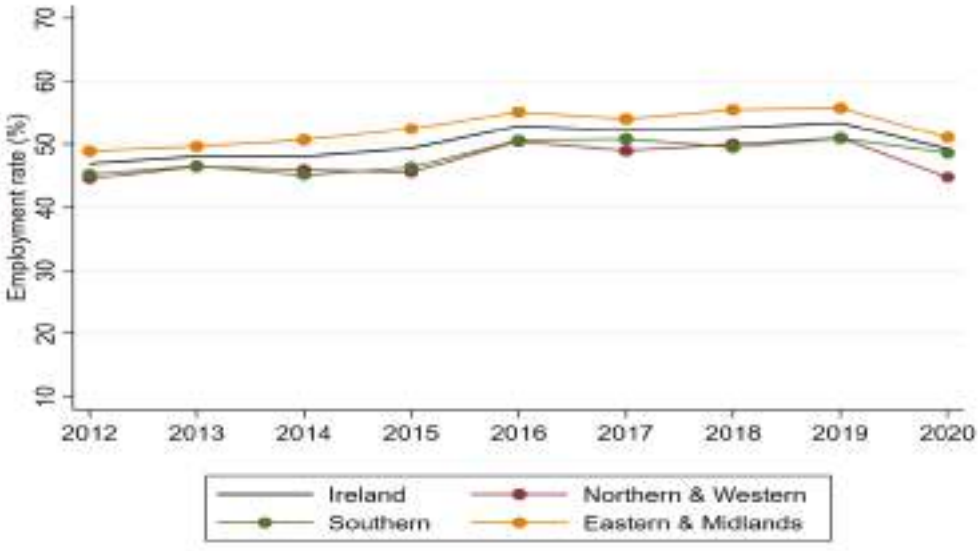
**Figure 6. 6** **Youth Employment Rates in Key Tourism- Dependent and Energy Transition Regions in Ireland Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The male youth regional employment rates (Figure 6.7) track quite closely the overall rates (Figure 6.6), albeit the national average male rate did not converge on the Southern rate in 2020. The same is true of the female youth employment rates (Figure 6.8), albeit the onset of COVID-19 in 2020 led the 'Eastern and Midlands' region's rate to converge on the national average rate (49% and 47.9%, respectively), with the 'Southern' region also recording a similar rate to the national average rate in 2020 (48.7%), with the rate being lowest in the 'Western and Northern' region (42.9%).



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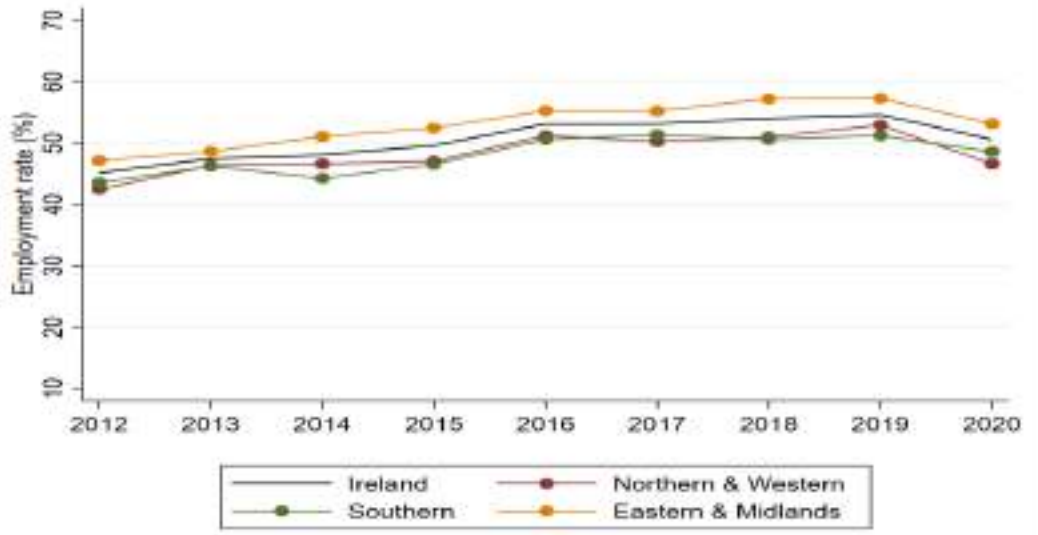
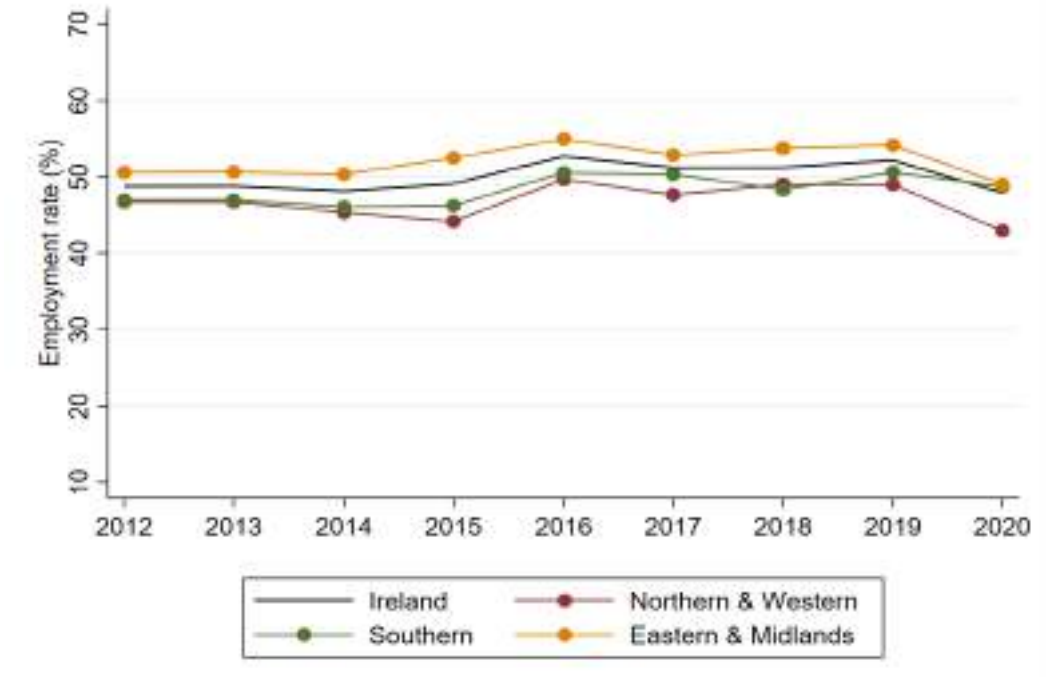
**Figure 6. 7** **Youth Employment Rates in Key Tourism-Dependent and Energy Transition Regions in Ireland Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

**Figure 6. 8** **Youth Employment Rates in Key Tourism-Dependent and Energy Transition Regions in Ireland Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## 6.4 Sectoral Share of Employment for Key Tourism-Dependent, Energy Transition, and Intense Industrial Decline Sectors

In Figures 6.9 to 6.11, we present sectoral shares of employment of young people in Ireland. Of the NACE economic sectors,[165] of which there are 21 categories for the most aggregated version of NACE (1-digit), we focus specifically on key tourism-dependent, energy transition and intense industrial decline sectors, as these are the economic sectors that are the focus of the Cowork4YOUTH project. For the tourism-dependent sector, we examine the employment share of young people in (i) accommodation and food, and (ii) arts and entertainment; for energy transition, we analyse the share of young people in (iii) electricity,[166] and (iv) for our intense industrial decline sector we focus on manufacturing.[167]

Overall, we can see from Figure 6.9 that the share of young people employed in the electricity sector is extremely low, such that it is not feasible to present some of the years' results (2012-2016, 2019 and 2020) as the underlying samples were too small for the results to be reliable. At less than 5%, the proportion of young people employed in arts and entertainment is also low, and it has remained around the same level over the period of this study (2008-2020).

Of the various sectors examined in this baseline study, manufacturing was the main economic sector of employment for youths in Ireland in 2008 (11.2%). This was followed by accommodation and food services (9.7%). After this time period, however, youth employment in manufacturing declined and their employment in accommodation and food services

[165] NACE is a Statistical Classification of Economic Activities developed in the European Community.

[166] Electricity also includes gas and air conditioning. Due to small sample size, especially for females, we were not able to examine 'mining and quarrying'.

[167] The shares of employment in these four sectors are derived as a percentage of total youths in employment in Ireland: we do not present shares for the other 17 NACE sectors as these other sectors are not the focus of the Cowork4YOUTH project.



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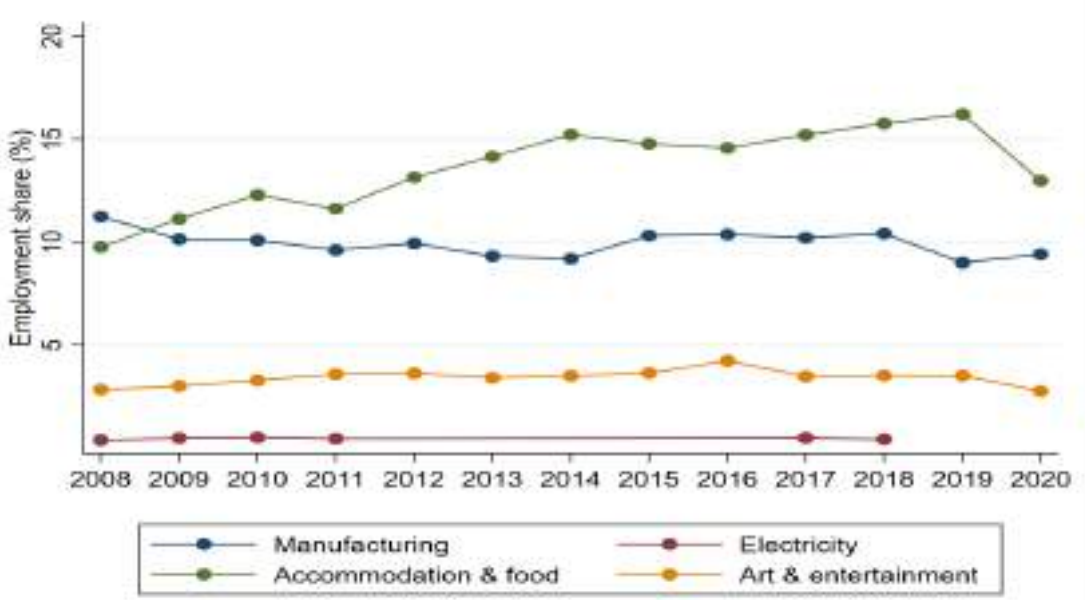
increased. Specifically, their share of employment in manufacturing fell to 10.1% in 2009 and remained between 9 and 10% from then up to 2020. On the other hand, youths' share of employment in accommodation and food services was, more or less, on an upward trajectory from 2008 to 2019. Their share of employment in this sector stood at 16.2% in 2019, and then fell to 13% with the onset of COVID-19 in 2020.

**Figure 6. 9 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Ireland Between 2008 and 2020: Overall**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.
**Note:** Not feasible to present results for the electricity sector for 2012-2016, 2019 and 2020, as the underlying samples on which the results are based are too small for the results to be reliable.

In relation to male youths (Figure 6.10), their share of employment in manufacturing was 14.6% in 2008. It declined gradually after this, reaching a low of 12.1% in 2014. Their share of employment in this sector recovered again in 2015 to 14%. It hovered around this level until 2019 when the share fell to 11.7%. In 2020, it stood at 12%.

Male youths' share of employment in accommodation and food services grew gradually between 2008 (8.5%) and 2014 (15.4%). It fell marginally in



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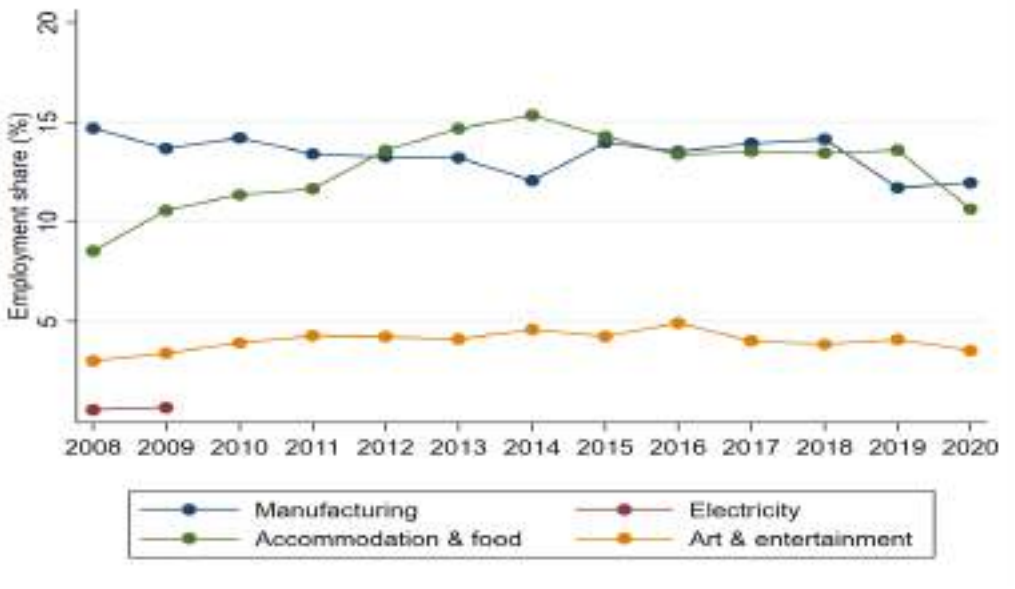
2015 to 14.3% and remained between 13 and 14% until COVID-19 hit in 2020, when the share fell to 10.6%.

**Figure 6. 10 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Ireland Between 2008 and 2020: Males**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.
**Note:** Not feasible to present results for the electricity sector from 2010 onwards as the underlying samples on which the results are based are too small for the results to be reliable.

In relation to young females (Figure 6.11), their share of employment in manufacturing was 7.5% in 2008. After this the share fell, reaching a low of 5.5% in 2013. Since then, the share has hovered around 6-7%, with it standing at 6.6% in 2020.

Young females' share of employment in accommodation and food services stood at 11% in 2008. It rose after this to 13.1% in 2010. It then fell to 11.6% in 2011 but grew after this to reach 19% in 2019. With the onset of COVID-19 in 2020, the share fell to 15.5%.



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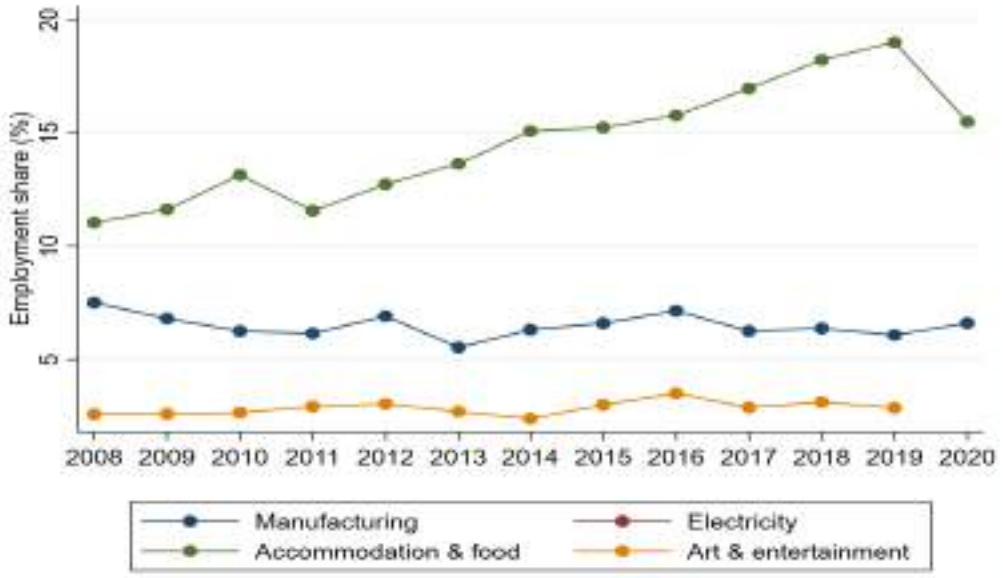
**Figure 6. 11 Youth Employment Shares in Key Tourism-Dependent, Energy Transition and Intense Industrial Decline Sectors in Ireland Between 2008 and 2020: Females**




**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.
**Note:** Not feasible to present results for the electricity sector, or for the arts and entertainment sector in 2020, as the underlying samples on which the results are based are too small for the results to be reliable.

## 6.5 Profile of Youths in Employment, Unemployment, and NEETs

In Table 6.1 we present some demographic information on young people in employment, unemployment, and young NEETs in 2019.[168] Specifically, their gender, nationality, and educational attainment.

A larger proportion of those in employment and unemployment are male (51.8% and 60%, respectively), whereas a higher percentage of NEETs are female (53.4%). A similar proportion of those in employment and of NEETs are non-nationals (16.4% and 16.2% respectively), with the percentage lower among those that are unemployed (13.5%).

[168] 2019 was selected in order to eliminate any impact of COVID-19 on the profiles of young people in employment, unemployment, and NEET.



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**Table 6. 1 Demographic Profile of Young People in Ireland in Employment, Unemployment, and young NEETs: 2019**

| | Employment | Unemployment | NEET |
|---|---|---|---|
| **Gender:** | | | |
| Male (%) | 51.8 | 60.0 | 46.6 |
| Number (000) | (251) | (31) | (48) |
| Female (%) | 48.2 | 40.0 | 53.4 |
| Number (000) | (234) | (21) | (55) |
| **Nationality:** | | | |
| National (%) | 83.6 | 86.5 | 83.9 |
| Number (000) | (406) | (44) | (87) |
| Non-Nationals (%) | 16.4 | 13.5 | 16.2 |
| Number (000) | (80) | (7) | (17) |
| **Educational Attainment:** | | | |
| Low Education (%) | 7.7 | 22.8 | 32.6 |
| Number (000) | (36) | (12) | (33) |
| Medium Education (%) | 50.3 | 54.2 | 49.7 |
| Number (000) | (238) | (28) | (50) |
| High Education (%) | 42.0 | 23.0 | 17.7 |
| Number (000) | (199) | (12) | (18) |
| **Field of Study:** | | | |
| Business, Administration and Law (%) | 11.6 | 5.5 | 4.5 |
| Number (000) | (52) | (3) | (4) |
| Health and Welfare | 8.9 | 5.2 | 5.2 |
| Number (000) | (40) | (3) | (5) |
| Arts and Humanities (%) | 4.9 | 5.9 | 4.2 |
| Number (000) | (22) | (3) | (4) |
| Services (%) | 4.5 | 4.0 | 5.2 |
| Number (000) | (20) | (2) | (5) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

When it comes to educational attainment, a much larger proportion of those in employment have a high level of education: 42% compared to 23% of those that are unemployed and 17.7% of NEETs. Not surprisingly, a larger percentage of NEETs have a low level of education: 32.6% compared to 22.8% of those that are unemployed and only 7.7% of those in employment.

With regard to field of study, the top field studied by young people in employment in Ireland[169] is 'business, administration and law': 11.6% of

[169] This is the top field after 'generic programmes and qualifications', which 39.7% of individuals in employment are categorised as



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those in employment undertook this field of study compared to 5.5% of those in unemployment and 4.5% of NEETs. The second top field for those in employment is 'health and welfare' (8.9%). This field, along with 'services', are the top fields studied by NEETs (5.2%), with 'business, administration and law' their second main field (4.5%). For those that are unemployed, their top field of study is 'arts and humanities' (5.9%), followed by 'business, administration and law' (5.5%).

In Table 6.2, we present some work characteristic information for young people in employment. On average, those in employment in 2019 had been with their current employment for 2.1 years. Just over 70% were working full-time, with 76.2% on permanent contracts. The number of hours usually worked per week was 31.8, while the actual hours worked were just over an hour less (30.7 hours).

**Table 6. 2 Work Characteristics for Young People in Employment in Ireland: 2019**

| | Employment |
|---|---|
| **Current Employment Duration (Average Years)** | 2.1 |
| Number (000) | (463) |
| **Job Type:** | |
| Full-Time Work (%) | 70.3 |
| Number (000) | (341) |
| Part-Time Work (%) | 29.7 |
| Number (000) | (144) |
| **Contract Type:** | |
| Permanent Contract (%) | 76.2 |
| Number (000) | (353) |
| Temporary Contract (%) | 23.8 |
| Number (000) | (110) |

studying. The same is true for those classified as unemployed and NEET: their top field is also 'generic programmes and qualifications', 41.5% and 36.5% respectively.



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**Table 6. 2 Continued**

| | Employment |
|---|---|
| **Usual Hours Worked Per Week (Average Hours)** | 31.8 |
| Number (000) | (475) |
| **Actual Hours Worked Per Week (Average Hours)** | 30.7 |
| Number (000) | (464) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

The majority of young people unemployed in Ireland in 2019 were less than six months unemployed (65.1%). However, just over a fifth (21.9%) were long-term unemployed.

**Table 6. 3 Unemployment Duration of Young Unemployed People in Ireland: 2019**

| | Employment |
|---|---|
| **Unemployment Duration <6 Months** | 65.1 |
| Number (000) | (32) |
| **Unemployment Duration 6-11 Months** | 13.0 |
| Number (000) | (6) |
| **Unemployment Duration 1 Year or More** | 21.9 |
| Number (000) | (11) |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.

## 6.6 Key Findings

- Like for the other three baseline study countries, the 2008 Great Recession had a detrimental impact on Ireland's labour market, with the decline in economic activity that took place between 2008 and 2011 leading to the country's overall unemployment rate increasing from 5% in 2007 to 15.5% in 2012.
- Various studies have shown that young people in particular were severely affected (e.g., Kelly et al., 2014; Kelly and McGuinness, 2014), especially males (McGinnity et al., 2014), with the collapse in the property sector contributing to these observed results.



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- The initial labour market reforms introduced after the economic crisis focused on removing barriers to employment and disincentives to work. For example, cutting the minimum wage, reviewing sectoral employment agreements, reforming social welfare rates, and reorganising the employment activation system.
- Ireland's labour market started to show signs of recovery towards the end of 2012 with the unemployment rate falling to 14.5% and the numbers in employment starting to grow again. The unemployment rate stood at 5% in 2019, the same that it was at just prior to the Great Recession in 2007. The employment rate at the end of 2019 was 70.1%, the highest that it had been since the middle of 2008. The onset of COVID-19 in 2020 led unemployment to rise again and employment to fall.
- Ireland experienced an increase in atypical work (temporary contracts and part-time employment) among new job holders in the recession period. There was a decrease in this trend during the 2014-2015 recovery period, but the likelihood of being in atypical work among new job holders in this period remained above the pre-crisis level.
- Of the four countries examined in this baseline study, Ireland recorded the highest youth employment rate (65.6%) in 2008. In 2019, the rate stood at 53.4%, which was over 12 percentage points lower to what it was in 2008. The onset of COVID-19 in 2020 led the youth employment rate to fall to 49.2%.
- Of the four baseline study countries, Ireland had the lowest youth unemployment rate in 2008 (10.9%). The financial and economic crisis led this rate to peak at 24.9% in 2011. The rate fell again after this, falling to below its 2008 level in 2019 when it stood at 9.6%. However, the COVID-19 health pandemic in 2020 led the rate to rise to 11.8%.
- In 2008, Ireland's NEET rate stood at 14%. The Great Recession led this rate to increase to a high of 22.4% in 2011. It fell after this and stood at 11.4% in 2019, almost three percentage points less than its 2008 level. However, it rose again in 2020 because of the COVID-19 health pandemic.



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- Over time, tourism has become a key sector of employment for youths in Ireland, while it was manufacturing in 2008.
- Only 17.7% of NEETs have a high level of education: this compares with 42% of those in employment and 23% of those that are unemployed.
- In 2019, just over 70% of Irish youths in employment were working full-time, with 76.2% on permanent contracts.

## 6.7 Policy Responses

Initially after the onset of the Great Recession in 2008, policymakers' attention was concentrated on addressing the banking and fiscal challenges that transpired, with less attention given to the labour market and wider social impacts. As time went on, increasing consideration was given to these other areas; in particular, to the negative effects that the crisis had on the labour market, with acknowledgement that the recession had disproportionately impacted younger people as three quarters of the 300,000 jobs that were lost were among those aged less than 30.[170] In this section, we first discuss the national labour market policy responses to the Great Recession, most of which refer to young people, and then focus on key youth related policies that were introduced after the 2008 economic crisis. We also briefly mention key policies that were implemented prior to 2008 that have played a role in assisting youths over the time period covered in this baseline study.

### 6.7.1 National level:

In 2011, the Government published its *National Recovery Plan 2011-2014* to address the impact of the Great Recession on the country's public finances and to return the economy to sustainable growth. The labour market was also addressed in this plan, with the focus on implementing structural reforms to remove barriers to employment (i.e., increase flexibility) and

[170] Action Plan for Jobs 2012. See also Pathways to Work - 2013



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disincentives to work. This included, as mentioned in Section 6.1, cutting the minimum wage, re-examining sectoral employment agreements, and reforming welfare policies and the activation system so that there were no barriers to hiring workers, work would be more rewarding than staying in receipt of welfare, and the unemployed were provided with the necessary support[171] to reintegrate into the labour market.

Youths were explicitly mentioned in the *National Recovery Plan 2011-2014* in terms of the sectoral employment agreements and the minimum wage that was in existence at that time being barriers to their employment, especially unemployed and less-skilled youths as they would tend to obtain jobs, or be in employment, in the sectors most impacted by both regulations. In addition, this plan set out cuts that would be made to the Ministry of Education's budget that would impact programmes provided to reduce early school leaving (the School Completion Programme (SCP))[172] and assist early school leavers (Youthreach)[173,] thus, impacting NEETs. Allocations from the National Training Fund, a fund used to provide training and employment support to the unemployed, were also reduced; therefore, also impacting unemployed youths.

In its 2011 *Jobs Initiative*,[174] the Government did not make explicit reference to youths or to the introduction of specific measures to assist them to enter

[171] This included: i) increased levels of engagement between PES and the unemployed; ii) provision of training/work experience places (Work Placement Programme); iii) increased incentives for employers to create jobs (Employers' PRSI scheme introduced in July 2010 to encourage the recruitment of jobseekers); iv) cuts in social welfare payments for those aged under 25 to incentive this age cohort to participate in education, training or work; and v) introduction of legislation making payment of jobseeker benefit conditional on engagement with PES.

[172] The School Completion Programme (SCP) is a targeted programme to support primary and post primary children and young people who have been identified as being at risk of early school leaving, or who are out of school and have not successfully transferred to an alternative learning site (e.g., Youthreach) or employment. The programme aims to retain a young person to completion of their post-primary education (Leaving Certificate in the Irish educational system), equivalent qualification or suitable level of educational attainment that will enable them to transition into further education, training or employment (see: SCP - School Completion Programme Tusla - Child and Family Agency).

[173] The Youthreach programme provides two years integrated education, training, and work experience for unemployed early school leavers without any qualifications or vocational training who are aged between 15 and 20 (see: gov.ie - Youthreach (www.gov.ie)).

[174] Jobs Initiative - May 2011



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or reintegrate back into the labour market after the 2008 economic crisis. However, its plans to restructure the employment activation system that were mentioned in this plan, along with the provision of additional activation initiatives, such as the creation of a new National Internship Scheme, which became known as JobBridge (see below), would have benefitted youths.

In February 2012, four years after the onset of the Great Recession, the Government published its first of seven *Action Plans for Jobs* (APJ). The main goal of these plans has been to create jobs. The 2012 plan contained 270 actions to be implemented by all Government Ministries, and 36 State Agencies, to remove barriers to employment creation and improve support for job-creating businesses. It also included actions to transform the training and activation services provided in the country. In addition, the plan set a goal of increasing the number of people at work in Ireland by 100,000 between 2012 and 2016 (from 1.8 million to 1.9 million), and for 2 million people to be in work by 2020. This target of 2 million was revised to 2.1 million when the Government published its *Medium-Term Economic Strategy 2014-2020*.[175]

There was one measure that explicitly mentioned youths in the 2012 APJ, which was a promise to review the funding of youth work and support services to ensure that they supported the development of the skills needed by enterprises.[176] The importance of the youth work sector in addressing the issue of youth employment and supporting young peoples' progression and employment readiness, especially among NEETs, was reiterated in the second APJ that was published in 2013, with a promise to review youth

[175] OECD Preliminary Review of APJ - 2014

[176] This was to be undertaken in the context of a new *Children and Young People's Strategy* that was being developed at that time, and which was published in 2014 (see Better Outcomes Brighter Futures: The National Policy Framework for Children and Young People 2014 - 2020).



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funding schemes and to support the youth sector in its work in this area.[177] The importance of volunteering to help young people, especially NEETs and those unemployed, to develop skills and gain work experience was also highlighted in this plan.[178] In addition, this plan announced a review of the apprenticeship training model, with the intention of expanding it from a craft-based only model to include a broader range of economic sectors; thus, opening it up to more young people and to giving them a chance to gain work-based training.[179]

With regard to young people in the third APJ (2014), this plan gave more attention to entrepreneurship and to the introduction of measures to support young people to start their own business. This theme was continued in the 2015 APJ,[180] along with, under *Pathways to Work* (see below), the introduction of a measure that incentivised and rewarded employers that hired young people in receipt of a jobseekers payment. This scheme, which was the *JobsPlus* scheme extended to cover youths,[181] was to be made available in 2015 under the Youth Guarantee (see below).[182] Overall, the 2015 APJ emphasised that the jobs it created should translate into a reduction in the number of unemployed people and, to that end, emphasised the continued roll-out of Youth Guarantee initiatives to reduce the number of unemployed youths, as the rate continued to be around 18% in 2015 (Section 6.2.2) and a cause of concern for the Government.

[177] Action Plan for Jobs 2013

[178] The Ministry of Unemployment introduced a 'Voluntary Work Option Scheme' in 2010 to allow those unemployed to volunteer for not-for-profit organisations without losing their jobseeker payment (but they needed to remain available for work/training) to enable them to gain experience/remain closer to the workplace.

[179] OECD Preliminary Review of APJ - 2014

[180] Action Plan for Jobs 2015

[181] The JobsPlus scheme was originally introduced in July 2013.

[182] There was also mention in this plan of, once funding could be obtained, developing and rolling out a Youth Employability Programme in 2015 to support youth work initiatives that would increase young peoples' employability, enhance their acquisition of skills and aid their preparedness and progression to employment.



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The 2016 APJ[183] paid close attention to NEETs and announced the roll-out of the Youth Employment Initiative (see below) to enhance their employability and those most at risk of unemployment, specifically targeting those aged 15-24. This plan also specified that the appropriateness of the existing sub-minima rates would be examined, particularly in terms of their impact on youth employment rates and participation in education. By the time that the last two APJs were published, 2017 and 2018, the number of unemployed youths had declined by over 50% since the first plan was introduced in 2012.[184] Nevertheless, these plans still highlighted that more work needed to be done to further reduce the number of unemployed youths. They also emphasised the need to further increase the number of young entrepreneurs, while the final APJ's (2018) saw the introduction of a new work experience programme for young jobseekers facing barriers in entering the labour market.

In parallel with the introduction of its *Action Plan for Jobs* strategy, the Irish Government also developed a policy to specifically target the unemployment crisis that emerged after the Great Recession: *Pathways to Work* (PTW). The objective of this policy, the first plan for which was introduced in 2012 to cover the period 2012 to 2015,[185] has been to improve the country's employment and activation services to support jobseekers to reintegrate into the labour market. In particular, the policy wanted to ensure that as many of the jobs created after the Great Recession, via the APJs, as possible were filled by those that had lost their jobs during the crisis, especially those that had become long-term unemployed. There were five strands to the first PTW plan, based around providing improved employment and activation services to the unemployed, along with incentivising employers to hire unemployed jobseekers. In addition, the initial plan

[183] Action Plan for Jobs 2016

[184] Action Plan for Jobs 2017 and Action Plan for Jobs 2018

[185] Department of the Taoiseach. (2012). *Pathways to Work: Government Policy Statement on Labour Market Activation*. Dublin: Department of the Taoiseach.



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introduced the principle of mutual obligation, which put the responsibility on jobseekers to engage with their PES or risk losing their unemployment payments. Youths were not explicitly mentioned or addressed in this 2012 PTW plan. Nevertheless, those that were unemployed would benefit from the enhanced employment and activation service the first plan set out to achieve. In addition, a second PTW plan published in 2013[186] did make explicit reference to youths. Specifically in terms of the Youth Guarantee: policymakers would work on developing a Youth Guarantee for Ireland in 2013, and there would then be a staged roll-out of this EU initiative in 2014 so that unemployed youths would, within four months of becoming unemployed or leaving formal education, receive a good quality employment offer, continued education, an apprenticeship, or a traineeship. As for all unemployed, the principle of mutual obligation was also going to be applied to youths with regard to their engagement with support options offered under the Youth Guarantee. Thus, while still focusing on measures to assist the long-term unemployed, this addendum plan also stressed the importance of taking action to provide assistance to unemployed youths to return to work given that, at that time, the youth unemployment and NEET rates were still relatively high (around 21% and 18% respectively).[187]

A third iteration of the PTW plan that was published in 2015, again focused on implementing measures to assist both long-term unemployed jobseekers and unemployed youths. With regard to unemployed youths, the plan pledged to fully implement the Youth Guarantee initiatives and to introduce an employment subsidy specifically for young people.[188] This initiative, known as JobsPlus, incentivised employers to hire unemployed youths aged less than 25 by providing them with a two-year subsidy, with the hope that the labour market experience gained through this developmental internship

[186] Pathways to Work - 2013

[187] See Sections 6.2.2 and 6.2.4.

[188] Pathways to Work 2015 - MerrionStreet.ie



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would allow such youths to secure a sustainable job.[189] This plan also saw the launch of an Employment and Youth Activation Charter, the objective of which was to encourage companies to look at hiring unemployed youths when recruiting.[190]

A fourth PTW plan was published in January 2016 to cover the time period 2016 to 2020. For youths, this plan again focused on the role of the Youth Guarantee in assisting unemployed youths and NEETs. Specifically, that the actions set out in the Youth Guarantee implementation plan would continue to be implemented. The policy also included measures to: i) increase the relative share of workplace-based interventions for unemployed youths (programmes such as Gateway,[191] TÚS,[192] Positive2Work[193]); ii) restructure a Youth Guarantee programme called First Steps[194] to provide a higher level of support to both unemployed youths and employers so that more of both avail of the programme; iii) ensure that PES Case Officers engage with unemployed youths at least once a month, via meeting; iv) implement the Defence Forces Skills for Life employment support programme;[195] and v) PES to set specific annual targets on the number of unemployed youths to participate in education and training programmes.

While outside of the time period of this baseline study, a fifth PTW plan was published in 2021,[196] to cover the period 2021 to 2025, and is worth a brief mention as its focus is on assisting people back to work as the economy and

[189] European Commission - JobsPlus Youth

[190] Employment and Youth Activation Charter - Houses of the Oireachtas

[191] Ministry of Unemployment activation programme that was launched in 2013 for City and County Councils to provide short-term work placements for those that are unemployed (see Gateway Programme | Gateway Pobal | Pobal Ireland | Pobal Programmes).

[192] Ministry of Unemployment community work placement scheme that provides short-term working opportunities for unemployed people: it is managed by local development companies and Údarás no Gaeltachta (see Tús (citizensinformation.ie))

[193] A short duration retail sector skills programme targeted at jobseekers aged 18-25 (see: Minister Burton Launches the Advantage Programme, Positive2Work Skillnet's Programme for Job Seekers - Positive2Work Skillnet

[194] Programme that offers long-term unemployed youths aged 18 to 24 with little or no work experience the opportunity to learn basic work and social skills through a real work situation placement (see: Department of Social Protection Jobseeker Supports).

[195] A skills training programme targeting unemployed youths aged 18-24 from disadvantaged backgrounds (see Department of Defence Programme).

[196] Pathways to Work 2021-2025



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labour market recover from the COVID-19 pandemic, the first year of which (2020) falls under the scope of this study.[197] As with the PTW plans that were introduced after the Great Recession, there was also an acknowledgement in this most recent plan that young people were disproportionately impacted by the pandemic and, therefore, the Government was going to focus on investing significantly in employment support for young people in this plan, especially NEETs. Some of the measures included were: i) PESs (Intreo) implementing and operating the new EU Reinforced Youth Guarantee process of intensive engagement with young people aged 15-29, with those identified as being at risk of long-term unemployment, or unemployed for 3 months or more, to meet with a PES Case Officer at least once a month; ii) ring-fencing 4,000 places for young people on a new Work Placement Experience Programme (WPEP) established under this PTW plan for those unemployed for at least six months; iii) providing an employment subsidy of between €7,500 and €10,000 to employers when they recruit young people, which is the aforementioned JobsPlus programme, and paying this recruitment subsidy on an earlier basis than what was in the originally designed programme; iv) relaunching and expanding the previously mentioned Employment and Youth Activation Charter that was part of PTW 2015; v) increasing the total number of apprentice registrations; vi) providing 50,000 extra Further Education and Training (FET) places; and vii) ring-fencing a minimum of 1,000 places for young people out of an additional 3,000 on the Community Employment (CE) and TÚS public sector job creation schemes. The Government's goal in implementing these measures, and others outlined in the plan, is to return youth unemployment and employment to their pre-COVID-19 health crisis levels.

[197] This plan addresses the second pillar in the national *Economic Recovery Plan* that the Government launched to address the effects of COVID-19 on the economy, that pillar being 'Helping People Back into Work'(see: gov.ie - Pathways to Work Strategy 2021 - 2025 (www.gov.ie) ).



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### 6.7.2 Youth-Specific Policies:

As with the other countries included in this baseline study, in 2014 Ireland also introduced a number of measures under the EU's Youth Guarantee (YG) initiative to assist young people aged less than 25 to access or reintegrate into the labour market.[198] Some of these programmes have already been mentioned briefly in the previous section. Here, we will discuss in more detail how the YG was applied in Ireland, the measures supported by the *Youth Employment Initiative* (YEI), and also some key measures not specifically introduced under the YG, or supported by the YEI, but which have assisted youths over the period covered in this baseline study.

In relation to the YEI, this was launched by the EU in 2013 to support the implementation of YG schemes in regions where the youth unemployment rate was greater than 25%. The YEI specifically targeted the provision of assistance to NEETs, the long-term unemployed and those not registered as jobseekers. Between 2014 and 2020, the total budget for the YEI was €8.9 billion, with half of this coming from a dedicated YEI budget line and the other half from the ESF.[199] Member states eligible for the YEI further complement the ESF resources with national co-financing. Ireland qualified for the YEI and received a special allocation of €68 million. This was matched by equal amounts from Ireland's ESF and the Irish Government, giving an overall allocation of €204 million for the YEI. Ireland's YEI is a sub-component of its European Social Fund (ESF) *Programme for Employability, Inclusion and Learning* (PEIL) *2014-2020*. Both Ireland and the ESF co-fund PEIL 2014-2020.[200]

[198] Ireland's YG Implementation Plan

[199] Given the onset of the COVID-19 pandemic in 2020, between 2021 and 2023 EU member states have been allowed to increase their YEI and ESF resources to help young people impacted by the pandemic through additional EU funding that has been made available under the *Recovery Assistance for Cohesion and the Territories of Europe* (REACT-EU) initiative.

[200] PEIL is Ireland's only ESF programme for the period 2014 to 2020. It has a total budget of €1.126 billion, over €484 each from the ESF budget line and Irish Government, €68 million from the EU's YEI and €88.3 million from the REACT-EU initiative. The key area chosen for this funding in Ireland was around activation of the unemployed, social and labour market inclusion, and education and youth employment; hence the name PEIL. The programme contains five priority axes, one of which is the YEI.



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**Application of the Youth Guarantee in Ireland: Process**

In 2013, Ireland developed its Youth Guarantee (YG) implementation plan and then commenced rolling it out on a phased basis from 2014 onwards. Ireland took the decision to identify two distinct groups of young people to apply the concept of the YG to: i) young people aged less than 18 that had not completed their secondary-level education and had failed to find employment, and ii) recently unemployed young people aged 18-24[201] registered with the PES and unemployed for four months. Under the YG plan, youths that fell into the first group would be provided with a quality 'second-chance' educational/training pathway outside of the formal education system (e.g., Youthreach) or would be supported to re-enter the formal education system. For the second group, these youths would be provided with assistance to secure work or with a quality offer of training, education or work experience. The Government envisaged that full implementation of the YG, for both groups, would be achieved within two years (i.e., before the end of 2015), with its operation and coverage to be reviewed at the end of the implementation period.

The Ministry of Employment[202] was selected as the lead coordinating body for the YG, as it has responsibility for PESs, activation of the unemployed and payment of jobseekers' benefits, now a one-stop-shop known as Intreo.[203] The ministries that would assist included: i) education and skills; ii) jobs, enterprise, and innovation; iii) children and youth affairs; iv) public expenditure and reform; and v) SOLAS, Ireland's Further Education and Training (FET) Authority. The social partners, such as the main employer (IBEC) and union (ICTU) bodies were also invited to assist in delivery of the YG, as were key stakeholders (e.g., the National Youth Council of Ireland and the Labour Market Council). A partnership approach was taken to delivering

[201] Whether unemployed because they had lost their job or had not secured a job.

[202] Known as the Department of Social Protection (DSP) in Ireland.

[203] The creation of this one-stop-shop was one of the main reforms of the first PTW plans (2012).



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the YG, among the aforementioned national bodies, their local representatives (local PES offices, Education and Training Boards (ETBs),[204] etc.), and local community groups. It was acknowledged that such an approach was needed if the plan was to be successfully implemented.

With regard to the YG measures to assist those aged less than 18, first, the early school leaving rate[205] in Ireland is below the EU average (5% compared to 9.9% in 2020) and is one of the lowest among EU member states (Greece was lower at 3.8% in 2020, and Spain (16%) and Italy (13.1%) higher).[206] The targeting of additional resources to schools in areas of concentrated disadvantage, through the Ministry of Education's DEIS programme,[207] along with the Home/School/Community Liaison (HSCL) scheme,[208] the School Completion Programme (SCP),[209] and the Education Welfare Service (EWS),[210] has helped Ireland to reduce its early school leaving rate over time. Nevertheless, for the cohort that continue to leave school early, the YG plan set out that a system would be put in place whereby all post primary schools would give contact details of early school leavers to their local Education and Training Board (ETB) so that they could follow-up early with alternative education and training options. The Youth Sector was also seen as a body that could help with identifying young people that might benefit from

[204] ETBs are statutory education authorities with responsibility for providing education and training, youth work and a range of other statutory functions. ETBs manage and operate Community National Schools, Post-Primary Schools, Further Education (FE) colleges, and a range of adult and further education centres delivering education and training programmes (see: About ETBs – ETBI). ETBs are overseen by SOLAS, the stage agency with responsibility for Ireland's FET sector (see: SOLAS).

[205] Refers to those aged 18-24 that left education and training early.

[206] Early School Leavers - Eurostat

[207] The DEIS programme is the Ministry's main policy initiative to respond to education disadvantage, with schools selected for inclusion in the programme on the basis of a score allocated through the DEIS identification model (see: gov.ie - Extension of DEIS to further schools (www.gov.ie)).

[208] The HSCL scheme aims to improve educational outcomes for the students most at risk of poor attendance, participation and retention (see: gov.ie - Home School Community Liaison Scheme (HSCL) (www.gov.ie) ).

[209] The School Completion Programme (SCP) is a targeted programme to support primary and post primary children and young people who have been identified as being at risk of early school leaving, or who are out of school and have not successfully transferred to an alternative learning site (e.g., Youthreach) or employment. The programme aims to retain a young person to completion of their post-primary education (Leaving Certificate in the Irish educational system), equivalent qualification or suitable level of educational attainment that will enable them to transition into further education, training or employment (see: SCP - School Completion ProgrammeTusla - Child and Family Agency).

[210] Educational Welfare Services (EWS) work with children and families who have difficulties in relation to school attendance, participation, retention. It operates under the Education (Welfare) Act 2000 (see: EWS - Educational Welfare ServicesTusla - Child and Family Agency).



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second-chance education options, and in ensuring that the services provided under those options were fit for purpose.

In relation to engaging with unemployed youths aged 18-24, under the YG PES intervention and activation was a tailored version of the new activation model introduced under the first and second PTW plans (2012 and 2013). This new employment activation model specified that those at highest risk of becoming long-term unemployed[211] were going to receive early and more intensive engagement compared to those with medium or low risk. For this young jobseeker cohort, however, under the YG plan, a decision was taken that there was going to be a greater focus on early engagement compared to jobseekers in other age categories. Specifically, the engagement process commenced when an unemployed youth registered for welfare/employment support with their local PES office (Intreo) and were awarded a jobseekers' payment. At this point: i) their risk of becoming long-term unemployed was also assessed;[212] and ii) they signed a record of mutual obligation. Based on their risk of becoming long-term unemployed, the engagement process differed. For unemployed youths with a low-to-medium score of exiting unemployment to employment, they attended a Group Engagement session within two weeks, followed with a few days by a one-to-one interview with a PES Case Officer. For youth jobseekers with a high score of exiting to employment, they also attended a Group Engagement within two weeks, but were next followed-up with for a one-to-one meeting if they were still unemployed after four months.

During the one-to-one meeting, a personal progression plan (PPP) is agreed between the unemployed youth and Case Officer, with the support provided (and included in the PPP) varying from: i) assessing the unemployed youth's existing work experience, skills and competencies; to ii) assisting with job

[211] Identified through a statistical profiling model, known as the Probability of Exit (PEX) (see O'Connell et al., 2009).
[212] Using the PEX model (see O'Connell et al., 2009).



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search (including work experience and internship opportunities); iii) CV and interview skill development; iv) certification for eligibility for JobsPlus; v) application for the Back to Education Allowance (BTEA)/Part-Time Education Option (PTEO)[213] or the Back to Work Enterprise Allowance (BTWEA)[214]; vi) course selection and referral; and vii) application for an international mobility offer (under EURES)[215]. After the development of the PPP, the follow-up process with unemployed youths is monthly one-to-one meetings until the individual exits unemployment or commences an activation/training intervention. If an unemployed youth commences an activation/training programme, a further one-to-one meeting is held after this to review their PPP and identify next steps.

In relation to the record of mutual obligation that is signed at the first one-to-one meeting, the PES commits to ensuring that an offer of work, training, or education is made to an unemployed youth within four months of the first one-to-one engagement interview for those with a low-medium score of exiting unemployment to employment and nine months for those with a high score. At the same time, the unemployed youth commits to accepting any reasonable referral to, and offer of, employment, internship, education, or training. Failure to comply with this commitment would result in a penalty rate sanction for the youth jobseeker, and they would also receive such a sanction if they did not upload their CV to the official PES job matching website (JosIreland.ie). The YG put strong emphasis on young people complying with the support provided by the PES, given that they were being prioritised over other age cohorts for PES support and access to work, training and education places.

[213] Two second-chance education options. The BTEA allows those that are unemployed, and at least 21 years of age, to take part in a second or third-level education course, with the person transferring from a jobseeker payment to a BTEA. The PTEO

[214] The BTWEA encourages individuals in receipt of a jobseeker payment, and some other social welfare payments, to become self-employed (see: Back to Work Enterprise Allowance).

[215] EURES (EURopean Employment Services) was established by the European Commission in 1993 to facilitate the free movement of workers within the EU/EEA countries. It provides information, advice and recruitment/placement (job matching) services to workers, employers and anyone wishing to avail of the principle of the free movement of labour (see: EURES).



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As mentioned, the YG was to be reviewed before the end of 2015, and if it was identified that some unemployed youths were still unemployed for more than 12 months and not engaged in a training/work placement programme at that time point, then a decision was taken that they would be referred to the PES's contracted placement service for long-term unemployed. This service, known as JobPath,[216] was launched in 2014.

While the Recommendation for a Youth Guarantee focused on recently unemployed youths, Ireland also included unemployed youths that were unemployed for longer periods in its YG plan. Initially, during the first year of the roll-out of the YG (2014) those already unemployed for more than 12 months were targeted. The engagement process for this cohort of young people was similar to that already described for recently unemployed youths, with the exception that long-term unemployed youths were offered compulsory referral to developmental and work experience interventions, such as Job Clubs,[217] TÚS/CE and training, within four months of the engagement process commencing. Such compulsory referrals might also include the JobBridge developmental internship programme (see below), and other service options offered under the YG. Such young jobseekers were also subject to the same penalty process as recently unemployed youths.

**Application of the Youth Guarantee in Ireland: Labour Market Integration Programmes**

Separate from the YG, but receiving mention in the plan, the Government commenced reviews of both Ireland's apprenticeship and Further Education (FE) systems as it emerged from the economic crisis (2013 and 2014 respectively).[218] Resulting reforms focused on increasing the labour market

[216] JobPath

[217] Job Clubs provide a service to assist jobseekers to enter / re-enter employment through the provision of individualised support, a drop-in service, CV preparation and formal workshops (see: Jobs Clubs).

[218] For the apprenticeship system review, see: Review of Apprenticeship Training in Ireland. For the FET review, see: Further Education and Training in Ireland: Past, Present and Future



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focus and dual-learning content of FE courses, namely Post-Leaving Certificate (PLC) courses,[219] while, as mentioned briefly previously, the apprenticeship system was expanded beyond its traditional craft sector focus to include a wider range of industries and occupations. It was envisaged that such reforms would provide greater support to young people to transition into the labour market. The YG plan, however, did stress that strengthened career guidance would be needed to ensure that these reforms would be effective in assisting young people in this regard, including unemployed youths.

In relation to the programmes identified in Ireland's YG plan to assist unemployed youths to access or reintegrate into the labour market, many were already in existence prior to the formulation of the YG plan, and even developed prior to 2008. Some of the main initiatives, both those funded and not funded through the YEI, are discussed next.

**Youth Employment Initiative (YEI) Funded Programmes**

**Youthreach:** This scheme provides two years integrated education, training, and work experience for unemployed early school leavers, including those with no vocational training, aged between 15 and 20. Basic skills training, practical work training and general education are features of the programme. There is also a strong emphasis on personal development, literacy/numeracy skills, communication and IT, along with a choice of vocational options and a work experience programme. As part of the YG plan, 6,000 places were made available on this programme in 2014, which was identified as the main programme to be offered to the first group of young people focused on in Ireland's YG, early school leavers aged under 18. Of these 6,000 places, 3,700 were provided by Ireland's FET sector, the ETBs,

[219] PLC courses are full-time programmes for young people that have completed their Leaving Certificate and also adults returning to education. The courses are two-year duration and enable participants to develop technical and practical skills for a range of industries (see Post-Leaving Certificate Courses).



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in Youthreach centres, and the remainder were provided in Community Training Centres (CTC).[220] Youthreach was allocated €79.9 million under the YEI.[221]

**Momentum:** In 2013, the Government introduced this programme in response to the impact of the 2008 economic crisis on the labour market. The initiative, which ended in 2016, provided free education and training projects for up to 6,500 long-term unemployed individuals. The projects, which included on-the-job training, were provided across the country in expanding employment areas (e.g., ICT, Tourism, Financial Services, Manufacturing Technology, etc.). The programme was offered by private, community, voluntary and publicly funded education and training providers. Under the YG, a specific number of places were set-aside for those aged under 25 to assist them to enter or return to employment: 2,000 places in 2014.[222] The programme was administered by SOLAS. It was initially funded through the Labour Market Education and Training Fund (LMETF), an ESF supported fund, and then by the YEI, from which it received €13.3 million. Momentum was an outcomes-based model of education and training, where payment to the providers was undertaken at key stages in the programme (e.g., certification, progression, and employment outcomes at the end of the programme).

**JobBridge Internship Scheme:** In 2011, the Government introduced this scheme to provide work experience opportunities to the unemployed, given the difficulty they faced in obtaining a job without having such experience. The scheme, which ended in October 2016, provided work experience placements in the private, public and voluntary sectors for a six- or nine-

[220] A CTC provides education, training, educational and employment related services for young people in a friendly and informal manner. Each CTC is owned and managed by a local community group. They are funded by SOLAS, Ireland's FET sector authority, and also ETBs, Ireland's FET providers, for whom SOLAS is their parent body.

[221] See: Youth Employment Initiative

[222] The projects provided here included: i) 'train to work opportunities'; ii) green pathways'; and iii) a Graduate Activation Programme (see: Momentum).



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month period. Those that participated in the scheme received an allowance equal to their jobseeker payment plus a top-up of €50 per week. Under the YG, take-up of this internship by those aged less than 25 was expected to exceed 3,000 in 2014, with the scheme funded through the YEI (€57.2 million). The scheme proved to be controversial, with concerns expressed by some that it was being used by employers to exploit youth labour.[223] An evaluation of the initiative found that just over half (51.4%) of scheme participants were in employment on completion of their internship. However, this was much lower among participants that had previous unemployment experience: 38% among those that had been previously unemployed for more than two years, and 28.2% among those previously unemployed for three years or more.[224] Given these findings, and some others from the evaluation, the researchers that conducted the evaluation, and Ireland's Labour Market Advisory Council (LMAC),[225] concluded that JobBridge should be replaced with a new programme that had a stronger focus on skills, paid at least the minimum wage, and focused on those unemployed for at least six months. These findings, along with significant improvements in the economy, is why the initiative was terminated in 2016 (October). [226]

**JobsPlus:** This scheme was initially introduced in 2013 to incentivise employers to offer employment opportunities to long-term unemployed jobseekers registered for unemployment benefit. The scheme does not target any particular age cohort, but if an employee is aged less than 30 then the payment that is made to employers is co-funded by the YEI.[227] Those employers that avail of the scheme get paid monthly, in arrears, over a two-year period by the Ministry of Employment. The scheme is available to employers in the private, community, not-for-profit and voluntary sectors.

[223] https://www.irishtimes.com/news/ireland/irish-news/new-work-experience-programme-to-be-launched-this-month-1.4612432

[224] Indecon's Evaluation of JobBridge (April 2013)

[225] The role of Ireland's LMAC is to provide advice to the Minister for Employment and the Government with regard to the efficient operation of the labour market. In particular, on ways to increase participation rates and both minimise unemployment levels and durations (see: Labour Market Advisory Council).

[226] Closure of the JobBridge Internship (October 2016)

[227] YEI funding of €8 million goes to the JobsPlus scheme.



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There are certain criteria that employers need to meet, including that the job being offered is full-time for at least 30 hours per week over a minimum of four days.[228] An evaluation of the initiative, which was published in 2020, found a positive impact of the scheme equivalent to a 57% reduction in the likelihood of unemployment for people that benefited from the scheme.[229]

**Other YEI Funded Schemes:**

The remaining three initiatives that have been funded by the YEI are: the **Back to Work Enterprise Allowance** (BTWEA) scheme (€4.6 million); ii) **TÚS** (€35.3 million); and the **Social Inclusion and Activation Programme** (SICAP) (€6 million). The BTWEA initiative encourages individuals in receipt of a job seeker payment, and some other social welfare payments, to become self-employed.[230] Under the YG it was expected that 200 young people would enter this scheme in 2014. TÚS is a public sector work placement scheme that provides short-term working opportunities for unemployed people. Ireland's YG plan envisaged that about 1,300 young people would take up opportunities on this scheme, and another public sector job creation programme called Community Employment (CE), in 2014. Finally, the SICAP aims to reduce poverty and promote social inclusion and equality.[231] The initiative is funded by Ireland's ESF PEIL 2014-2020 programme, but in 2015 it also received funding under the YEI. The first SICAP ran from 2015 to 2017. This was replaced with a new programme in 2018, which is to run until the end of 2022. The programme is aimed at a number of different groups, including the unemployed and those disengaged from the labour market (i.e., economically inactive).

[228] JobsPlus
[229] JobsPlus Scheme Evaluation
[230] Back to Work Enterprise Allowance
[231] SICAP



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**Non-YEI Schemes Supporting the Implementation of the YG**

**FET Programmes:** The main FET programmes identified under the YG to assist unemployed youths were: i) **Specific Skills Training** (SST); ii) **Traineeships**; iii) **Local Training Initiatives** (LTI); and iv) training for people with disabilities through **Specialist Training Providers** (STP). The first three courses are provided in ETB training centres. SST allows people that have lost their job to learn new job-related skills, while the traineeships provide training and relevant work experience.[232] The LTI programme is a project-based training and work experience programme that is carried out in a local community and run by local community groups. It primarily targets unemployed individuals aged 18 to 35. STPs deliver a range of flexible training programmes for people with disabilities. The courses tend to be one to two years in duration and lead to accreditation. Examples include ICT and vocational multi-skills.[233] Under the YG plan for Ireland, it was expected that approximately 9,500 young people would take up such courses during 2014.

**Other Programmes:** There were some other programmes mentioned in Ireland's YG plan to assist with supporting unemployed youths to enter/re-enter the labour market. These include the **Back to Education Allowance** (BTEA), a second-chance educational opportunities scheme, and the **Vocational Training Opportunities Scheme** (VTOS). Both programmes target unemployed individuals. **Springboard**, an initiative offering free and subsidised places on college/university courses that lead to qualifications in areas where there are employment opportunities (e.g., ICT, engineering, green skills, manufacturing and construction),[234] was also mentioned in the plan.

[232] FET Training Courses
[233] Specialist Training Providers
[234] Springboard



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**Non-YG Programmes**

Some non-YG programmes developed to assist unemployed youths to enter/re-enter the labour market include: i) the **Youth Employment Support Scheme** (YESS), ii) the **Targeted Youth Employability Support Initiative** (TYESI), and iii) the **Back to Education Initiative** (BTEI). The YESS, which ended in July 2021 and was replaced by the Work Placement Experience Programme (WPEP),[235] supported long-term unemployed youths back into the workplace. Specifically, those aged 18-24.[236] The TYESI aims to engage and support harder to reach NEETs aged 15 to 24, with a focus on soft skills and developing these skills so as to assist these youths to obtain employment. The programme is currently set to run over the 2021-2022 time period, and it is funded through the Dormant Accounts Fund.[237] Finally, the BTEI provides part-time further education courses to young people and adults that have not completed the Leaving Certificate[238] or an equivalent qualification.[239]

## 6.8 Policy Implications

In this section, we briefly discuss if the interventions introduced under the YG, and also other youth related measures, assisted young people in Ireland to enter/re-enter the labour market after the 2008 Great Recession.

The measures that were introduced under the YG, and also the non-YG initiatives in place at that time, appear to have had an impact on Ireland's youth unemployment and long-term unemployment rates, as both were below their 2008 level in 2019. The NEET rate was also well below its 2008 level in 2019. However, youth employment had not returned to its pre-

[235] Announced in the Government's 2021-2025 PTW plan.

[236] YESS

[237] The Dormant Accounts Fund is a fund that has been created from unclaimed funds in accounts in credit institutions in Ireland. The owner has a right to reclaim his/her money, but until they do so, if ever, the unclaimed funds are used to address economic, social and educational disadvantage, along with supporting those with a disability (see: Dormant Account Funds).

[238] Final formal State examination in Ireland's secondary-level education system.

[239] BTEI



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recession level by 2019, in spite of the strong recovery in the economy from 2015 onwards. This may be due to an increase in the numbers staying on in, or returning to, education, which is reflected in the rise in the inactivity rate in Ireland over the period of the study, especially among males. It is believed that the growth in their inactivity rate is due to young males' over exposure to the collapse in the construction sector and consequential job losses that took place in this sector during the economic downturn, with many young males subsequently choosing to stay on in education as opposed to entering the labour market or undertaking construction sector related apprenticeships (Conefrey, 2011).[240]

With regard to official evaluations on the effectiveness of the various youth measures put in place in response to the Great Recession, apart from JobBridge and JobsPlus none of the other initiatives have been evaluated. Thus, we do not know their true effectiveness and impact on observed trends. Of those programmes in place prior to the economic crisis in 2008, Youthreach, the FE sector PLC programme, the BTEA scheme, and SICAP have been evaluated, in some cases with the use of counterfactual analysis.

In relation to Youthreach, the Government's main programme to assist early school leavers, specifically in terms of offering them second-chance education, two thirds of participants were found to have completed the programme. Of this group, 45% progressed to another education or training course and 28% went straight into employment. One-in-six completers were found to be unemployed on completion of the programme, a figure that was similar with the full early school leaving population (Smyth et al., 2019).

[240] For more information on this, see Conefrey T., (2011). "Unemployment and Labour Force Participation during the Recession", Economic Letters 04/EL/11, Central Bank of Ireland.



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The PLC programme, which is the largest component of full-time FET in Ireland, provides, among other things, vocational and education training to young people. Through the BTEA scheme, it is one of the main programmes used by Ireland's PES to assist unemployed individuals, including young people aged at least 21, to reintegrate into the labour market. The evaluation of this programme found that PLC courses had positive outcomes for students, in terms of accessing employment and progressing to Higher Education (HE). However, the study also found that PLC courses could be more responsive to changing labour market needs, as the types of courses provided through the programme have not changed over time in spite of there being big changes in the types of jobs available in Ireland (McGuinness et al., 2018).

With regard to the BTEA programme, a second-chance education scheme that aims to increase the education and skill levels of unemployed individuals, an evaluation of this scheme found that it was not effective in assisting jobseekers to re-enter the labour market, with their likelihood of exiting unemployment to a job being lower than similarly unemployed individuals that did not engage in the programme (Kelly et al., 2015). Further research, however, found that this was not due to the quality of the education provided but to flaws in the BTEA scheme framework (Kelly et al., 2022).

Finally, with regard to the SICAP programme evaluation, this study found improved employment outcomes among long-term unemployed jobseekers that received employment support under this scheme (Whelan et al., 2020).

With the onset of COVID-19 in 2020, we have again seen a rise in the unemployment and NEET rates, and also a fall in employment, albeit the rise in both the NEET and unemployment rates, and fall in employment, is



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nowhere near what happened to each after the 2008 Great Recession. Apart from the Momentum and JobBridge internship programmes, all other measures outlined in this chapter to assist youths to enter/re-enter the labour market are still in place. Thus, unlike after the Great Recession, with the COVID-19 health crisis the Government has been in a position to respond immediately to the adverse impact that it has had on the youth labour market. It remains to be seen, however, when 2021 and 2022 data become available, if they have been effective in doing so.



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# 7 Discussion of Research Findings, Policy Responses and Policy Implications

## 7.1 Discussion of Research Findings

This section will summarise and discuss the main findings arising from this report in terms of research, main policy responses and the policy implications arising from the study to help inform future initiatives. The overarching relevance of this baseline study is in providing a starting point for future policy indicators. However, it also provides an important contextualisation of the youth unemployment challenge in the four countries under consideration: Greece, Italy, Spain, and Ireland.

A key finding of this research is that all countries share similar issues relating to youth employment but there is significant variation in the composition of these challenges both within and between countries. In addition, the study shows that in some of the measures examined these divisions also run between men and women; thus, they are social in character as well as spatial. This raises questions concerning: i) the balancing in policies between structural and individual factors, and ii) social cohesion and social justice, with the latter outside of the scope of this research.

When weighing both research and policy findings together, it becomes clear that although many of the policies, activities and measures are designed to target individuals, there are structural determining factors at play in the socio-economic development of the national contexts as well as regions affecting the cohorts under study. Applying a macro perspective on the overall development of the world economy over the last 50 years suggests that the issues identified in the present study are reflective of more general tendencies, regarding real productivity growth, the geographical relocation



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of manufacturing jobs, real wage development, and the effects on labour demand (Tregenna, 2009) among other things. The continuous shrinkage of the world's share of manufacturing work in the labour pool in favour of job creation in the service sector (ILO 2015) is noticeable in the present study. We can add to this the prevalence of insecure forms of employment; automation and robotisation; the greening of industries, and to some extent a re-industrialisation in the wake of this.

Taking each country separately, the study has found that youth employment in Greece is more heavily reliant on the strength of the tourism sector due to its tourism-led recovery since 2013. However, the wage reductions that initially supported this revival, along with precarious working arrangements, remain a persistent challenge into the present in tandem with the increased exposure that tourism has to COVID-19. Italy has experienced continued weak economic growth since the Great Recession with some successful labour market reforms in terms of temporary contracts and apprenticeships, but an underwhelming effect on reversing wage contraction for young people. Spain has had the strongest recovery outside of the Irish experience, but aggregate economic figures obscure the prevalence of short-term temporary contracts and a more transitional nature of employment. Ireland also experienced a substantial recovery in unemployment figures, being one of the few places to reach parity with 2008 levels, but this may also be associated with the rise of atypical working conditions. It is evident that while there may be recovery in youth employment rates across the study countries, there are differing accounts of the *quality* of this employment in terms of wage growth, sectoral concentration, and work intensity.

At a European level, policies such as the Youth Guarantee and Reinforced Youth Guarantee are arguably overshadowed by the significant national policies of labour market liberalisation pursued in the early years of the Great Recession, particularly in Greece and Ireland and to a lesser extent in



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Italy later in the period. These cut labour costs and protections as a means of adapting to the changing macroeconomic climate but disproportionately affected young people. The identification of key trends in each country in this report implies that the wider European policy focus should be on the quality of labour market opportunities in addition to the provision of them.

In this regard, it has been argued that the last decades' global acceleration of labour demand that is highly flexible (temporally as well as spatially) compared to before, correlates with the growth of temporary, part-time, and other insecure work arrangements (including self-employment, gig work and informal work). The Employment Guidelines' (Council Decision EU 2018/1215, 2018) explicit reference to the need to combat precarious forms of employment and the abuse of atypical contracts is therefore extremely important. Furthermore, in an era where there are more jobseekers than jobs available, measures such as apprenticeship programmes, training, counselling – all aimed at increasing the employability of youths, and measures aimed at increasing the hiring of less experienced young adults through reductions of labour costs, will only have a limited effect. Instead, such measures may only result in the shifting around of people between statistical categories, i.e., from 'unemployed' to 'in training', or from 'NEET' to 'employed' (even though this may be a highly insecure form of employment), and then back to 'NEET' soon enough again (Reiter and Schlimbach 2015), without this leading to any substantial improvement in life conditions for the youth population.

This section will next compare some of the major trends in youth labour market indicators (employment, unemployment, etc.) across countries and regions that have been found in this baseline study before commenting briefly on some of the limitations of the data.



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The general trend in national employment indicators is significant deterioration in the years following 2008 with the crisis peaking earliest in Ireland, followed by Greece and Spain at broadly similar times and later in Italy. No country had returned to pre-recession levels of youth employment by 2019. There is also a significant difference in the severity of youth employment losses as even Ireland's lowest level of youth employment in 2012 (47%) was still higher than the 2008 levels of Greece and Italy at 42.9% and 39.1% respectively. Another key finding is the gendered structure of youth employment in different countries. Employment indicators for females trail their male counterparts in Greece and Italy in nearly all measures. This gender difference is less pronounced in Spain and Ireland, largely equalising or becoming marginal in later years for youth employment and unemployment rates. Despite this convergence, male rates of youth employment remain higher in all countries as of 2020.

Rates of youth unemployment remain between 20-30% for all countries except Ireland (9.1%) in 2019. The drop in youth unemployment has been strongest in Spain and Greece, the countries most affected at their peak, effectively halving since 2013. Recovery in youth unemployment rates has not been as substantial in Italy.

Long-term youth unemployment rates are marked by recovery to or close to pre-recession levels except in the case of Greece where it remains high, over 10 percentage points higher than 2008 levels. Long-term youth unemployment initially had a much greater effect on males in Ireland than in other countries, but this gap has closed significantly in recent years.

In contrast to long-term unemployment, NEET rates show signs of recovery except for Italy where they have failed to descend significantly from 2014 levels. Both Spain and Ireland have an interesting relationship between NEET



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rates and gender, as they both experience an inversion of the group with the higher NEET rates after the peak of the crisis. This is particularly clear in the Irish case (Figure 6.4) where the percentage of males not in education, training or employment is higher than females from 2008-2013 before equalising and females having a higher rate in the years 2016-2020. This furthers the importance of attending to the needs of females not in education, training, or employment as they comprise a higher proportion in all study countries.

Unlike the other indicators, there is a general upward trend of inactive youths in all countries, including a higher rate for females. This finding should be treated with caution as this may indicate a preference for longer periods spent in education and further data is required to draw conclusions.

At an individual level, this report also provides important contextual information about the profile of youths in employment and unemployment, and NEETs in each country using microdata derived from the European Union Labour Force Survey (EU-LFS). One of the main findings through this approach is the identification of large variation between characteristics of the workplace for young people in the four study countries. Of those in employment, approximately 70-75% of young people are in full-time employment in each country but the type of contract they are on varies significantly. Both Italy (48.1%) and Spain (56.5%) have a much higher prevalence of temporary contracts than either Greece (23.5%) or Ireland (23.8%) in 2019.

There are also two different patterns of long-term unemployment across the four countries as over 50% of young unemployed people in Greece and Italy have been unemployed for more than one year but the majority (over 60%) in Spain and Ireland have been unemployed for less than 6 months. Within



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this, the preponderance of temporary contracts in Spain in comparison to Ireland and the relatively stronger Irish labour market suggests that the level of short-term unemployment may be for different reasons in each country, with those changing jobs more likely to be captured in this statistic in Ireland.

Finally, those with high levels of education are more likely to be found in employment in Greece, Spain, and Ireland, comprising between 36.8% and 44.3% of young people in employment. This relationship does not hold for Italy where only 20.1% of young people in employment have high levels of education. 'Engineering, Manufacturing and Construction' is the field of study that has the highest or second highest share of young people in all countries except Ireland.

This baseline study also factors in a regional and sectoral context through selective sampling of relevant NUTS 2 regions in each country. The selected areas representing tourism-dependent regions have rates between 24.4% and 43% for youth employment, indicating the importance of tourism to young people in these areas. Despite the stability of the tourism sector in the years following the Great Recession, rates of youth employment in the sector show a slight decline since 2008 in Italy and Spain. Rates of youth employment in tourism-dependent regions also trail the national average in these countries. This is also the situation in Ireland but the lack of granularity of NUTS 2 regions for accurate separation of tourism-dependent regions provides a weaker comparison case. This issue is also found for regions in energy transition in Ireland as data is heavily skewed by inclusion of peat harvesting counties in a region that includes Dublin. Youth employment rates in key energy transition regions in Greece and Italy show a slight decline since 2008. In Spain, there is evidence of slight increases in youth employment in energy transition regions prior to COVID-19 which may indicate early successes in policy measures following the cessation of coal-mining in these areas.



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There is little evidence of major changes in either the Electricity or the Arts & Entertainment sectors isolated in this report. The 'Electricity' sector also suffers from a lack of sample size and data issues in some countries at a national scale. Manufacturing in all countries has remained relatively stable over time but now only employs the highest share of youths in Italy as relative youth employment shares in this sector in the other countries have declined since 2008. In Spain, Greece, and Ireland, the Food & Accommodation sector has grown since 2008 and now employs the highest proportion of young people of the four selected sectors in each country.

There are a number of limitations to the research findings presented in this report. As previously mentioned, there is difficulty in accurately identifying tourism or energy transition dependent regions in Ireland due to the small size and population in a European context when using data at NUTS 2 level. The selection of the NACE 'Electricity' sector for analysis also suffers from a small sample size problem and hence a failure to provide gender breakdowns in some instances. There is little reference to youth migration rates which had a sizeable impact on the rates of youth unemployment, especially in Greece and Ireland. Finally, while this is accurate individual data on the profile of youths in employment and those unemployed, there is little analysis of the distribution of unemployment at household level. The high rates of the Severely Materially Deprived in Greece between 2012-2017 (Figure 2.5) and similarly very high rates of People living in Households with Very Low Work Intensity in Ireland between 2008-2012 (Figure 2.6) indicate that it would be misleading to solely focus on individual-level effects. Nevertheless, apart from an overview of some household indicators in Chapter 2, household level analyses were outside of the remit of this baseline study.



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## 7.2 Policy Responses

This baseline study has identified a number of key youth employment policy responses by the countries most affected by the Great Recession over the period 2008 – 2020. It is clear upon comparison that the unifying element of the policy responses in Greece, Italy, Spain and Ireland is the European Youth Guarantee introduced in 2013 and implemented through national legislation in all countries shortly thereafter. While there are some similarities in youth policy prior to the Youth Guarantee, it is evident that the EU's primary youth policy response allowed for the convergence of several disparate youth unemployment responses across member states. At a high level, it can be argued that there was a shift between 2013 and 2018 regarding the outlook of the Youth Guarantee away from a focus on a 'Good Quality Offer' of employment or training to a more personalised assessment and longer-term planning for young people. While recommendations regarding personalised guidance were present in the original Youth Guarantee, the greater focus after 2018 and in the Reinforced Youth Guarantee (2020) represents the influence of the European Pillar of Human Rights (2017) and Employment Guidelines (Council Decision EU 2018/1215, 2018). This direction also factors in the criticisms made by the European Court of Auditors (2017) regarding the outreach shortcomings of the Youth Guarantee and the suggestions made by an ILO review that recommended tailored outreach mechanisms (Escudero and Murelo, 2017). This has culminated in more specific guidelines for the next implementation of national Youth Guarantees, including mapping of target groups and skills gaps, enhanced communication and outreach activities and personalised preparation and counselling *prior* to job or education offers. This style of policy is already apparent in some of the national and sub-national employment initiatives executed in the four countries in this report. This section will outline how the European Youth Guarantee and other associated policies were enacted in Greece, Italy, Spain, and Ireland before drawing some comparisons between each country's treatment of youth employment policy.



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Greek youth employment policy is characterised by an early and relatively substantial response to the financial crisis that saw the reduction of the minimum wage for under-25's in 2010, the introduction of exemptions to allow for an even lower minimum wage in 2011 and finally the introduction of a *sub-minimum wage* in 2012. This has had an enduring influence on youth employment in the following years through a focus on low wage, low value-add employment that has primarily benefited the tourism sector. The availability of cheap labour for the hotel and accommodation sector has been highlighted as an important consideration for policy as the Greek economy recovered with the help of tourism-specific support measures enacted prior to 2014 (Herod et al., 2022). While this policy response has helped the tourism industry in Greece grow significantly since the Great Recession, it does raise the question of the type of employment that aggregate unemployment statistics might obscure and the suitability of this employment in terms of wage growth and desirability of this sector by those it employs. Unlike other countries, notably Italy, Spain and Ireland, there is little evidence of person-centred planning and progression in the youth employment policies mentioned as relevant in the Greek case. Furthermore, the national implementation of the Youth Guarantee, comprising apprenticeship programmes, counselling services, vocational schooling, and ICT training, is described as having limited outreach. However, the amendments to the Youth Guarantee in 2018 which expanded the target group to include 25–29-year-olds and an earlier identification of labour market needs through the 'Labour Market Diagnosis System' are positive developments for Greece.

Energy transition regions seem to be well served by a number of interventions including wage subsidies, work experience opportunities for young people, relocation subsidies, and counselling/training support. Specific sectoral strategies are also apparent in these regions that emphasise green technology and digital transformation through innovation zones, green data support with academic links and adult education in



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environmental protection, green tech, and the green economy. It is still too early to evaluate the success of this otherwise comprehensive set of responses for areas affected by decarbonisation.

The Italian policy response to youth employment is more varied both in terms of the number of policies and regional differentiation due to the sharing of responsibility between central and local government. In addition to this, the severity of the Great Recession did not match the Greek experience, and this may partly explain the later introduction of policies in the 2014/2015 period instead of the rapid adjustments made to the youth labour market in Greece immediately following 2008. The major policy response to the problem of youth unemployment in Italy consisted of a reform of the apprenticeship system through professionalisation of qualifications and trade contracts and secondly, a liberalisation of the labour market in favour of the principle of flexicurity (Pinelli *et al.*, 2017). This report has highlighted that these reforms may have had positive impacts on the prevalence of temporary and apprenticeship contracts but have not met expectations in terms of the youth labour market, particularly with regard to wage contraction.

The other major policy response has been the national implementation of the Youth Guarantee. Due to the multi-level governance model of the Italian state, the implementation is shared between the central government and the regions, which are free to design policies based on the needs of their territories. As a result, there is variation in both the design and effectiveness of policy responses across Italy. While this may be seen as a negative in terms of understanding what exactly was the overall Italian implementation of the Youth Guarantee, or concerns about overlap and fragmented services, it can also be understood as an important research opportunity by providing variation that can be exploited statistically in causal or quasi-experimental research designs. One important element of the Youth Guarantee in Italy is



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the focus on initial orientation interviews and a profiling system providing individual action plans that prioritises the person-centred planning of employment support.

As this report has highlighted, Spanish labour market policy responses were initially tied to two plans in the years prior to the Youth Guarantee, the National Plan for the Implementation of the Youth Guarantee in Spain (2013) and the Strategy for Young Entrepreneurship and Employment 2013-2016. Many measures then became incorporated into the National System of Youth Guarantee (NSYG) in 2014. Spain therefore exhibits a more condensed system of policies that does not include early austerity-era reforms as in Greece or wider labour market liberalisation reforms such as in Italy. While the NSYG included 100 measures to prioritise those under 30 who lacked employment or employment experience, two of the notable policy responses remarked upon in this report contend with the importance of initial employment or experience upon leaving education or training. The internship contract reduced the cost of hiring young workers after graduation through a 50% cut to social security contributions, while the 'First Young Employment' initiative aimed at providing initial work experience to youths. The focus on providing temporary contracts which would hopefully become permanent, filtered down to the regions where 'Incentívate' and 'Bono Empleo Joven' had similar designs in the Canary Islands and Andalusia respectively. These types of interventions were incentivised through social security reductions for firms employing young workers or other forms of wage subsidies. It should be noted that while schemes that target employment experience for those entering or recently entered the labour market have merit, especially in terms of combating the scarring effect identified in the literature, they may also have a negative impact if permanent contracts fail to be signed thereafter. Not only is the young person introduced to a negative feature of the Spanish labour market in the form of a high proportion of temporary contracts (de la Rica & Gorjón, 2022a), but they are also now potentially excluded from further policies if



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inclusion criteria specify that schemes should be targeted at those without work experience.

The other policy response in Spain is the recently introduced 'Shock Plan for Youth Employment (2019-2021)' which is somewhat of a departure from previous interventions through the prioritisation of guidance and training. This plan is supported by a network of 3000 technical staff who can personally assist young people in employment search, planning, and training agreements. Importantly, this is a different form of intervention to wage subsidies that more closely resembles the individual orientation and profiling identified in the Italian case and is supported by a meta-evaluation that finds that training with or without counselling/assistance is associated with positive transitions to employment (Orfao & Malo, 2021). The Spanish case also features several recently published evaluation reports on policies that have been implemented in Spain's Autonomous Communities. These provide a regionally specific and detailed indication of the type of labour market interventions that are most effective with findings that are relevant to policy design in other Spanish regions as well as the other countries in this report. This will be explored in further detail in Section 7.3 below.

Ireland did not take immediate action to address the impact of the 2008 economic crisis on its labour market but focused instead on dealing with the banking and fiscal challenges that transpired. When it did turn to addressing the effects that the downturn had on its labour market, its initial policy focus was on implementing structural reforms to remove barriers to employment (i.e., increase flexibility) and disincentives to work. This included cutting the minimum wage, a decision that was reversed within 6 months of its implementation because of youths and other vulnerable groups being disproportionately impacted by this measure, examining sectoral employment agreements, and reforming welfare policies and the activation system. Such measures were introduced to minimise barriers to hiring



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workers, making work more rewarding than staying in receipt of welfare, and providing the unemployed with the necessary support to integrate/reintegrate into the labour market. Following this, the Government developed their Action Plan for Jobs (APJ), of which there were seven between 2012 and 2018, and Pathways to Work (PTW) strategies. The former plans focused on measures to create jobs, while the aim of the latter was to introduce initiatives to ensure that those that lost their jobs because of the recession secured those jobs that were being created through the APJs.

One of the main labour market responses from the Irish Government to the crisis was to reform the country's employment activation system, the plan for which was set out in the Government's first and second PTW strategies. These reforms were made to ensure that, on the one hand, more efficient and effective services were delivered to jobseekers to assist them to enter/re-enter the labour market, and, on the other, that jobseekers actively engaged with the PES. The latter was achieved through the introduction of the principle of mutual obligation and sanctions for non-compliance into the reformed system. Under this new activation system, unemployed youths were prioritised, in terms of PES support and job, work experience, traineeship or course offers. In return, youths, compared to other age cohorts, were expected to be more committed to the support offered. This was, again, achieved through the principle of mutual obligation and sanctions.

The policies introduced under the YG in Ireland, some of which were funded through the YEI, to assist youths to enter/re-enter the labour market ranged from work experience training and internships (JobBridge) to education courses (BTEI, BTEA, etc.). There were also subsidies on offer to employers to incentivise them to hire jobseekers with long unemployment durations (JobsPlus). The effectiveness of the initiatives is largely unknown as only a


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handful has been evaluated (e.g., JobBridge and JobsPlus). However, the descriptive evidence presented in this report would suggest that some of the measures have been effective given the decline in youth unemployment and long-term unemployment rates, along with the NEET rate. Nevertheless, as noted already, employment in 2019 was still considerably below its 2008 level, and fell with the onset of COVID-19 in 2020. In addition, a very small percentage of NEETs had high levels of education in 2019. Therefore, how effective have the education measures been in increasing their educational attainment levels? Another unknown is the 'quality' of the jobs created for youths. Kelly and Barrett (2017) found that there was a rise in atypical work (part-time and temporary work) among new job holders over the course of the recession: this subsequently declined during the recovery period, but as of 2014-2015 had still not returned to pre-recession levels, leading them to conclude that 'job quality' was as important as 'job quantity'.

In discussing the policy responses of the various countries covered in this baseline study, one final point that is important to note is that the effects of a policy response, like the Youth Guarantee, may differ across countries, as well as within, because at the outset there are socio-economic, political and cultural disparities across the countries that will affect the outcomes achieved. These differences, and in some cases inequalities, are a reflection of uneven geographical and economic development, some of which is due to capital agglomerating in certain sectors and regions for as long as it is profitable to do so and then seeking out new markets and locations (Harvey, 1989). The majority of the youth and NEET policies target individuals (through measures and activities aimed at, for the most part, improving the workforce) rather than the underlying structural conditions causing youth unemployment and NEETs. Thus, it is difficult to know if the effectiveness of a policy response in one geographic location will work in another given variation in underlying structural conditions between and within countries.



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## 7.3 Policy Implications from the Study

The previous two sections have identified trends in terms of different economic measures of youth unemployment and the policy response introduced in each study country. As previously indicated, there are broad similarities in the policy responses and timing due to the Youth Guarantee but also significant heterogeneity across each member states due to the severity of the Great Recession and other labour market policies introduced at a national level, along with the aforementioned underlying structural differences between, and within, countries. This section will determine the key policy implications arising from the labour market structure in each country and the policy responses designed to improve them.

The primary implication for policy in the Greek youth labour market is the continued failure to enhance wage growth in the tourism sector. This is due to the model of low labour costs, supported by other policies that similarly benefitted the tourism sector stemming from the austerity policies between 2010 and 2012 and eventually modified only in 2018. This report finds that the focus should be on the quality of job opportunities and not just the provision of youth labour. The policy of cheap labour, disproportionately affecting under-25's, has translated into adverse working conditions for those in the sector (Gialis and Seretis, 2018) and a lack of focus on policies that would increase the value-add of tourism to enable higher paying tourism sector careers. While the tourism sector strongly recovered and grew since the Great Recession, this has had the unintended consequence of leaving the Greek economy highly exposed to the effect of the COVID-19 pandemic, as it comprises 32% of the economy in 2019. COVID-19 tourism support measures have been described as temporary, passive and lacking in geographic nuance, and especially failing to make a substantial difference in the most vulnerable regions such as the South Aegean. COVID-19 also exposes the weakness of the youth labour market in Greece due to the dependence on young people in tourism. The Greek implementation of the European Youth Guarantee is also found to be imperfect with limited impact



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on 25-29-year-olds, insufficient funding, and a poor framework for progression to good quality jobs (Emmanouil et al., 2020). Arguably, the minimum and sub-minimum wage cuts introduced immediately following the recession have been a more influential policy response than the Youth Guarantee, albeit with the consequence of maintaining young people in low paying, low quality employment. The upcoming issue of regions in energy transition has not yet been analysed as policies have not yet been implemented. Greek youth employment policy must contend with the challenge of progressing those in tourism to higher quality employment or the development of other sectors that can provide this, such as green technology and digital transformation outlined in the plans for regions in energy transition. Secondly, policy must also contend with the issue of COVID-19 recovery in the tourism sector and, where possible, prioritise wage growth and diversification into other sectors in order to avoid repeating a similar policy response to the Great Recession.

Policy implications for Italy involve confronting the tension between precarious temporary contracts and permanent employment, the persistent weak growth due to the lingering effects of the Great Recession and the COVID-19 fallout and tackling the high rates of long-term unemployment. It is stated in this report that the 2014-2015 Jobs Act improved the situation with regard to temporary and apprenticeship contracts, but it would be useful to quantitatively evaluate the effectiveness of this in order to inform future policy. The EU-LFS microdata may provide a useful starting point for analysis if annual employment profiles are available. As in the Greek case, employment indicators for females trail males in nearly all measures in Italy and this group should be correctly targeted in future policy planning. The high proportion of young people employed in manufacturing in the Italian regions in this study and an educational pipeline where manufacturing, engineering and construction is the largest field of study by share of young people suggests that this sector should be an important component of future recommendations. It is difficult to conclude what the effectiveness of



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the Youth Guarantee and other European policies have been in Italy due to a lack of evaluation studies and large regional variation in approaches.

This baseline report has found that the main policy implication for the youth labour market in Spain is the challenge of short-term temporary contracts, which was identified more so than in the other countries studied. While the Spanish labour market displays a substantial recovery in comparison with other countries in certain metrics such as NEET or long-term unemployment rates, it continues to have a high youth unemployment rate. This is more concerning given that 60% of young people in Spain were on temporary employment contracts in 2019 and 60% of Spanish youths have had short unemployment spells. In comparison to Greece, where primary labour market adjustments are cost-based, Spanish adjustments are more closely linked to lay-offs and re-hiring (Doménech, García & Ulloa, 2018). This high elasticity of employment presents a different challenge for all labour market policies, especially in the context of a COVID-19 induced economic downturn.

The evaluation of the effectiveness of policies to assist young people to enter the labour market is more advanced in the Spanish context due to the existence of region-specific evaluation studies referenced in this report. The same is also true of Ireland, but in this case the focus is on national-level employment programmes that youths are predominantly enrolled in. These Spanish studies provide important policy implications for youth employment both internally in Spain and in other contexts. (AIReF, 2021; Rebollo-Sanz & García Pérez, 2021; de la Rica et al., 2022b). The three evaluation studies presented in this report conveniently also analyse three different types of youth employment interventions: i) wage subsidies (Bono Empleo Joven) ii) first time work experience (Lehen Aukera) and iii) Counselling, training and support planning (Orientación, Formación e Inserción). Positive effects were found for the initiatives that provide first time work experience as well as


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counselling, training, and support planning. For Ireland, positive effects were found for their early-school leaving second-chance education scheme (Youthreach), a scheme that provides pre-employment support to long-term unemployed individuals (SICAP), and its main FE programme (PLC). In Spain, negative effects in the form of an 8.5% *lower* probability of being employed after participation in the programme were found for the wage subsidy intervention. The same is true for Ireland's BTEA second-chance education scheme, but this negative result was found to be due to the BTEA framework as opposed to the quality of education received through the scheme. The Spanish localised evaluations, each based in one region of Spain, and to some extent the Irish programmes, support the recommendations of the Reinforced Youth Guarantee and broader meta-analyses of labour market policies (Orfao & Malo, 2021). Going forward, these findings should be considered when designing policies to aid young people in the labour market.

Ireland is the only country among the four studied for which the youth unemployment rate had fallen below its pre-recession level by 2019. Its NEET rate had also fallen below its 2008 level by 2019. However, its youth employment rate was still over 10 percentage points lower than its pre-recession level, which may be due to an increase in youths staying on in or returning to education, especially among males: the rise in its inactivity rate would suggest that this is the case. Thus, while the measures Ireland introduced to address the fallout from the economic crisis on youths appear to have been effective in addressing the rise in youth unemployment that took place, the main policy implication for the youth labour market in Ireland is job quality. We know from research by Kelly and Barrett (2017) that there was a rise in atypical employment over the course of the recession, and that by 2014-2015 it had not returned to pre-recession levels, however, more research is needed on this matter to ensure that youths are 'protected' and that the jobs that they are accessing are sustainable into the future. Also, more attention needs to be given to evaluating the effectiveness of youth



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policy measures so that those that work are retained and those that do not are either retrained or placed in a new job, like the JobBridge internship programme.

The key research findings also have a number of wider policy implications. The higher levels of youth unemployment for females indicates the need for a targeted approach in policy, particularly in the case of Italy and Greece where gender differences in employment are more apparent. In comparison with the recovery in other countries, long-term youth unemployment is a particular issue in Greece, whereas Italy must contend with obstinately high NEET rates. These findings may indicate a shortcoming of Youth Guarantee policies to manage these issues in each country and provide a direction for alteration at national level. Interventions must deal specifically with the high female NEET rates in all countries. This is despite the more positive rates of female employment in Spain and Ireland compared to Greece and Italy. The continued lagging of tourism-dependent regions in comparison to the national employment rate represents a challenge, especially given the reliance on youth employment in the tourism sector. The relative growth of the Food and Accommodation sector in comparison to Manufacturing in all countries has clear implications for wage levels and temporary employment contracts for young people. This is particularly the case given the higher prevalence of females employed in this sector. In addition to this, the lack of job growth in manufacturing is a concern for Greece, Italy and Spain where 'Engineering, Manufacturing and Construction' is one of the most studied fields for young people. Future policy must take this into account in order to avoid a skills mismatch or undesired employment in other sectors.

Despite the general convergence of national policy responses to youth unemployment in the four study countries induced by the European Youth Guarantee, there is no clear consensus on its effectiveness. All countries in this study have recovered to some degree in national indicators of youth



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unemployment but only in some indicators have they reached pre-recession levels. These indicators also obscure the very important differences between countries regarding labour quality with Spain and Italy notably contending with high levels of temporary employment contracts and Italy and Greece with high levels of long-term unemployment. Ireland has had the strongest overall recovery since the crisis, but youth employment still remains significantly lower than its levels in 2008. There is also, as already indicated, insufficient evidence to conclude which type of intervention in the youth labour market is most effective and should be advocated by future European-wide recommendations, although recently published evaluation studies and regional variation are now offering some guidance.

The multi-level governance model for youth employment in both Spain and Italy presents an important research opportunity for understanding the effectiveness of interventions. The fact that employment policy is a devolved responsibility provides significant variation in both policy response and the broader structural features of a region. Sub-national variation also provides a relatively controlled environment by holding the wider national economic situation constant. It is therefore feasible to design a research approach that utilises causal or quasi-experimental methods to assess the effectiveness of youth employment policies both within and across study countries. It is important to correctly identify reasonable comparison cases through a detailed understanding of the types of policies enacted in each area.

In conclusion, there is a need for youth labour market policy at the EU level to attend to the different needs that have been identified in this report for each country, and to allow for a greater focus on aspects of labour quality instead of simply the provision of employment or training opportunities. This has already been the direction of the Reinforced Youth Guarantee and remains particularly important given the initial decline in employment indicators instigated by COVID-19 in 2020. Published Eurostat data for 2021



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is indicating a recovery in various youth measures (e.g., NEET rate) for many European countries, including the four baseline study countries. Nevertheless, there is still a need to focus on the quality of work being created for young people.

There also exist persistent gendered differences in unemployment and NEET rates across Europe, particularly in Greece and Italy, which makes a convincing case for targeted interventions that provide adequate guidance and support to young females. In this regard, childcare and/or parental issues may need to be examined to ensure that they are not hindering females from engaging in paid work: the provision of such services can impact females' participation in the labour market, especially single mothers. Such data were not available in the EU-LFS data that was used in this baseline study. Thus, additional research is needed to examine this issue in more detail.

It needs to be borne in mind that compared to previous generations of youth, today's young adults are encountering a shortage of stable, full-time, fair-waged, essentially good quality jobs, along with the implementation of austerity programmes to deal with the fall of the Great Recession (Brenner, 2006; McDowell & Bonner-Thompson, 2020). Thus, large numbers of young people have tried to enter the labour market during a protracted recessionary and recovery period when formal-sector jobs have been dwindling (Lloyd, 2005), and in an era where relatively stable, full-time jobs are giving way to contingent and precarious jobs (Osterman, 2000; Kalleberg, 2003).

The NEET issue also needs to be placed within the context of macroeconomic tendencies such as deindustrialisation. Also, activation measures to increase employability and individuals taking responsibility will not on their own



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address the youth unemployment and NEETs issue. As has already been mentioned, there needs to be a focus on creating 'quality' jobs that will allow youths to live decent lives.

Furthermore, history has shown that economies that rely excessively on a single economic sector, like the regional economies included in the present study, are more vulnerable to structural change as well as crises (financial/pandemic/political), leaving few options for inhabitants irrespective of their employment status. Strategies to diversify local and regional economies could potentially reduce such liabilities. However, we should also keep in mind that already existing inequalities between countries, regions, social groups etc., will continue to impact the effectiveness of policy responses in the face of new crises. Thus, there continues to be a place for policies around social protection. In this regard, since individuals categorised as NEETs may keep moving in and out of various temporary, part-time, insecure jobs in one or multiple industries, with stints of unemployment and re-skilling in between, they also need sufficient social protection to match the increasingly flexible, changeable and insecure labour market that they face. This is possibly the only way to ensure some degree of social cohesion in Europe, and some minimum level of protection for the younger generations.

Finally with regard to this baseline study, overall, the research findings, understanding of policy responses and resultant policy implications provide a comprehensive baseline for future research and policy directions. In addition, the study makes a significant contribution to the literature on countries most affected by youth unemployment in the EU.



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# Appendix A: Chapter 2 - Overview of Youth Employment Across European Countries

## Table A.1 Youth (Aged 15-29) Inactivity Rates and Numbers for EU-27 Countries - Overall and by Gender: 2008, 2013, 2019 and 2020

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 42.0 | 37.6 | 46.6 | 43.5 | 39.8 | 47.3 | 43.4 | 40.0 | 47.0 | 46.7 | 43.3 | 50.2 |
| (000) | 39723 | 18027 | 21696 | 38385 | 17859 | 20526 | 36665 | 17299 | 19366 | 33519 | 15927 | 17592 |
| Austria (AT) | 31.4 | 27.0 | 35.9 | 30.8 | 27.5 | 34.2 | 31.6 | 27.4 | 35.9 | 32.1 | 28.5 | 35.8 |
| (000) | 485 | 211 | 274 | 477 | 216 | 261 | 481 | 213 | 269 | 485 | 220 | 265 |
| Belgium (BE) | 47.7 | 44.7 | 50.7 | 50.4 | 47.3 | 53.5 | 50.0 | 47.8 | 52.3 | 52.4 | 50.4 | 54.4 |
| (000) | 947 | 448 | 499 | 1021 | 483 | 538 | 1016 | 491 | 525 | 1063 | 518 | 545 |
| Bulgaria (BG) | 54.5 | 48.7 | 60.9 | 52.0 | 47.0 | 57.5 | 54.2 | 48.9 | 59.9 | 58.1 | 52.3 | 64.2 |
| (000) | 780 | 364 | 416 | 664 | 310 | 354 | 560 | 259 | 301 | 575 | 266 | 309 |
| Cyprus (CY) | 37.9 | 33.9 | 41.9 | 38.1 | 33.5 | 42.8 | 38.1 | 35.3 | 40.9 | 39.0 | 35.4 | 42.5 |
| (000) | 64 | 29 | 35 | 72 | 32 | 40 | 66 | 30 | 36 | 67 | 30 | 37 |
| Czechia (CZ) | 51.0 | 43.6 | 58.9 | 49.5 | 41.9 | 57.5 | 49.3 | 42.5 | 56.5 | 51.6 | 42.7 | 61.0 |
| (000) | 1092 | 480 | 612 | 924 | 402 | 522 | 799 | 354 | 445 | 826 | 353 | 474 |
| Germany (DE) | 37.7 | 34.2 | 41.3 | 37.8 | 35.2 | 40.6 | 36.6 | 33.4 | 40.1 | 36.2 | 34.3 | 38.3 |
| (000) | 5536 | 2591 | 2945 | 5207 | 2482 | 2725 | 4871 | 2313 | 2558 | 4771 | 2338 | 2433 |
| Denmark (DK) | 25.4 | 23.6 | 27.2 | 35.1 | 34.5 | 35.7 | 32.1 | 31.4 | 32.9 | 32.4 | 31.3 | 33.6 |
| (000) | 242 | 114 | 127 | 364 | 183 | 182 | 359 | 179 | 180 | 360 | 177 | 183 |
| Estonia (EE) | 45.0 | 37.8 | 52.6 | 43.3 | 38.2 | 48.7 | 38.5 | 33.0 | 44.4 | 40.1 | 35.1 | 45.3 |
| (000) | 129 | 56 | 74 | 109 | 50 | 60 | 82 | 36 | 46 | 83 | 38 | 46 |
| Spain (ES) | 36.4 | 32.8 | 40.2 | 43.5 | 41.3 | 45.8 | 49.6 | 47.3 | 52.0 | 52.6 | 50.7 | 54.6 |
| (000) | 3141 | 1448 | 1693 | 3180 | 1551 | 1629 | 3521 | 1726 | 1795 | 3768 | 1865 | 1903 |
| Finland (FI) | 35.1 | 32.4 | 38.0 | 37.3 | 35.0 | 39.7 | 35.4 | 33.8 | 37.0 | 36.6 | 33.4 | 40.1 |
| (000) | 346 | 165 | 181 | 367 | 177 | 190 | 341 | 168 | 174 | 346 | 165 | 181 |
| France (FR) | 44.4 | 40.2 | 48.5 | 46.0 | 42.3 | 49.7 | 46.9 | 44.0 | 49.7 | 47.9 | 45.6 | 50.2 |
| (000) | 5009 | 2259 | 2750 | 5082 | 2327 | 2754 | 5310 | 2488 | 2822 | 5423 | 2584 | 2838 |
| Greece (GR) | 48.8 | 43.3 | 54.4 | 50.2 | 46.2 | 54.2 | 55.9 | 53.1 | 58.8 | 58.1 | 55.9 | 60.3 |
| (000) | 1002 | 450 | 552 | 889 | 411 | 477 | 898 | 434 | 464 | 932 | 459 | 473 |
| Croatia (HR) | 45.9 | 39.9 | 52.2 | 52.1 | 47.3 | 57.1 | 49.9 | 45.4 | 54.6 | 50.4 | 44.3 | 56.8 |
| (000) | 377 | 168 | 209 | 403 | 187 | 217 | 342 | 159 | 183 | 338 | 152 | 186 |
| Hungry (HU) | 55.4 | 49.3 | 61.8 | 55.1 | 49.8 | 60.7 | 49.2 | 42.8 | 55.9 | 49.8 | 43.9 | 56.1 |
| (000) | 1077 | 485 | 592 | 964 | 445 | 519 | 798 | 357 | 441 | 800 | 362 | 438 |
| Ireland (IE) | 26.5 | 22.1 | 31.0 | 38.7 | 37.0 | 40.5 | 41.0 | 38.7 | 43.3 | 44.2 | 42.4 | 46.0 |
| (000) | 284 | 118 | 165 | 343 | 163 | 180 | 373 | 178 | 194 | 407 | 198 | 209 |
| Italy (IT) | 53.9 | 47.8 | 60.1 | 58.5 | 54.0 | 63.3 | 59.1 | 54.4 | 64.1 | 61.7 | 56.3 | 67.4 |
| (000) | 5098 | 2293 | 2805 | 5428 | 2549 | 2879 | 5350 | 2545 | 2805 | 5566 | 2627 | 2939 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## Table A.1 Continued:

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| Lithuania (LT) | 54.6 | 50.5 | 58.8 | 50.4 | 46.5 | 54.6 | 44.6 | 41.6 | 47.9 | 44.8 | 41.3 | 48.8 |
| (000) | 371 | 174 | 197 | 292 | 138 | 154 | 200 | 97 | 103 | 198 | 96 | 101 |
| Luxembourg (LU) | 50.7 | 48.8 | 52.7 | 53.6 | 50.3 | 56.9 | 43.6 | 41.5 | 45.8 | 45.9 | 45.1 | 46.6 |
| (000) | 44 | 21 | 23 | 54 | 26 | 28 | 50 | 24 | 26 | 54 | 27 | 27 |
| Latvia (LV) | 43.4 | 37.1 | 50.0 | 42.8 | 38.5 | 47.2 | 42.3 | 38.3 | 46.4 | 44.5 | 41.3 | 47.9 |
| (000) | 209 | 91 | 118 | 163 | 75 | 88 | 122 | 57 | 65 | 124 | 59 | 65 |
| Netherlands (NL) | 23.4 | 21.2 | 25.6 | 24.5 | 24.2 | 24.8 | 23.7 | 23.7 | 23.8 | 24.3 | 24.6 | 24.0 |
| (000) | 693 | 317 | 375 | 753 | 377 | 376 | 768 | 388 | 380 | 790 | 407 | 383 |
| Romania (RO) | 54.2 | 48.9 | 59.8 | 52.2 | 46.2 | 58.7 | 52.8 | 45.3 | 60.7 | 52.7 | 45.3 | 60.6 |
| (000) | 2620 | 1208 | 1412 | 1932 | 882 | 1051 | 1672 | 738 | 935 | 1624 | 720 | 905 |
| Sweden (SE) | 36.5 | 35.3 | 37.7 | 35.1 | 34.4 | 35.8 | 33.4 | 33.3 | 33.6 | 35.2 | 34.2 | 36.2 |
| (000) | 645 | 320 | 325 | 647 | 325 | 322 | 635 | 329 | 306 | 663 | 335 | 328 |
| Slovenia (SI) | 40.2 | 36.7 | 44.1 | 46.3 | 43.4 | 49.5 | 44.7 | 41.6 | 48.2 | 48.4 | 46.0 | 51.1 |
| (000) | 163 | 78 | 85 | 163 | 79 | 84 | 138 | 68 | 71 | 150 | 76 | 75 |
| Slovakia (SK) | 49.7 | 42.0 | 57.7 | 49.8 | 41.5 | 58.4 | 50.2 | 41.1 | 59.8 | 51.3 | 42.3 | 60.7 |
| (000) | 647 | 279 | 368 | 564 | 240 | 324 | 476 | 199 | 276 | 473 | 200 | 273 |
| Portugal (PT) | 41.3 | 38.9 | 43.7 | 46.9 | 46.2 | 47.7 | 47.7 | 46.9 | 48.6 | 51.0 | 50.0 | 52.1 |
| (000) | 795 | 378 | 417 | 800 | 396 | 404 | 780 | 387 | 393 | 838 | 413 | 425 |
| Poland (PL) | 48.9 | 43.8 | 54.0 | 47.2 | 41.2 | 53.5 | 45.6 | 39.7 | 51.8 | 48.4 | 41.9 | 55.1 |
| (000) | 4130 | 1859 | 2271 | 3421 | 1535 | 1886 | 2687 | 1198 | 1488 | 2767 | 1228 | 1539 |
| Malta (MT) | - | - | - | 33.6 | 29.4 | 38.1 | 27.5 | 25.2 | 30.1 | 28.8 | 25.9 | 32.1 |
| (000) | - | - | - | 29 | 13 | 16 | 27 | 13 | 14 | 28 | 13 | 15 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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## Table A.2 Youth (Aged 15-29) Labour Force Numbers for EU-27 Countries - Overall and by Gender: 2008, 2013, 2019 and 2020

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 54615 | 29722 | 24892 | 49865 | 26964 | 22901 | 47745 | 25875 | 21870 | 38243 | 20809 | 17435 |
| Austria (AT) | 1040 | 550 | 489 | 1052 | 549 | 503 | 1025 | 545 | 479 | 1006 | 531 | 475 |
| Belgium (BE) | 1039 | 554 | 485 | 1005 | 537 | 468 | 1014 | 536 | 478 | 967 | 510 | 457 |
| Bulgaria (BG) | 650 | 383 | 267 | 612 | 350 | 262 | 472 | 271 | 201 | 414 | 242 | 172 |
| Cyprus (CY) | 96 | 47 | 48 | 107 | 53 | 54 | 101 | 49 | 52 | 99 | 48 | 51 |
| Czechia (CZ) | 1048 | 621 | 427 | 942 | 556 | 386 | 822 | 479 | 342 | 776 | 473 | 302 |
| Germany (DE) | 9079 | 4894 | 4185 | 8557 | 4565 | 3992 | 8436 | 4611 | 3825 | 8400 | 4484 | 3916 |
| Denmark (DK) | 707 | 367 | 340 | 673 | 346 | 327 | 756 | 390 | 366 | 749 | 389 | 361 |
| Estonia (EE) | 156 | 90 | 66 | 141 | 78 | 63 | 130 | 72 | 57 | 123 | 68 | 55 |
| Spain (ES) | 5485 | 2964 | 2521 | 4130 | 2204 | 1926 | 3577 | 1922 | 1654 | 3401 | 1815 | 1585 |
| Finland (FI) | 617 | 322 | 295 | 598 | 309 | 289 | 610 | 316 | 295 | 583 | 313 | 270 |
| France (FR) | 6285 | 3364 | 2921 | 5957 | 3175 | 2782 | 6018 | 3168 | 2850 | 5909 | 3088 | 2821 |
| Greece (GR) | 1052 | 589 | 463 | 883 | 479 | 404 | 707 | 383 | 324 | 674 | 362 | 311 |
| Croatia (HR) | 445 | 253 | 192 | 371 | 208 | 163 | 343 | 191 | 152 | 333 | 191 | 141 |
| Hungry (HU) | 865 | 499 | 366 | 785 | 448 | 337 | 825 | 476 | 349 | 806 | 463 | 343 |
| Ireland (IE) | 786 | 418 | 368 | 542 | 277 | 264 | 537 | 282 | 255 | 515 | 269 | 245 |
| Italy (IT) | 4366 | 2504 | 1862 | 3848 | 2176 | 1673 | 3710 | 2136 | 1574 | 3455 | 2035 | 1420 |
| Lithuania (LT) | 308 | 170 | 138 | 287 | 159 | 128 | 247 | 135 | 112 | 241 | 135 | 106 |
| Luxembourg (LU) | 42 | 22 | 20 | 47 | 25 | 22 | 65 | 34 | 31 | 64 | 33 | 31 |
| Latvia (LV) | 272 | 154 | 118 | 218 | 120 | 99 | 167 | 91 | 75 | 155 | 84 | 71 |
| Netherlands (NL) | 2271 | 1180 | 1090 | 2318 | 1178 | 1140 | 2465 | 1251 | 1214 | 2458 | 1244 | 1213 |
| Romania (RO) | 2213 | 1263 | 950 | 1767 | 1028 | 739 | 1498 | 892 | 605 | 1456 | 869 | 588 |
| Sweden (SE) | 1118 | 581 | 537 | 1198 | 621 | 577 | 1264 | 658 | 606 | 1222 | 645 | 577 |
| Slovenia (SI) | 241 | 134 | 107 | 189 | 103 | 86 | 171 | 95 | 76 | 160 | 89 | 71 |
| Slovakia (SK) | 655 | 385 | 270 | 569 | 339 | 231 | 472 | 286 | 186 | 450 | 272 | 177 |
| Portugal (PT) | 1130 | 593 | 537 | 905 | 462 | 443 | 854 | 438 | 416 | 805 | 414 | 391 |
| Poland (PL) | 4315 | 2383 | 1933 | 3832 | 2193 | 1638 | 3204 | 1820 | 1384 | 2955 | 1703 | 1252 |
| Malta (MT) | - | - | - | 57 | 31 | 26 | 71 | 39 | 32 | 69 | 38 | 31 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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**Table A.3 Youth (Aged 15-29) Population Numbers for EU-27 Countries - Overall and by Gender: 2008, 2013, 2019 and 2020**

| | 2008 | | | 2013 | | | 2019 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All | Male | Female | All | Male | Female | All | Male | Female | All | Male | Female |
| **Country:** | | | | | | | | | | | | |
| EU-27 | 94486 | 47897 | 46589 | 88305 | 44877 | 43428 | 84454 | 43217 | 41237 | 71814 | 36786 | 35028 |
| Austria (AT) | 1545 | 782 | 764 | 1549 | 785 | 764 | 1525 | 777 | 748 | 1513 | 773 | 740 |
| Belgium (BE) | 1986 | 1001 | 984 | 2026 | 1021 | 1006 | 2030 | 1027 | 1003 | 2030 | 1028 | 1002 |
| Bulgaria (BG) | 1430 | 746 | 683 | 1275 | 659 | 616 | 1032 | 530 | 502 | 989 | 508 | 481 |
| Cyprus (CY) | 168 | 85 | 83 | 190 | 96 | 94 | 172 | 85 | 87 | 172 | 84 | 88 |
| Czechia (CZ) | 2140 | 1101 | 1038 | 1866 | 957 | 908 | 1621 | 833 | 788 | 1602 | 826 | 776 |
| Germany (DE) | 14700 | 7570 | 7130 | 13763 | 7047 | 6716 | 13308 | 6924 | 6383 | 13171 | 6822 | 6349 |
| Denmark (DK) | 952 | 484 | 467 | 1039 | 529 | 509 | 1117 | 570 | 546 | 1111 | 567 | 544 |
| Estonia (EE) | 287 | 148 | 140 | 253 | 130 | 123 | 214 | 111 | 103 | 208 | 107 | 100 |
| Spain (ES) | 8626 | 4412 | 4214 | 7310 | 3755 | 3555 | 7097 | 3648 | 3449 | 7168 | 3680 | 3489 |
| Finland (FI) | 986 | 509 | 477 | 985 | 505 | 480 | 964 | 495 | 469 | 946 | 495 | 451 |
| France (FR) | 11294 | 5623 | 5671 | 11039 | 5502 | 5537 | 11328 | 5656 | 5672 | 11332 | 5672 | 5660 |
| Greece (GR) | 2054 | 1039 | 1015 | 1771 | 890 | 881 | 1605 | 818 | 788 | 1606 | 822 | 784 |
| Croatia (HR) | 822 | 420 | 402 | 775 | 395 | 380 | 685 | 350 | 334 | 671 | 343 | 327 |
| Hungry (HU) | 1942 | 984 | 958 | 1749 | 893 | 856 | 1623 | 833 | 789 | 1606 | 825 | 781 |
| Ireland (IE) | 1070 | 536 | 534 | 884 | 440 | 444 | 909 | 461 | 449 | 922 | 467 | 455 |
| Italy (IT) | 9464 | 4797 | 4668 | 9276 | 4724 | 4552 | 9060 | 4681 | 4379 | 9020 | 4662 | 4359 |
| Lithuania (LT) | 679 | 344 | 336 | 579 | 296 | 282 | 449 | 234 | 215 | 441 | 233 | 208 |
| Luxembourg (LU) | 86 | 43 | 43 | 101 | 51 | 50 | 115 | 59 | 57 | 118 | 60 | 58 |
| Latvia (LV) | 482 | 245 | 237 | 382 | 195 | 187 | 289 | 148 | 140 | 279 | 144 | 136 |
| Netherlands (NL) | 2963 | 1498 | 1466 | 3071 | 1555 | 1516 | 3233 | 1639 | 1594 | 3248 | 1651 | 1596 |
| Romania (RO) | 4833 | 2471 | 2362 | 3699 | 1910 | 1790 | 3170 | 1630 | 1540 | 3081 | 1588 | 1492 |
| Sweden (SE) | 1768 | 907 | 862 | 1845 | 947 | 898 | 1900 | 988 | 912 | 1887 | 981 | 905 |
| Slovenia (SI) | 404 | 212 | 192 | 352 | 182 | 170 | 309 | 162 | 147 | 310 | 165 | 146 |
| Slovakia (SK) | 1301 | 664 | 637 | 1133 | 579 | 554 | 947 | 485 | 463 | 923 | 473 | 450 |
| Portugal (PT) | 1925 | 971 | 954 | 1705 | 858 | 847 | 1634 | 825 | 809 | 1643 | 827 | 816 |
| Poland (PL) | 8445 | 4242 | 4203 | 7252 | 3728 | 3524 | 5891 | 3018 | 2872 | 5722 | 2931 | 2791 |
| Malta (MT) | - | - | - | 85 | 44 | 41 | 98 | 52 | 46 | 97 | 52 | 46 |

**Source:** Derived by authors using 2008-2020 *European Labour Force Survey* (EU-LFS) microdata.



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