



NEETs in the EU labour market

Evaluation of the situation of NEETs on the post-pandemic labour market and policy recommendations

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CASE-Center for Social and Economic Research



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Agenda

- EU labour market prior to, and post, the COVID-19 pandemic
- Review of already present policies and their evaluation
- Recommendations for the policies relevant for youth employment and employability

EU Labour Market – global pandemic

- **Rate of activity:** the youngest cohort (15-24) witnessed the largest fluctuation on the labour market

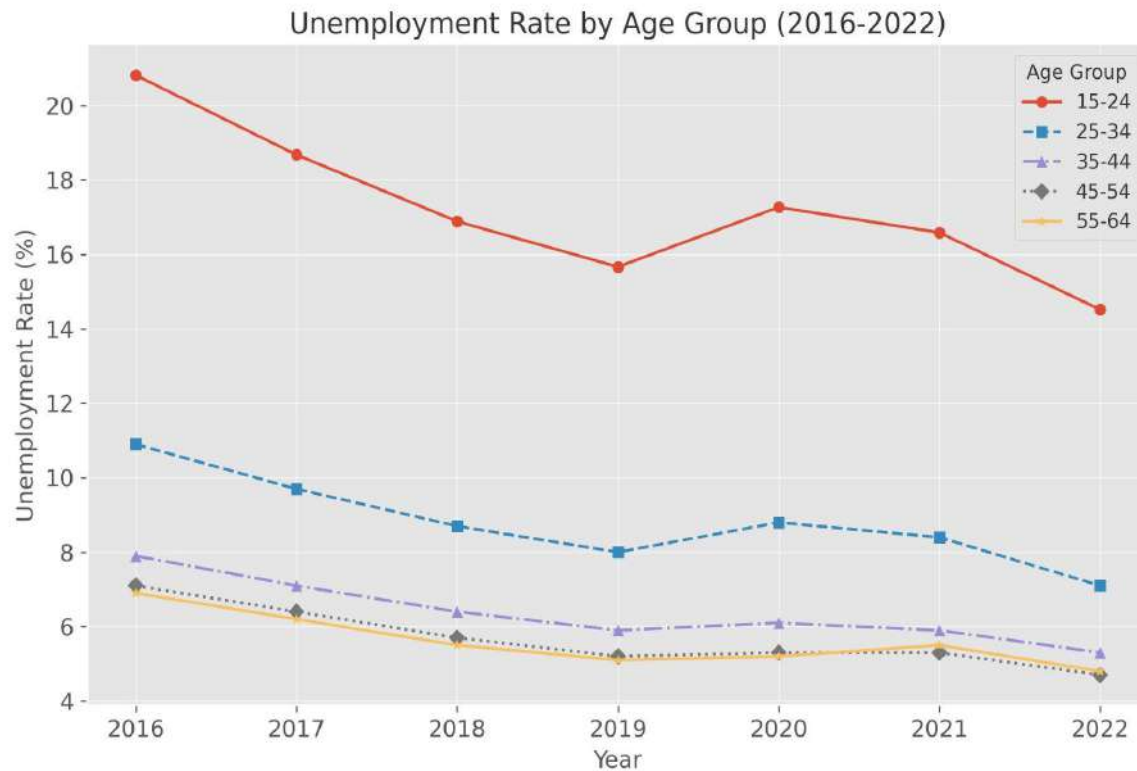
(cohorts aged 25 to 64 remained almost unchanged)

- **Unemployment:** spike in unemployment, felt most by youths aged 15 to 24

(from 15.6% to 17.6% in 2019-2020)

- **Employment:** 15-24 year-olds - after long term of growth, fall of employment rate (2pp)
- **Overall** rates of employment, unemployment, and labour market activity did not see extreme fluctuations
- Young people **specifically affected** by the COVID crisis

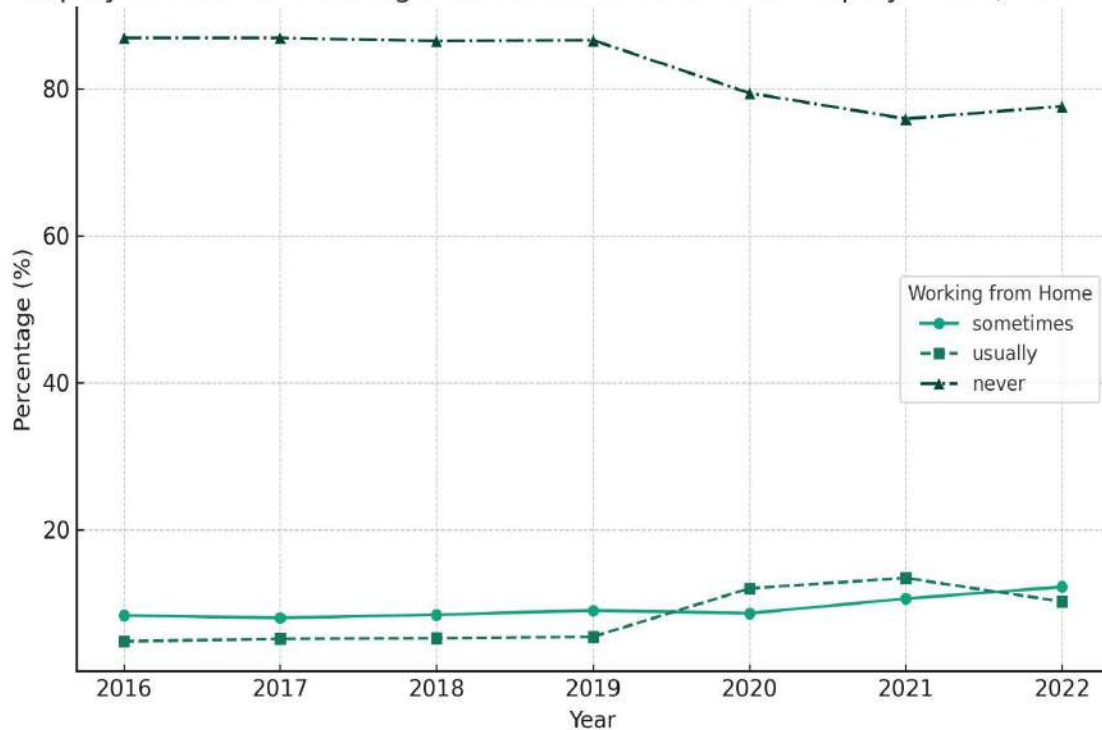
Labour market developments



- Almost immediate growth of the rates of employment and activity, especially among the youngest cohort, could be seen in 2021 and 2022
- HOWEVER overall unemployment rate (6%) reached almost natural level in 2022, it still remains high for people aged 15-24 (14.5%)
- Young people with limited professional experience are more vulnerable to unstable employment
- High participation of older workers -> future need for replacement
- Lower participation of youths may lead to significant labour shortages

EU Labour Market development

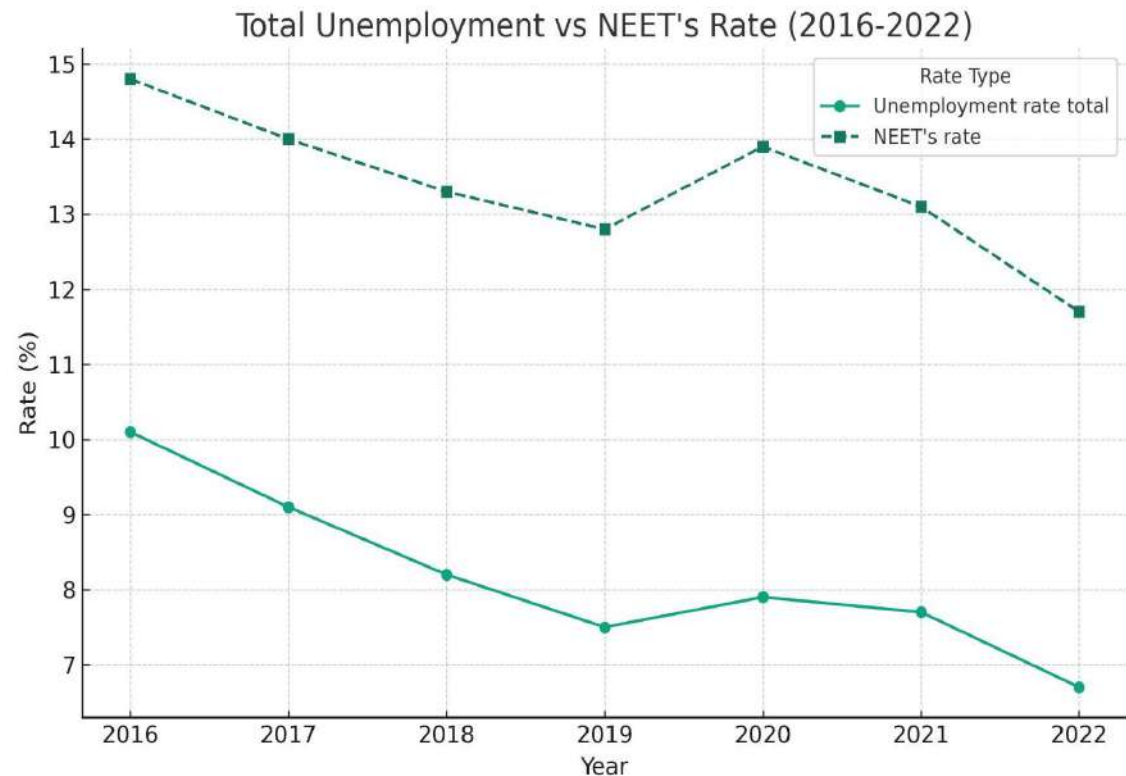
Employed Persons Working from Home as % of Total Employment (2016-2022)



- Digital tools for collaboration – in top ten digital skills listed in job offers (2021)
- Mismatch between skills demanded and supplied – insufficient digital skills
- Increased demand of high-skill labour vs decline in entry level jobs
- Young people more vulnerable to unstable employment

Development of NEETs situation

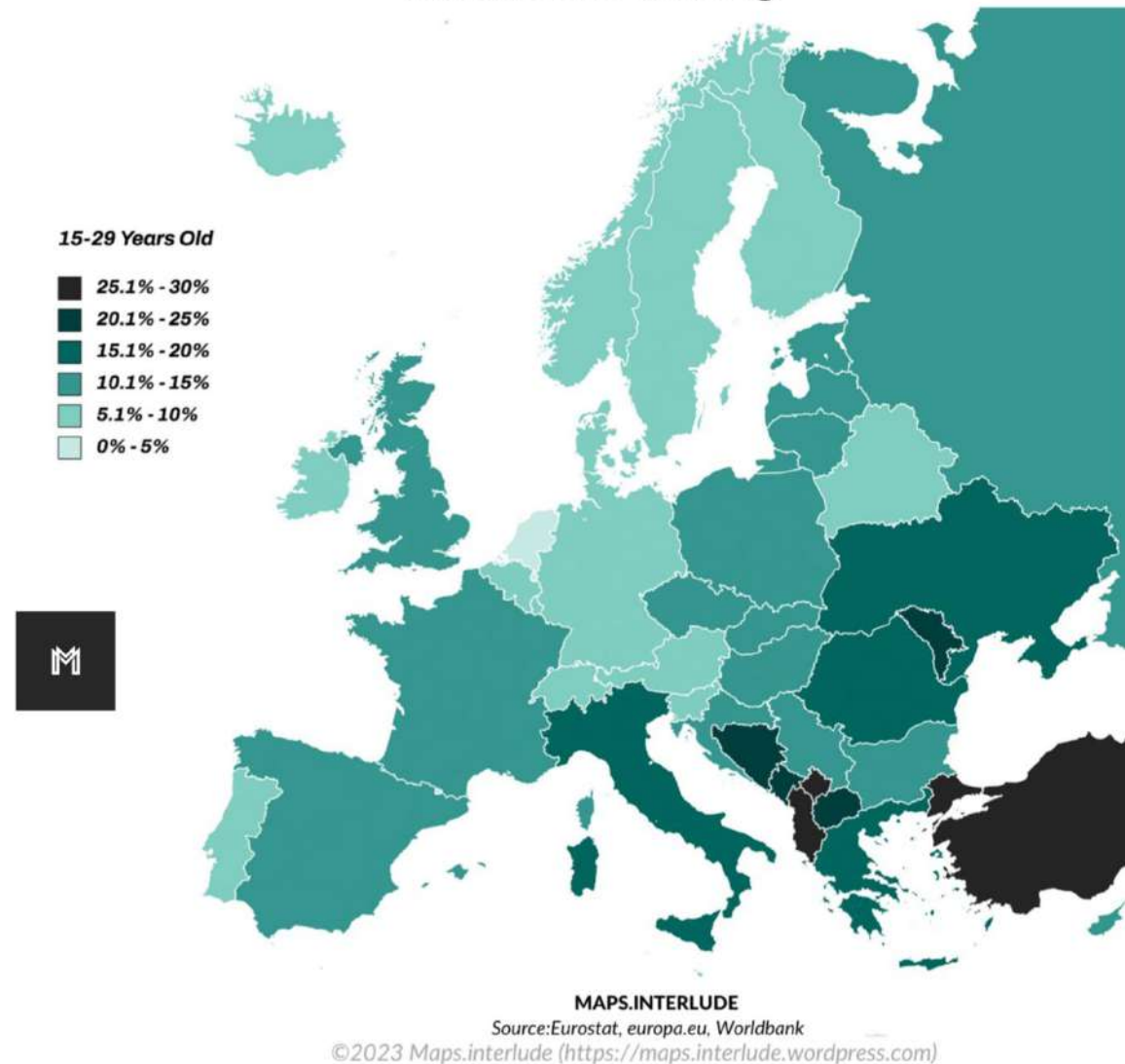
- COVID: spike of NEET rates in 2020 due to spike in youth unemployment
- Post-covid: continued falling trend (but above EU goal of 9%)
- Women caring for a family member (18%)

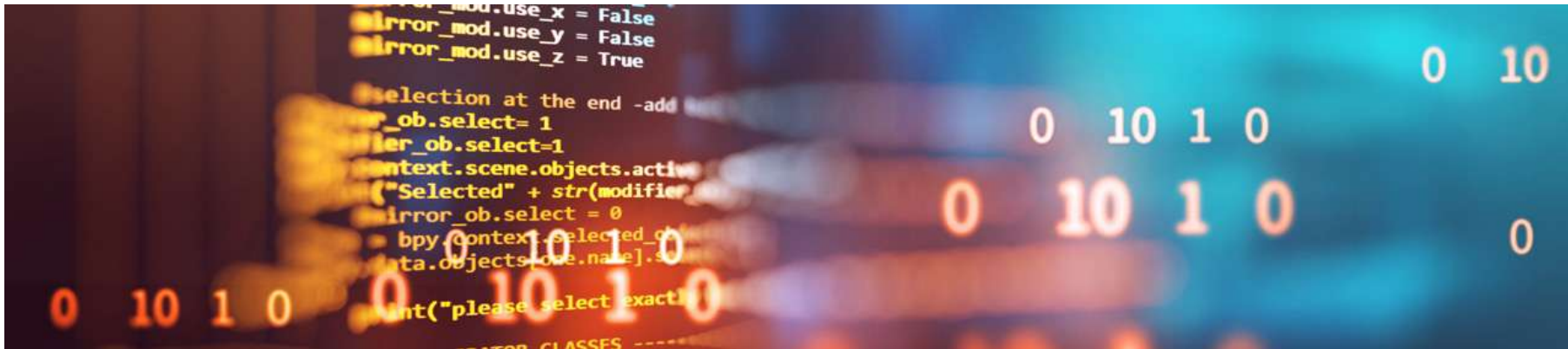


What is the relevance of NEETs?

- High NEETs rates (11.7%)
- More job vacancies than people in the labour market
- Mean that the people who could potentially fill those vacancies are not engaged in the labour market

Percentage of Young People neither in Employment nor in Education or training





Current NEETs policies

- EU: Youth on the Move, Youth Guarantee, European Pillar of Social Rights Action Plan
- France: Pix, 1 Youth, 1 Solution
- Italy: NEET Plan
- All of these policies aim at increasing employability, rather than improving employment stability



Policy recommendations

- Enhancing youth employment stability
- Improvement of entry level jobs
- Upskilling in terms of digital skills
- Support policies for women caretakers



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**Thank
You.**

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