YOUTH UNEMPLOYMENT

Young people have been hardest hit in the labour market during the economic crisis[1]. As recognised in the 2013 Annual Growth Survey (AGS) and related youth initiatives, there need to be strong efforts to reduce youth unemployment and to promote young people's participation in the labour market. In the 2013 AGS, the Commission stressed that Member States should secure school-to-work transitions for young people and develop and implement Youth Guarantee schemes. The Council Recommendation on Establishing a Youth Guarantee of 22 April 2013[2] lays out guidelines for such schemes, whereby every young person under 25 receives an good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. Such schemes can be supported in particular by the European Social Fund and the Youth Employment Initiative, the latter proposed in February 2013 by the European Council[3]. The support for the Initiative will be 6bn€ for the period 2014-2020, targeting regions with levels of youth unemployment higher than 25%.

1. Key statistical indicators

There are three major indicators to summarise the situation of young people in the labour market:

- Youth **unemployment rate** for those aged 15-24 varied from 8.1% (Germany) to 55.3% (Greece) in 2012. Monthly figures (seasonally adjusted) in 2013 show a worsened situation in the majority of countries, with rates ranging from 7.7% (Germany) to 59.1% (Greece) in February and January respectively[4].
- The **unemployment ratio**, i.e. the share of unemployed among the population aged 15-24 — instead of its labour force — varied between 4.1% (Germany) and 20.6% (Spain) in 2012, the EU average standing at 9.7%.
- The third statistic is the population aged 15-24 **not in employment, education or training (NEET)**. The EU average in 2012 was 13.2% and this varied between 4.3% (the Netherlands) and 21.5% (Bulgaria).

The youth unemployment rate reached new historic high of 23.5% in February 2013, more than twice as high as the adult rate, with some 5.7 million young people affected. Young people that have only completed lower secondary education (early leavers from education and training) bear the highest risk of unemployment. In 2012, the EU average youth unemployment rate was 22.8%, but reached 30.3% for low-skilled youth.

The situation is particularly acute in certain Member States and in certain regions. This could pose a serious threat to social cohesion and increase the risk of political instability. The possibility of a **"lost generation"** urges EU institutions and governments, businesses and social partners at all levels to address the youth unemployment challenge.

2. Assessment of Member States' challenges

Currently, more than one in five young people available for the labour market cannot find a job. Many may decide to prolong or return to studying and to invest in their future employability. There is also a large number of young people neither working nor studying.

[1] Youth unemployment always tends to be higher than overall employment, thus, even independently from the crisis, there is a need for targeted action for young people

[2] Council Recommendation (2013/C 120/01)
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF

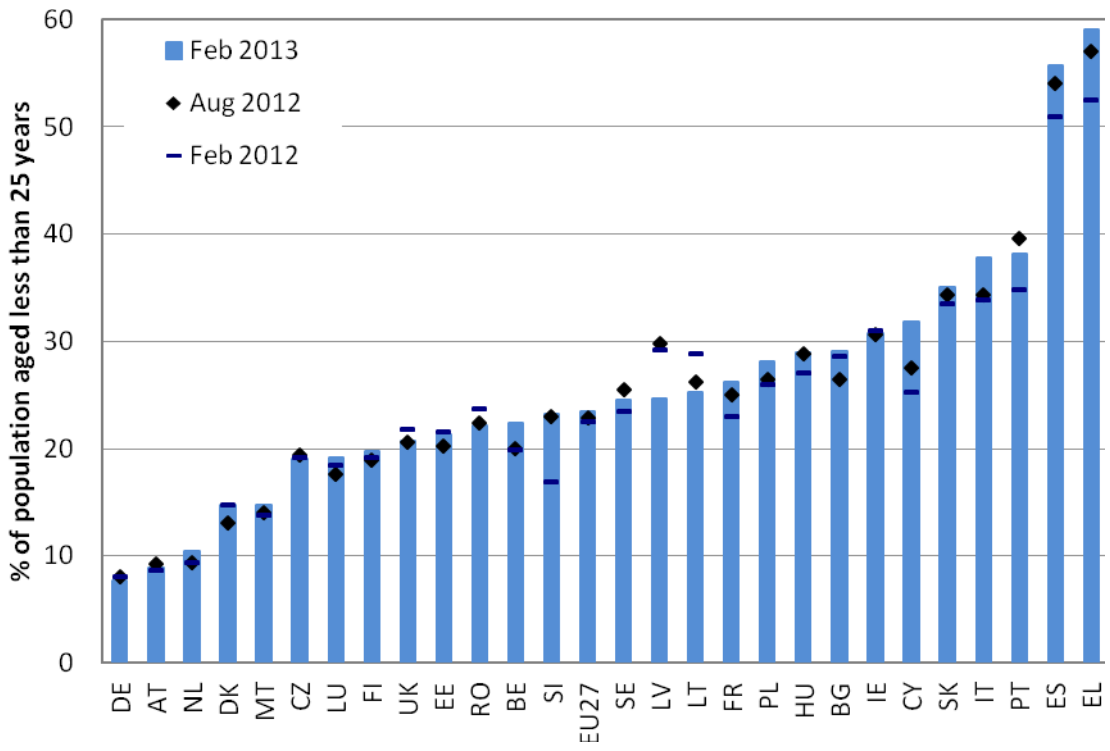
[3] http://register.consilium.europa.eu/pdf/en/13/st00/st00037.en13.pdf

[4] Eurostat Labour Force Statistics, (une_rt_a) and (une_rt_m)

Being unemployed at a young age has a long-lasting negative impact, a 'scarring effect'. Young people might be trapped in the lower end of the labour market, with less on-the-job training, lower wage levels and weaker long-term employment and career prospects, consequently experiencing long spells of joblessness and facing a high risk of exclusion. Young people aged 25-29 with higher education also find it harder to access jobs in line with their qualifications. Although the low-skilled overall still face the highest risk of unemployment, the young highly skilled have suffered the biggest drop in employment.

In most Member States (18 out of 27), the ***youth unemployment rate*** was above 20% in 2012: in six, the rate was over 30% (Greece, Spain, Portugal, Italy, Ireland and Slovakia) and in 12, the rates range from 20 to 30%. However, six Member States had rates between 10 and 20% (Denmark, Malta, Luxembourg, Finland, Czech Republic and Belgium) and in three (the Netherlands, Austria and Germany) the youth unemployment rate was below 10%.

Youth unemployment rates for the EU Member States, February 2012, August 2012 and February 2013



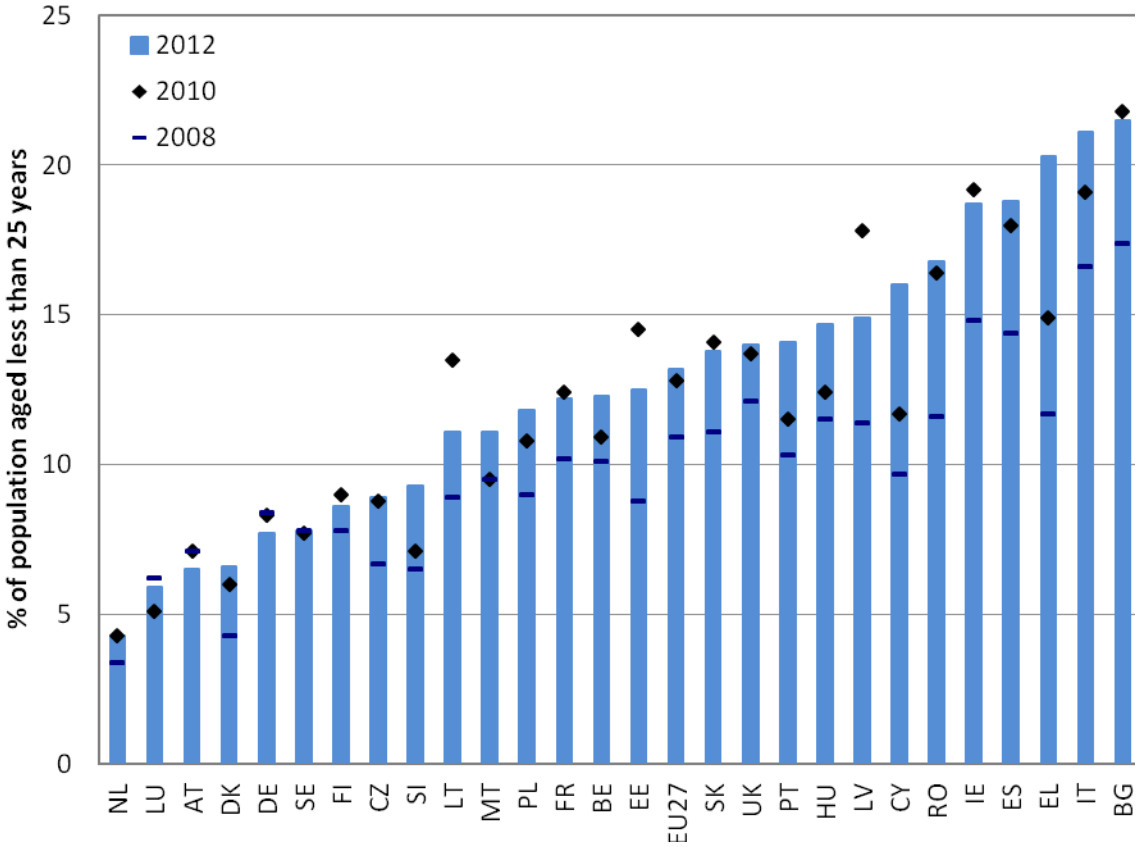
Notes: *Data for January 2013 instead of February 2013: EE, EL, HU, UK. ** Data for December 2012 instead of February 2013: CY, LV, RO, SI.
Source: Eurostat, LFS

In total, in 2012 7.5 million people in the age group 15-24 were ***neither in employment nor in education or training***. The share was over 16% in Cyprus, Romania, Ireland, Spain, Greece, Italy, Bulgaria.

Overall employment rates[5] for young people fell by almost five percentage points over the last four years (from 37.4% to 32.9%) – three times as much as for adults.

[5] Eurostat Labour Force Statistics, annual data (lfsa_ergan). Youth aged 15-24, adults 25-64.

Young people not in employment, education or training (NEET) for EU Member States, 2008, 2010 and 2012



Notes: EU27, DE, LU, NL and PL – provisional values in 2012; MT – provisional values in 2008, break in values 2010; NL – break in values 2010; PL – provisional values in 2010; FI - see metada at Eurostat webapge for 2010.
Source:Eurostat, LFS, table: edat_lfse_20

Labour markets are segmented in a way that young people are overrepresented in temporary jobs: in 2012, 42.1% of young employees were working on a temporary contract (four times as much as adults and 31.1% worked part-time (nearly twice the adults' rate)[6]. There are fewer and fewer permanent jobs for young people, a trend that has persisted since 2008.

Long-term youth unemployment is on the rise: on average, 32.4 % of the young unemployed have been jobless for more than 12 months in 2012. The long-term unemployment rate increased by 3.8 percentage points (to 7.3% of the young labour force) between 2008 and 2012, compared with a 1.9 point increase for adults (to 4.4%).

Eurofound[7] estimates that in 2011, the cost of young pepole's unemployment or inactivity (i.e. the costs of young people being considered to be NEET) was the equivalent of 1.21% of GDP, i.e. an annual loss of €153 billion for the EU. The re-integration into employment of just 10 % of these young people would create a yearly gain of more than € 15 bn.

[6] Eurostat Labour Force Statistics, annual data (lfsa_etpga) and (lfsa_eppga). Youth aged 15-24, adults 25-64.
[7] The European Foundation for the Improvement Working and Living Conditions (2012) NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, Publications Office of the European Union, Luxembourg.

3. The European response to the challenge

A strong European response is required. As recognised in the 2013 Annual Growth Survey (AGS) and in the European Council's Youth Employment initiative there is need for strong efforts to reduce youth unemployment and to promote young people's participation in the labour market.

In December 2012, the Commission adopted the Youth Employment Package which calls for coherent action to address the structural barriers young people face on the labour market. This included a proposal to establish a Youth Guarantee, as well as actions targeted on apprenticeships, traineeships and labour mobility.

The Youth Guarantee Council Recommendation was formally adopted on 22 April 2013. It calls for Youth Guarantee schemes that ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education

Making the Youth Guarantee a reality will require well-targeted public investment. The Youth Employment Initiative, agreed to in February 2013 by the European Council, can make an important contribution to this end. YEI allocates at least 6bn€ to those countries with regions with particularly high youth unemployment rates (25%) in order to support the implementation of the Youth Guarantee. The precise measures will be agreed in negotiation with the Member States concerned but all activities that could be financed should help to ensure that measures such as the promise of a Youth Guarantee translate into real opportunities for Europe's young people.

ANNEX: Additional statistical indicators

Youth unemployment rate, for population aged 15-24, in Member States, 2001 - 2012
% of active population 15-24

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU27	17,3	17,9	18,1	18,6	18,6	17,3	15,5	15,6	19,9	20,9	21,3	22,8
BE	15,3	15,7	19,0	17,5	21,5	20,5	18,8	18,0	21,9	22,4	18,7	19,8
BG	39,3	35,6	27,1	24,5	22,3	19,5	15,1	12,7	16,2	23,2	25,0	28,1
CZ	16,3	15,4	16,8	19,9	19,2	17,5	10,7	9,9	16,6	18,3	18,0	19,5(b)
DK	8,3	7,1	9,8	7,8	8,6	7,7	7,5	8,0	11,8	14,0	14,2	14,1
DE	7,8	9,3	11,0	13,0	15,5	13,8	11,9	10,6	11,2	9,9	8,6	8,1
EE	24,5	17,3	24,2	23,5	15,9	12,0	10,0	12,0	27,5	32,9	22,3	20,9
IE	6,2	7,8	8,1	8,3	8,6	8,6	9,0	12,7	24,3	27,6(b)	29,1	30,4
EL	28,0	26,1	25,7	26,5	26,0	25,2	22,9	22,1	25,8	32,9	44,4	55,3
ES	20,7	21,6	22,3	22,4	19,7(b)	17,9	18,2	24,6	37,8	41,6	46,4	53,2
FR	18,0	18,9	17,5	20,1	20,6	21,6	19,1	18,6	23,2	22,8	22,0	23,8
IT	27,8	27,1	26,8	24,6(b)	24,0	21,6	20,3	21,3	25,4	27,8	29,1	35,3
CY	8,2	7,7	8,9	8,7	13,9	10,0	10,2	9,0	13,8(b)	16,6	22,4	27,8
LV	22,9	25,6	17,5	19,3	13,6	12,2	10,7	13,1	33,6	34,5	31,0(b)	28,4
LT	31,6	20,4	26,9	21,2	15,7(u)	9,8(u)	8,2(u)	13,4(u)	29,2	35,1	32,2(b)	26,4
LU	6,3 (u)	7,0(u)	10,9	16,9	13,7	16,2	15,2	17,9	17,2	14,2	16,8	18,8
HU	10,7	11,4	12,9	14,4	19,4	19,1	18,0	19,9	26,5	26,6	26,1	28,1
MT	17,6	15,3	17,4	18,3	16,8	15,9	13,9	12,2	14,4	13,1	13,8	14,2
NL	4,4	4,6	6,6	8,0	8,2	6,6	5,9	5,3	6,6	8,7(b)	7,6	9,5
AT	6,0	7,2	7,5	11,0(b)	10,3	9,1	8,7	8,0	10,0	8,8	8,3	8,7
PL	39,2	41,6	41,4	40,1	36,9	29,8	21,7	17,3	20,6	23,7	25,8	26,5
PT	8,9	10,4	13,4	14,0	16,1	16,3	16,6	16,4	20,0	22,4	30,1(b)	37,7
RO	17,6	22,2(b)	19,5	22,3	20,2	21,4	20,1	18,6	20,8	22,1	23,7	22,7
SI	15,7	14,8	15,3	14,0	15,9	13,9	10,1	10,4	13,6	14,7	15,7	20,6
SK	38,9	37,7	32,9	32,8	30,1	26,6	20,3	19,0	27,3	33,6	33,2	34,0(b)
FI	26,6	28,2	27,8	27,5	20,1	18,7	16,5	16,5	21,5	21,4	20,1	19,0
SE	11,7	12,9	14,3	18,5	22,8(b)	21,5	19,3	20,2	25,0	24,8	22,8	23,6
UK	10,3	10,9	11,4	10,7	12,8	14,0	14,3	15,0	19,1	19,6	21,1	21,0

Note: b break in series; u unreliable data
Source: Eurostat, EU Labour Force Survey, Eurostat table: lfsa_urgan

Youth unemployment ratio, for population aged 15-24, in Member States, 2001 - 2012
% of population 15-24

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU27	8,1	8,3	8,2	8,2	8,2	7,6	6,8	6,9	8,7	9,0	9,1	9,7
BE	6,1	6,3	7,6	7,5	7,5	7,1	6,4	6,0	7,1	7,3	6,0	6,2
BG	13,4	11,5	8,1	7,5	6,2	5,6	4,4	3,8	4,8	6,7	7,4(b)	8,5
CZ	7,3	6,5	6,8	7,4	6,5	5,9	3,4	3,1	5,3	5,7	5,4	6,1(b)
DK	5,7	5,1	6,0	5,6	5,9	5,4	5,3	5,8	8,4	9,4	9,6	9,1
DE	4,2	5,0	5,8	6,0	7,7(b)	6,9	6,1	5,5	5,8	5,1	4,5	4,1
EE	8,5	6,0	7,6	7,5	5,5	4,3	3,8	5,0	11,0	12,6	9,1	8,7
IE	3,8	4,4	4,8	4,7	4,6	4,7	5,0	6,7	11,5	12,0(b)	12,1	12,3
EL	10,3	9,7	9,3	9,9	8,8	8,2	7,1	6,7	8,0	10,0	13,0	16,1
ES	9,1	9,7	10,1	9,9	9,4(b)	8,6	8,7	11,7	17,1	17,8	19,0	20,6
FR	6,6	7,0	7,0	7,6	7,8	8,2	7,3	7,1	9,2	8,9	8,4	9,0
IT	10,3	9,7	9,4	8,5(b)	8,1	7,0	6,3	6,6	7,4	7,9	8,0	10,1
CY	3,4	3,2	3,7	4,9	5,9	4,1	4,2	3,8	5,6(b)	6,7	8,7	10,8
LV	8,2	8,1	6,9	6,8	5,1	5,0	4,6	5,6	14,0	13,9	11,6(b)	11,4
LT	10,4	7,1	7,5	5,9	3,9	2,6	2,2	4,1	8,9	10,4	9,0(b)	7,7
LU	2,2	2,6	3,3	4,7	3,9	4,5	4,0	5,2	5,5	3,5	4,2	5,0
HU	3,9	4,1	4,1	4,3	5,2	5,1	4,6	5,0	6,5	6,6	6,4	7,3
MT	8,5	8,3	9,3	9,2	9,1	8,4	7,4	6,4	7,4	6,7	7,1	7,2
NL	3,4	3,7	4,6	5,7	5,8	4,6	4,3	3,9	4,8	6,0(b)	5,3	6,6
AT	3,1	3,4	3,9	5,6(b)	6,1	5,4	5,3	4,9	6,0	5,2	5,0	5,2
PL	15,7	16,1	15,2	14,2	13,2	10,2	7,1	5,7	7,0	8,2	8,7	8,9(b)
PT	4,4	5,5	6,6	6,7	6,9	6,9	6,9	6,8	7,9	8,2	11,7(b)	14,3
RO	7,5	8,7(b)	6,5	7,8	6,3	6,6	6,1	5,7	6,4	6,9	7,4	7,0
SI	6,6	6,1	6,1	6,5	6,5	5,6	4,2	4,5	5,6	5,9	5,9	7,1
SK	17,8	16,3	13,7	13,0	11,0	9,4	7,0	6,2	8,6	10,4	10,0	10,4(b)
FI	10,3	10,8	11,0	10,3	10,2	9,7	8,8	8,8	10,9	10,6	10,1	9,8
SE	5,9	6,3	6,5	8,0	11,5(b)	11,0	10,1	10,7	12,8	12,8	12,1	12,4
UK	7,6	7,7	7,8	7,6	8,0	8,7	8,8	9,2	11,4	11,6	12,4	12,4

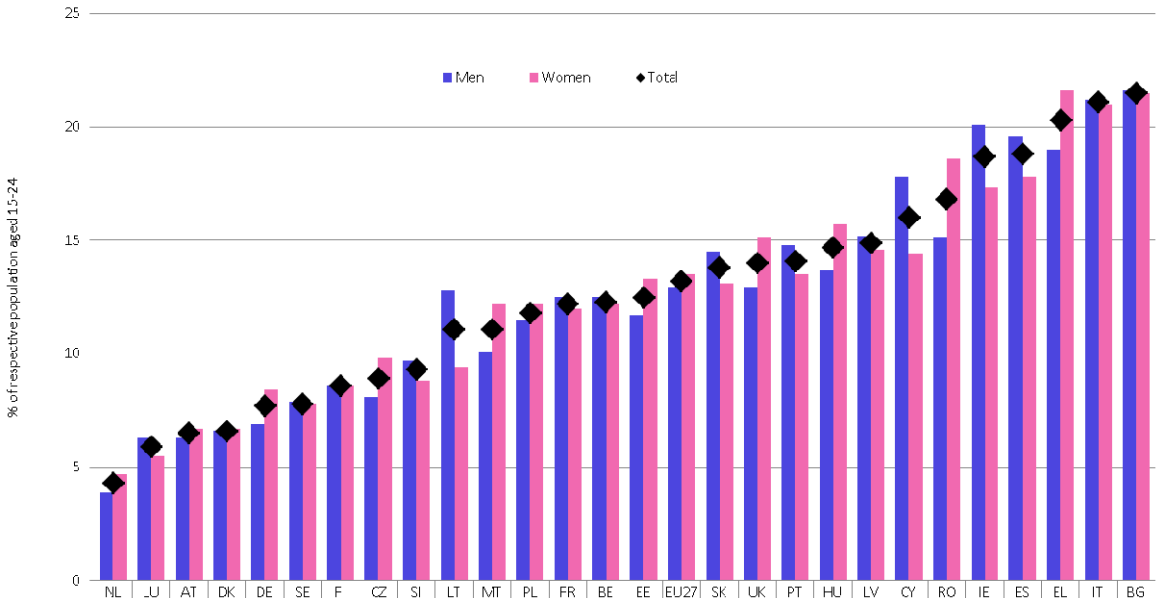
Note: b break in series
Source: Eurostat, EU Labour Force Survey, Eurostat table: lfsi_act_a

NEET rate for population aged 15-24 in Member States, 2001 - 2012
% of population 15-24

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU27	12,8 (e)	13,0	13,0(b)	12,8	12,6	11,7	10,9	10,9	12,4	12,8	12,9	13,2 (p)
BE	16,3	16,1	17,8	15,4(b)	13,0	11,2	11,2	10,1	11,1	10,9	11,8	12,3
BG	30,4	28,1	29,0	26,4	25,1	22,2	19,1	17,4	19,5	21,8	21,8	21,5
CZ	:	12,4	13,7(b)	13,7	13,3	9,2	6,9	6,7	8,5	8,8	8,3	8,9
DK	5,2	5,2	5,2(b)	5,1	4,3	3,6	4,3(b)	4,3	5,4	6,0	6,3	6,6
DE	7,4	8,4	10,0(i)	10,1	10,9(b)	9,6	8,9	8,4	8,8	8,3	7,5	7,7(p)
EE	14,3	10,3	10,2	12,1	10,2	8,8	8,9	8,8	14,9	14,5	11,8	12,5
IE	:	14,0	11,7(b)	11,9	10,9	10,1	10,7	14,8	18,4	19,2	18,8	18,7
EL	16,1	15,3	18,3(b)	16,8	16,1	12,2	11,5	11,7	12,6	14,9	17,4	20,3
ES	12,0	12,6	12,5	12,5	13,0(b)	12,0	12,2	14,4	18,3	18,0	18,5	18,8
FR	9,9	10,3	10,0(b)	10,6	10,9	11,0	10,3	10,2	12,4	12,4	12,0	12,2
IT	18,1	16,8	16,6	16,6	17,0	16,8	16,2	16,6	17,7	19,1	19,8	21,1
CY	7,8	8,4	8,9(b)	9,4	19,5(b)	10,7	9,0	9,7	9,9	11,7	14,6	16,0
LV	:	14,3	11,5	10,9	10,0	11,1	11,8	11,4	17,4	17,8	16,0(b)	14,9
LT	16,0(b)	11,8(b)	10,3	10,9(b)	8,6	8,2	7,0	8,9	12,4	13,5	11,5	11,1
LU	5,5	5,0	5,1(b)	6,3	5,5	6,7	5,7	6,2	5,8(b)	5,1	4,7	5,9 (p)
HU	14,6	13,9	12,6(b)	12,7	12,9	12,4	11,3	11,5	13,4	12,4	13,3	14,7
MT	17,7 (p)	16,9 (p)	19,4(p)	13,1(p)	11,9(p)	10,3(p)	11,7(p)	9,5(p)	9,8(p)	9,5(b)	10,6	11,1
NL	4,1	4,0	5,1(b)	5,3	5,3	4,0	3,5	3,4	4,1	4,3(b)	3,8	4,3 (p)
AT	8,1	6,1	6,1(b)	8,6(i)	8,3	7,5	7,0	7,1	7,8	7,1	6,9	6,5
PL	17,1	17,5	16,7	15,0(b)	13,9	12,6	10,6	9,0	10,1	10,8(p)	11,6(p)	11,8 (p)
PT	9,4	10,6	11,2	11,1(b)	11,2	10,6	11,2	10,3	11,2	11,5	12,7	14,1
RO	18,3	21,6	20,3	19,8(b)	16,8	14,8	13,3	11,6	13,9	16,4	17,4	16,8
SI	10,4	9,5	8,0(b)	7,5	8,9	8,5	6,7	6,5	7,5	7,1	7,1	9,3
SK	:	27,1	18,2(b)	17,9	15,8	14,4	12,5	11,1	12,5	14,1	13,8	13,8
FI	8,5	8,6	9,6(b)	9,1	7,8	7,7	7,0	7,8	9,9	9,0(i)	8,4	8,6
SE	7,7 (b)	7,5(i)	6,8(i)	7,6(i)	10,5(i)	9,3(b)	7,5	7,8	9,6	7,7	7,5	7,8
UK	11,0	11,1	9,0(b)	8,4	8,4	8,5	11,9(b)	12,1	13,3	13,7	14,3	14,0

Note: e estimated value, b break in series, : data not available, p provisional value, u unreliable/uncertain data, i see more information on Eurostat webpage
Source: Eurostat, EU Labour Force Survey, Eurostat table: edat_lfse_20

NEET rate by gender in Member States, 2012
% or respective population 15-24



	NL	LU	AT	DK	DE	SE	F	CZ	SI	LT	MT	PL	FR	BE	EE	EU27	SK	UK	PT	HU	LV	CY	RO	IE	ES	EL	IT	BG
Men	3,9	6,3	6,3	6,6	6,9	7,9	8,6	8,1	9,7	12,8	10,1	11,5	12,5	12,5	11,7	12,9	14,5	12,9	14,8	13,7	15,2	17,8	15,1	20,1	19,6	19,0	21,2	21,6
Women	4,7	5,5	6,7	6,7	8,4	7,8	8,6	9,8	8,8	9,4	12,2	12,2	12,0	12,2	13,3	13,5	13,1	15,1	13,5	15,7	14,6	14,4	18,6	17,3	17,8	21,6	21,0	21,5
Total	4,3	5,9	6,5	6,6	7,7	7,8	8,6	8,9	9,3	11,1	11,1	11,8	12,2	12,3	12,5	13,2	13,8	14,0	14,1	14,7	14,9	16,0	16,8	18,7	18,8	20,3	21,1	21,5

Notes: Provisional data for EU27, DE, LU, NL and PL.
Source: Eurostat, EU Labour Force Survey, Eurostat table: edat_lfse_20