

# Long-term unemployed youth: Characteristics and policy responses

## Introduction

Despite positive signs of improvement in the youth labour market across the European Union since 2014, concerns persist regarding the high levels of youth unemployment and long-term youth unemployment. While long-term youth unemployment is certainly not a new policy challenge for Europe, there is broad agreement that, having been exacerbated by the 2008 economic crisis, it now affects a wider range of young people than it ever did before, ranging from those with third-level degrees to the most disadvantaged young people. The prevalence of long-term youth unemployment also differs considerably across EU Member States and has been subject to noticeable variations across time. Although the majority of Member States have recorded an increase in long-term youth unemployment rates since the crisis, a number of countries seem to be managing this policy challenge by putting appropriate support measures in place.

This study presents a detailed examination of long-term youth unemployment in Europe. It seeks to identify the factors that increase the risk of a young person being jobless for 12 months or more and to analyse the scarring effects this has on well-being, as well as on income and employment prospects in the long term. In addition, the study examines policy initiatives from 10 Member States in order to shed light on successful approaches to addressing this policy issue.

## Policy context

As previous research highlights, young people can deal relatively well with short spells of unemployment. Long-term disengagement, however, is likely to have a scarring effect on future labour market participation as well as earnings over the life course and thus may lead to social exclusion for those affected. In order to reduce the risk of producing a 'scarred generation', the recently introduced

Youth Guarantee provides the most important policy framework for actions to prevent the long-term disengagement of young people. The four-month intervention point at which every young person under the age of 25 receives an offer of employment, continued education, an apprenticeship or traineeship is an important early activation milestone for preventing long-term disengagement. Alongside the Youth Guarantee, the Council Recommendation of 15 February 2016 on integrating the long-term unemployed into the labour market forms another pillar for policy interventions at Member State level. While this recommendation does not focus on young people explicitly, it is widely acknowledged that youth unemployment and long-term unemployment are the most important legacies of the crisis, two challenges that will need to be addressed at EU and Member State levels.

## Key findings

- Young people are more affected than other age groups by long-term unemployment. In 2016, 5.5% of the active population of young people in Europe aged 15–24 years were long-term unemployed. This share is higher than that recorded for prime-age and older workers (3.9% for both). It means that almost one-third (29.5%) of unemployed young people are long-term unemployed. The situation has improved considerably since 2013, however, when long-term unemployment reached almost 8% of the active population of young people. Nonetheless, in 2016, almost 1.3 million young people in the EU were out of work and actively seeking employment for at least 12 months.
- This study found that lack of education and lack of work experience are the two main driving factors in increasing the likelihood of a young person becoming long-term unemployed.

- The analysis confirmed the scarring effects that early experience of long-term unemployment may have on a young person's lifelong economic outcomes. In particular, it confirmed that, while the scarring effect on employment participation tends to disappear over time, those who experience long-term unemployment are more likely to be employed in semi-skilled and unskilled occupations when re-entering in the labour market. In addition, past and early experiences of long-term unemployment have lifelong negative effects on earnings prospects, entailing an income penalty over the life course.
- Long-term unemployment dramatically affects several dimensions of young people's well-being. In particular, it decreases overall life satisfaction and, importantly, increases the risk of social exclusion, while also decreasing optimism about the future. They are also more likely to be deprived compared with others in the same age group, including the short-term unemployed.
- Member States have implemented a variety of policy measures – both recently and over the long term – that aim to support the reintegration of those who have been excluded from the labour market for an extended duration. An analysis of 10 such policy measures showed that a variety of approaches are taken, depending on country-specific experiences of long-term youth unemployment. These range from preventative and reintegrative approaches to structural reforms that aim to remove barriers to young people's labour market access.
- The analysis highlighted the necessity for programmes to begin with an in-depth assessment of individual needs and to develop individualised pathways, since long-term unemployed people tend to have specific needs and characteristics that differ from the needs of other unemployed people.

## Policy pointers

- Reaching out to long-term unemployed young people is the first step towards reintegration. While traditional forms of contact may be expensive and quite ineffective, use of alternative channels, especially online tools such as dedicated websites and social media, may be an efficient and cost-effective option.
- A broad approach should be taken to improving the employability of this group. Motivation needs to be re-established and expectations managed. Efforts should seek to build trust and confidence in the institutions that seek to engage them, which may have been broken by past negative experiences.
- Flexible designs, decentralised implementation, involvement of stakeholders and close cooperation with relevant actors, especially local employers, are all important drivers of success for such initiatives. There is broad agreement that policy measures assisting young people to enter or re-enter the world of work need to engage employers, ideally in both project design and implementation.
- Given the many levels of disadvantage that long-term unemployed young people are more likely to face, a multidimensional policy response is needed, one that includes innovative new approaches in policy design and implementation. For this reason, a holistic, individualised and young-people-centred approach is crucial for bringing young people back on track. Such an approach includes elements such as counselling, mentoring, referral to specialised support, tailor-made training and job placements, as well as flexible and sustained support through all stages of the programme.

### Further information

The report *Long-term unemployed youth: Characteristics and policy responses* is available at [www.eurofound.europa.eu/publications](http://www.eurofound.europa.eu/publications).

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