



# NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe

## Executive summary

### Introduction

The immediate future of Europe depends upon the 94 million Europeans aged between 15 and 29. Apart from the challenges that young people for generations have faced as they embark up on adult life, this generation will live in an era of full globalisation and will have to cope with the responsibility of an ageing population. So it is a matter of great concern that these young people have been hit so severely by the economic crisis. Only 34% were employed in 2011, the lowest figure ever recorded by Eurostat. The unemployment figures also testify to an appreciably more difficult labour market for young people; since the start of the recession, youth unemployment has risen by 1.5 million, reaching 5.5 million (or 21%) in 2011.

Serious as these statistics may be, they do not adequately capture the situation of young people, not least because many are students and hence classified as being out of the labour force. For this reason, EU policymakers are increasingly using the concept of NEET – ‘not in employment, education or training’. The definition is in principle straightforward, referring to those who currently do not have a job, are not enrolled in training or are not classified as a student. It is a measure of disengagement from the labour market and perhaps from society in general.

This report analyses the labour market situation of young people in Europe, with a specific focus on the group categorised as NEET. It examines the determinants of belonging to the NEET group, and measures the economic and social costs of NEETs. In addition, it assesses how policy in Member States has sought to support young people to gain a foothold in the labour market.

### Policy context

At EU level, NEETs are considered to be one of the most problematic groups in the context of youth unemployment. The European Commission has responded through the Europe 2020 flagship initiative *Youth on the Move* and the 2012–2013 *Youth Opportunities Initiative*. These initiatives aim to unleash the potential of all young people and call for concerted action from Member State authorities, businesses, social partners and the EU to tackle the youth challenge. Special emphasis is put on providing pathways back into education and training as well as enabling contact with the labour market. In 2012, the European Commission’s Employment Package ‘Towards a job-rich recovery’ reemphasised the need to deliver youth opportunities, stressing the importance of decreasing the dramatic rates of youth unemployment and NEET status by enabling transitions to work.

The European Commission has introduced new indicators, such as the NEET rate, to monitor the labour market and social situation of young people and facilitate comparison between Member States in the context of the Europe 2020 strategy. This gives youth issues greater visibility and strengthens the position of young people in the political agenda.

### Key findings

According to Eurostat, in 2011, 7.5 million young people aged 15–24 and an additional 6.5 million young people aged 25–29 were excluded from labour market and education in Europe. This corresponds to a significant increase in the NEETS rate: in 2008, the figure stood at 11% of 15–24 year olds and 17% of 25–29 year olds; by 2011 had increased to 13% and 20% respectively. There is huge variation between Member States, with rates varying from below 7%

(Luxembourg and the Netherlands) to above 17% (Bulgaria, Ireland, Italy and Spain).

NEETs are a very heterogeneous population. The largest subgroup tends to be those who are conventionally unemployed. Other vulnerable subgroups include the sick and disabled and young carers. Non-vulnerable subgroups include those simply taking time out and those constructively engaged in other activities such as art, music and self-directed learning. What they do have in common is the fact that they are not accumulating human capital through formal channels.

Some young people are at greater risk of being NEET than others. Those with low levels of education are three times more likely to be NEET compared to those with tertiary education, while young people with an immigration background are 70% more likely to become NEET than nationals. Young people suffering from some kind of disability or health issues are 40% more likely to be NEET than those in good health. Family background also has a crucial influence.

Being NEET has severe adverse consequences for the individual, society and the economy. Spending time as NEET may lead to a wide range of social disadvantages, such as disaffection, insecure and poor future employment, youth offending, and mental and physical health problems.

In 2011, the economic loss due to the disengagement of young people from the labour market was €153 billion. This is a conservative estimate and corresponds to 1.2% of European GDP. There is great variation between Member States, but some countries are paying an especially high price of 2% or more of their GDP: Bulgaria, Cyprus, Greece, Hungary, Ireland, Italy, Latvia and Poland.

NEETs are at higher risk of being politically and socially alienated. Compared to their non-NEET counterparts, NEETs have a dramatically lower level of political interest, political and social engagement, and a lower level of trust.

## Policy pointers

The policies that have been implemented by Member States intervene at various stages along the pathway to employment and are extremely diverse in their aims, objectives and activities. Although it is difficult to judge their effectiveness, a number of good practices in policy design and implementation can be identified:

- Policy measures have to be diversified, tackling different issues along the pathway to employment and paying special attention to different vulnerable groups that are more likely to cumulate multiple disadvantages.
- It is especially important to take the labour market readiness of the beneficiaries into account. While those more ready will profit from initiatives that are strongly grounded in the needs of the labour market, others need to address personal barriers first before participating in employment programmes.
- Young people have to be set on a long-term, sustainable pathway. It is not enough to find short-term solutions. They need good-quality, stable and sustainable employment. This includes equipping them with qualifications needed for successful labour market integration.
- The involvement of a range of stakeholders in the design and delivery of youth employment measures is essential. In particular, a strong level of engagement with employers and their representatives is needed for measures that focus on fostering their beneficiaries' employability.
- Youth employment measures should be client-centred, not provider-focused. This means catering for different pathways, for example, from mainstream learning routes to tailored, supported learning pathways.
- Successful policies are innovative. They introduce new ways of reaching out to their target groups, with outreach activities forming an important part of efforts to engage disfranchised young people, while incentives, 'branding' and marketing campaigns can be useful in the context of more universal youth employment services.

### Further information

The report, *NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe*, is available at [www.eurofound.europa.eu/publications/htmlfiles/ef1254.htm](http://www.eurofound.europa.eu/publications/htmlfiles/ef1254.htm)

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