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PART 8/10

**COMMISSION STAFF WORKING DOCUMENT**

**The situation of young people in the European Union**

*Accompanying the document*

**Report from the Commission to the European Parliament, the Council, the European  
Economic and Social Committee and the Committee of the Regions**

**on the implementation of the EU Youth Strategy 2019-2021**

{COM(2021) 636 final} - {SWD(2021) 286 final}

## 8. Social inclusion

The risk of poverty or social exclusion affects large numbers of young people in Europe <sup>(1)</sup>. Often, exclusion is the result of multiple disadvantages: low income, unemployment or job precariousness, low educational attainment and physical and mental disabilities all converge to push young people to the margins. Exclusion prevents young people from acquiring the necessary resources to secure adequate living conditions, actively participate in society and, ultimately, enjoy their social rights <sup>(2)</sup>.

The effects of the COVID-19 pandemic have exposed young people to ever-greater challenges. Discontinuity in learning activities, contraction of employment and social isolation have added to existing risks (for an analysis of these themes, see Chapter 6, ‘Education and Training’, and Chapter 3, ‘Employment and entrepreneurship’).

Against this background, it is more important than ever that young people receive support to (re)integrate into the labour market, stay in education and enjoy a satisfactory level of relational and material well-being.

Youth work (discussed in Chapter 9) is a crucial factor in addressing these challenges.

This chapter first sets the context for social inclusion by analysing the age at which young people leave the family home and become independent. This is a transition that is liable to provoke financial insecurity and a deterioration of living standards. Furthermore, the analysis addresses the fundamental factors of exclusion: poverty, low intensity of employment and material deprivation. The final section brings into focus one of the groups in the youth population at high risk of exclusion: those who are not in employment, education or training (NEET).

### 8.1. Moving towards independence: young people leaving the parental home

Leaving the parental house and establishing one’s own home is one of the most remarkable steps in a person’s life. It marks the passage from reliance on the family of origin for personal, material and economic support to independence. This often coincides with other crucial transitions (not least from education to work) and therefore is a particularly vulnerable phase. Job insecurity, economic hardship and material deprivation can push young people into social exclusion. Not without reason, leaving the parental household is considered one of the factors of youth homelessness <sup>(3)</sup> and the strongest predictor of youth poverty <sup>(4)</sup>.

Figure 8.1 shows that, on average, young people in the EU-28 leave the family home at the age of 26 and that no substantial changes occurred between 2015 and 2019. The analysis of data across countries indicates that, in general, young people in northern and western Member States tend to establish an independent home at an earlier age than their peers from southern and eastern Member States. For example, in Sweden, Luxembourg, Denmark, Finland and Estonia, the average age at leaving the parental house is between 18 and 22 years,

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<sup>(1)</sup> Source: Eurostat [ilc\_peps01]. Data extracted on 09.02.2021

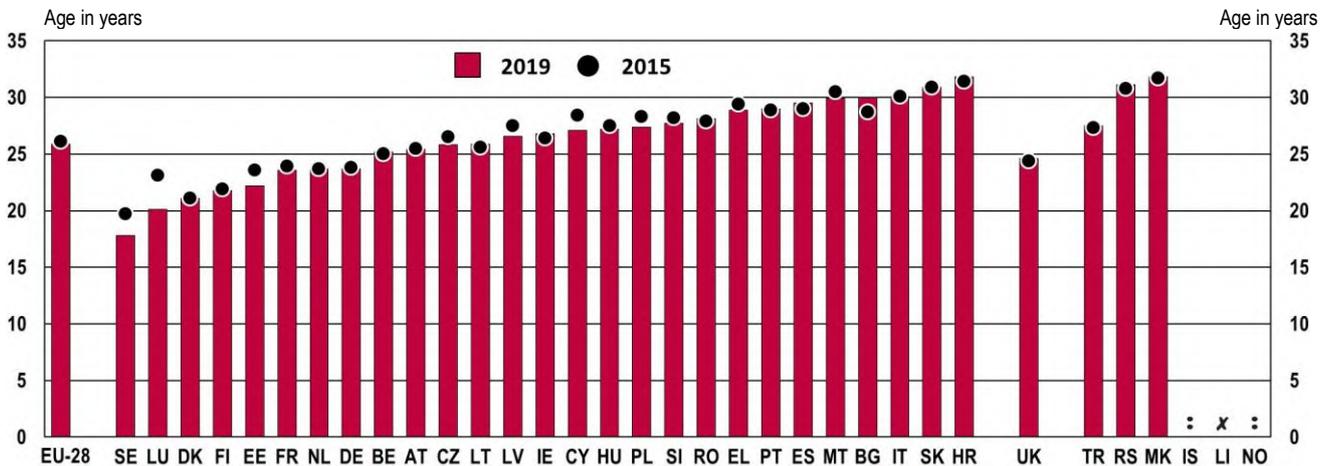
<sup>(2)</sup> European Commission, 2021b.

<sup>(3)</sup> Aratani, 2009; FEANTSA 2021

<sup>(4)</sup> Aassve et al., 2007.

whereas Malta, Bulgaria, Italy, Slovakia and Croatia report average ages of 30 or above. Similar ages on leaving the family home are reported in Serbia and North Macedonia.

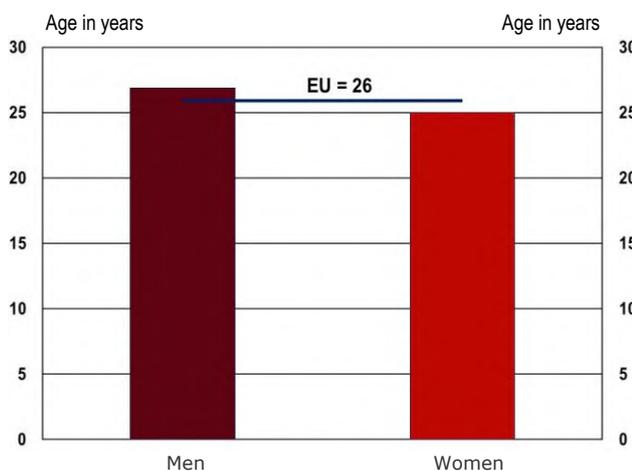
**Figure 8.1:** Estimated average age of young people when leaving the parental household, by country, 2015 and 2019



Source: Eurostat [yth\_demo\_030]. Data extracted on 08.01.2021.

Notes: EU-27 average: 2019: 26.2; 2015: 26.4.

**Figure 8.2:** Estimated average age of young people when leaving the parental household, by gender, EU-28, 2019



Source: Eurostat [yth\_demo\_030]. Data extracted on 08.01.2021.

Notes: EU-27: 26.2; men: 27.1; women 25.2

age than men <sup>(7)</sup>.

Data by country (not shown) reveal that the higher the average age on leaving the family household, the larger the gap between women and men <sup>(8)</sup>.

While cultural traditions play a role in when young people leave the family home, economic and social factors are crucial. In Nordic and western countries, students in higher education can rely on solid forms of support, for example in the form of grants <sup>(5)</sup>, and on more receptive labour markets <sup>(6)</sup>, which help them become independent at an earlier age. Where these circumstances are not present, young people are compelled to rely for longer on support from their families.

The age at which young Europeans establish their own homes also depends on gender. Women tend to leave the parental home 2 years earlier than men (Figure 8.2).

One of the reasons is that, on average, young women start to live with their partners at an earlier

<sup>(5)</sup> European Commission/EACEA/Eurydice, 2020c.

<sup>(6)</sup> Bertolini et al., 2018.

<sup>(7)</sup> Eurostat, 2021m.

<sup>(8)</sup> Data by country are available at the Eurostat online database [yth\_demo\_030].

For example, in Croatia, where, on average, young people leave the family home at 31.8 years, the difference between men and women is 3.7 years. Similarly, the gender difference in Bulgaria is 4.5 years, with young people leaving the parental household at an average age of 30 years. Conversely, in countries such as Sweden, Denmark and Estonia, where the average age on leaving the family home is 17.8, 21 and 22 years, respectively, the gender gap between men and women is only a few months.

As a result, the divide between western and northern Member States and southern and eastern Member States also applies to differences by gender.

## 8.2. Poverty, low work intensity and deprivation

There are three main factors leading to poverty and social exclusion: scarce financial resources (income poverty), precarious participation in the labour market (reflected in low work intensity) and inadequate living conditions (material deprivation)<sup>(9)</sup>. These dimensions have been used to monitor the level of poverty or social exclusion in the context of the Europe 2020 strategy<sup>(10)</sup>. The risk of poverty, low work intensity and severe material deprivation are measured using the Eurostat indicator ‘at risk of poverty or social exclusion’ (AROPE), which corresponds to the sum of persons who are either at risk of poverty, or severely materially deprived or living in a household with a very low work intensity<sup>(11)</sup>. The indicator is used in this chapter to illustrate the degree of poverty or exclusion suffered by young people in Europe.

In addition to youth (aged 16–29), children (aged less than 16) and the total population are included in the analysis to contextualise the situation of young people in society<sup>(12)</sup>. Indeed, as is evident in the discussion of the data, young people are particularly vulnerable to poverty and social exclusion, which sets them apart from the rest of the population.

The following section provides an overview of the AROPE indicator. The subsequent sections address each of its three components in detail.

### 8.2.1. The risk of poverty or social exclusion

In the EU-28, one in four young people aged between 16 and 29 years are at risk of poverty or social exclusion (Figure 8.3). In some south and eastern countries, such as Greece (38.1 %), Romania (34.2 %), Spain (31.7 %), Italy (30.7 %) and Bulgaria (30.6 %), this ratio rises to one in three. The high percentages reported in some Nordic countries (e.g. Denmark and Finland) should be contextualised according to the characteristics of their youth populations. As discussed in the previous section, in these countries, young people tend to leave the parental household early. At the same time, they tend to stay in education into their late twenties, therefore not working or working with low intensity<sup>(13)</sup>. However, the lack of income from work and low work intensity of their households are often offset by forms of support such as student financial aid schemes<sup>(14)</sup>.

Data show that, at EU-28 level, young people are more at risk of poverty or social exclusion than children and the total population. This pattern is found in the majority of EU Member States. Besides Denmark, Finland

<sup>(9)</sup> Verbunt, and Guio, 2019.

<sup>(10)</sup> Eurostat, 2021p.

<sup>(11)</sup> Eurostat, 2021n.

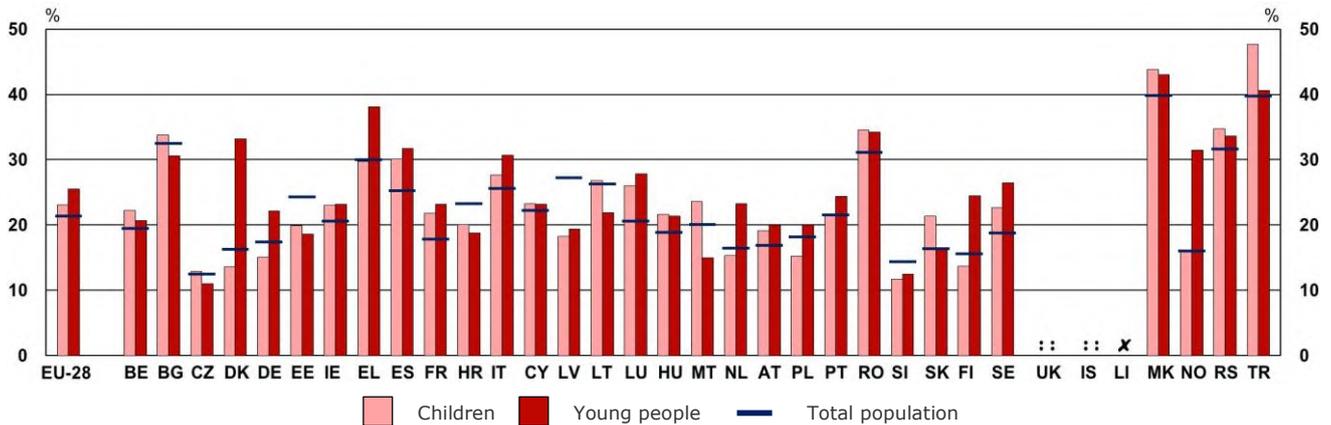
<sup>(12)</sup> Based on the available data breakdowns, the age groups 16-29 for young people and ‘less than 16’ for children are used for this and the following indicators on the risk of poverty or social exclusion.

<sup>(13)</sup> Data on participation in education and training are available at the Eurostat online database [educ\_uoe\_enrt07].

<sup>(14)</sup> Education, Audiovisual and Culture Executive Agency, European Commission, 2011, and Student Aid in the Nordic Countries, 2016

and Sweden (where the difference is extremely pronounced because of the factors mentioned above), Greece, Italy and Spain report large proportions of young people in the 16–29 years age group at risk of poverty or exclusion compared with the total population. Outside the EU, North Macedonia, Norway and Turkey register the highest AROPE rates for young people (43 % and 40.6 %).

**Figure 8.3:** At-risk-of-poverty or social exclusion rate of young people (16-29) compared to children (younger than 16) and total population, by country, 2019

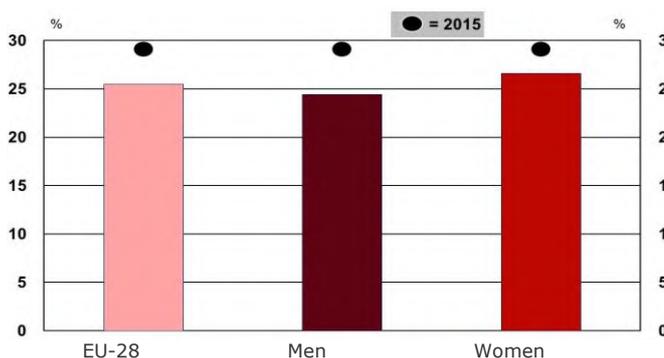


Source: Eurostat [ilc\_peps01]. Data extracted on 09.02.2021.

Notes: EU-27 average: young people 25.1 %; children 21.8 %; total population 20.9 %.

Between 2015 and 2019, the share of young people at risk of poverty and exclusion in the EU-28 decreased by 3.6 percentage points (p.p.) (Figure 8.4). Across Europe, the biggest decreases (10 p.p. or more) took place in Cyprus, Ireland and several countries in the central European and Balkan regions (Bulgaria, Croatia, Hungary and Serbia) (data not shown <sup>(15)</sup>).

**Figure 8.4:** At-risk-of-poverty or social exclusion rate for young people (16-29), by gender, EU-28, 2015 and 2019



Source: Eurostat [ilc\_peps01]. Data extracted on 09.02.2021.

Notes:

	EU-27 average (2019)	EU-27 average (2015)
Total	25.1 %	29.2 %
Men	24.3 %	29.2 %
Women	25.8 %	29.3 %

Against the background of a general reduction in the AROPE rate for young people, there is a divide between young women and young men. Whereas in 2015 in the EU-28, men and women had the same AROPE rates, 4 years later the rate for women was 2.2 p.p. higher than that for men. Indeed, the decrease in rate between 2015 and 2019 was bigger for men (4.7 p.p.) than for women (2.5 p.p.).

As explained in the following sections, the analysis of each of the three factors behind the risk of poverty and of the social exclusion indicator (the risk of poverty, very low work intensity of the household and severe material deprivation) reveals that this gender gap is mostly due to the higher risk of monetary poverty faced by young women.

<sup>(15)</sup> Data by country are available at the Eurostat online database [ilc\_li02].

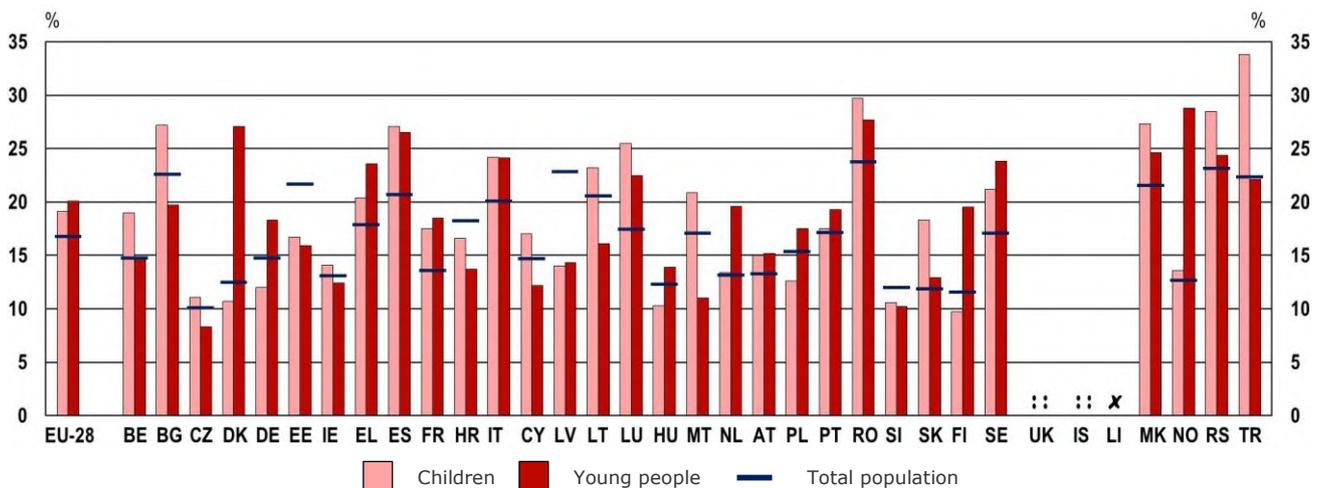
### 8.2.2. The risk of poverty

The level of poverty experienced by young people is intrinsically connected to their situation in the labour market (for an analysis of youth unemployment, see Chapter 3). High rates of inactivity, unemployment, job instability and in-work poverty<sup>(16)</sup> translate into lower levels of income<sup>(17)</sup>. When combined with other factors such as high rents and scarce social protection, financial precariousness leads young people into poverty and exclusion.

The indicator used for this analysis is the ‘at-risk-of-poverty rate’, which considers individuals with an equivalised disposable income below a certain poverty threshold as being exposed to poverty<sup>(18)</sup>.

When analysing the youth cohort, it is important to consider several factors that can affect the risk of poverty. On average, many between 16 and 24 years of age are still in education and live in the parental household (as illustrated in the first section of the chapter). In this context, as emphasised above, in Nordic countries the risk of poverty is affected by the fact that young people leave the parental home at an earlier age. The inclusion of children (aged younger than 16) and the total population in analyses helps to contextualise the risk of poverty faced by the youth cohort.

**Figure 8.5:** At-risk-of-poverty rate of young people (16-29) compared to children (younger than 16) and total population by country, 2019



Source: Eurostat [ilc\_li02]. Data extracted on 09.02.2021.

Notes: EU-27 average: young people 20 %; children 18.1 %; total population 16.5 %.

Figure 8.5 shows that, on average, one in five children and young people in the EU-28 are at risk of poverty. Both age groups present higher percentages than the total population. Children tend to be confronted with the risk of being poor as much as young individuals.

Excluding the countries where young people leave the parental household very early, the highest percentages of youth at risk of poverty are found in southern European countries (Spain 26.5 %, Greece 23.6 %, and Italy 24.1 %) as well as in Romania (27.7 %) and Luxembourg (22.5 %). These are also among the countries where

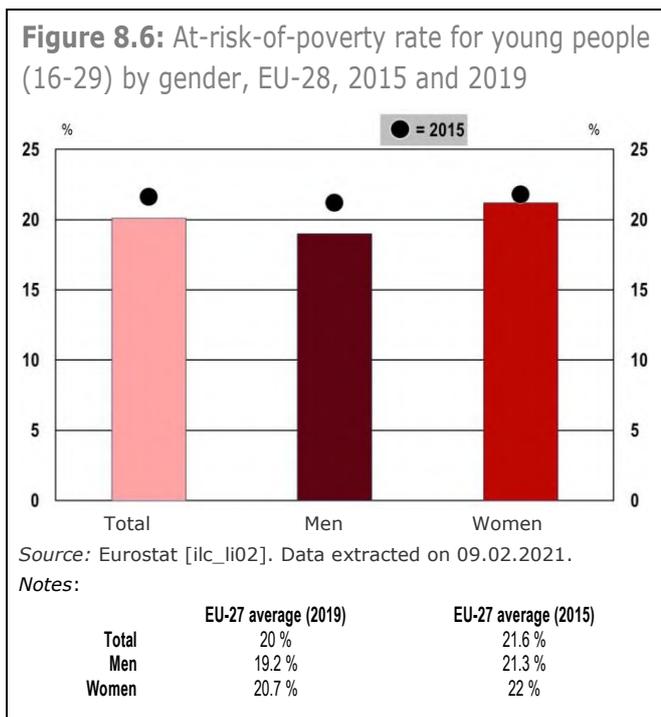
<sup>(16)</sup> The ‘in-work poverty risk’ is measured as the rate of poverty risk among individuals who are ‘in work’, meaning individuals who were employed for more than half the reference period (Eurostat, 2010).

<sup>(17)</sup> IMF, 2018.

<sup>(18)</sup> The ‘at-risk-of-poverty rate’ is the share of people with an equivalised disposable income (after social transfer) below the ‘at-risk-of-poverty’ threshold, which is set at 60 % of the national median equivalised disposable income after social transfers. Eurostat, 2020.

the difference between the risk of poverty for youth and for the total population is biggest. Similar high rates are reported in countries outside the EU.

In the EU-28, a positive trend was reported between 2015 and 2019 (Figure 8.6). On average, the share of young people at risk of poverty decreased by 1.4 p.p. Ireland, Hungary, Cyprus and Lithuania saw a considerable decrease, with the proportion of youth at risk of poverty dropping by 9.4 p.p., 6.4 p.p., 6.1 p.p. and 5 p.p. respectively (data not shown <sup>(19)</sup>). Outside the EU, in Serbia, the rate decreased by 5.1 p.p. On the other hand, the proportion of youth at risk of poverty increased in Luxembourg by 3.9 p.p.



There are also differences between men and women in the share of youth at risk of poverty. Figure 8.6 illustrates that, on average in 2019, young women were more exposed to the risk of poverty than young men. This divide is also visible across years. Indeed, the decrease in the proportion of youth at risk of poverty between 2015 and 2019 was not equal between women and men, with a reduction of 2.2 p.p. among men and 0.6 p.p. among women. This is reflected in the widening of the gender gap across the 4 years: from 0.6 p.p. in 2015 to 2.2 p.p. in 2019.

The reasons behind this trend are common to other age groups in the female population. In comparison with men, women are less involved in the labour market, earn less and experience a higher degree of job precariousness (e.g. more women than men are

on temporary and part-time contracts) <sup>(20)</sup>. All these factors contribute to the greater risk of poverty for young women when transitioning from education to the labour market. Among this group, young women living alone are particularly vulnerable <sup>(21)</sup>.

<sup>(19)</sup> Data by country are available at the Eurostat online database [ilc\_li02].

<sup>(20)</sup> Data by gender for activity rate [lfsq\_argan], part-time [lfsq\_eppga] and temporary [lfsq\_etpga] employment, and low-wage earners [earn\_ses\_pub1s] are available at the Eurostat online database.

<sup>(21)</sup> European Parliament, 2008.

### 8.2.3. Households with very low work intensity

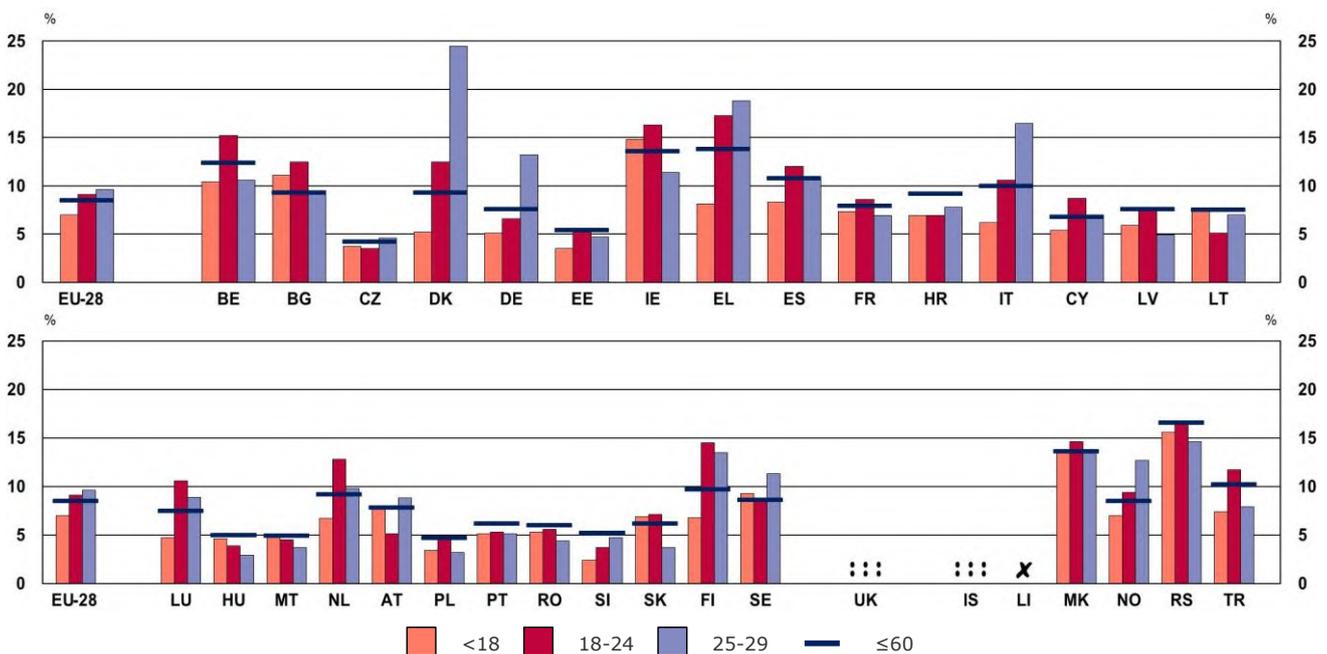
The risk of poverty is closely related to the intensity of work. Occasional employment does not guarantee a stable income; hence, it translates into significant exposure to financial insecurity.

A household <sup>(22)</sup> with very low work intensity is one in which working-age members work for 20 % or less of the total number of months they could potentially have worked within a given reference period, i.e. the total work intensity of household members is below the threshold of 0.20 <sup>(23)</sup>. Households composed only of children, of students aged less than 25 and/or people aged 60 or more are excluded from the calculation.

For this indicator, the analysis divides the youth population into two age groups: from 18 to 24 years and from 25 to 29 years. This because the group aged from 18 to 24 years includes many students, who are not counted among household members of ‘working age’. The analysis also includes the total population of individuals aged up to 59 years, as after 60 years retired people predominate.

Figure 8.7 illustrates that, in the EU-28, higher percentages of young people aged 18–24 and 25–29 than people aged under 18 or the whole population live in households with very low work intensity. In the group aged 25–29, young people tend to have concluded their studies and started working.

**Figure 8.7:** Proportion of people living in households with very low work intensity by age groups and country, 2019



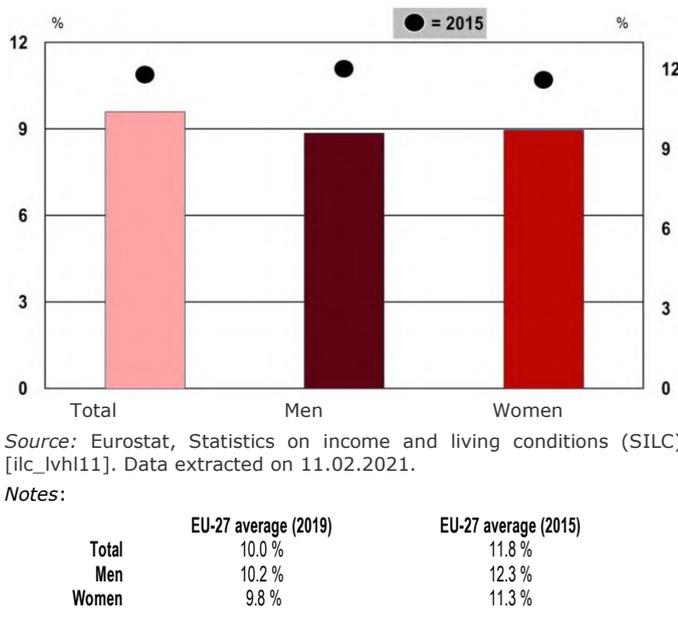
Source: Eurostat [ilc\_lvhl11]. Data extracted on 11.02.2021.

Notes: EU-27 average: <18: 6.5 %; 18-24: 8.7 %; 25-29: 10 %; ≤60: 8.3 %.

<sup>(22)</sup> A household consists of ‘a person living alone or a group of people who live together in the same private dwelling and share expenditures, including the joint provision of the essentials of living’. Eurostat. Eurostat metadata. Available at: [https://ec.europa.eu/eurostat/cache/metadata/en/ilc\\_esms.htm](https://ec.europa.eu/eurostat/cache/metadata/en/ilc_esms.htm). [Accessed on 25.03.2021]

<sup>(23)</sup> A working-age person is a person aged 18-59 years, with the exclusion of students in the age group between 18 and 24 years. Eurostat, 2021i.

**Figure 8.8:** Proportions of young people (25-29) living in households with very low work intensity by gender, EU-28, 2015 and 2019



living in poor conditions (as illustrated in the next section). North Macedonia and Serbia also report percentages higher than the EU-28 average (13.5 % and 14.6 %).

Since 2015, the proportion of young people aged 25–29 living in households with very low work intensity has declined by approximately 2 p.p. (Figure 8.8). The most significant decreases took place in Ireland (9.9 p.p.), Cyprus (6.3 p.p.), Portugal (5.7 p.p.) and Spain (5.6 p.p.) (data not shown <sup>(25)</sup>).

The difference between young men and young women aged 25–29 is minor; however, the focus on households may conceal to some extent the gender disparities in the level of work intensity. In general, women tend to have a more precarious foothold in the labour market, and more family responsibilities and therefore tend to work less frequently <sup>(26)</sup>. Households composed of women living alone are particularly affected by precarious conditions caused by the irregular frequency of work <sup>(27)</sup>.

#### 8.2.4. Severe material deprivation

Monetary poverty and/or living in a household with very low work intensity can have a profound impact on the living conditions of young people. Sporadic and precarious employment, low wages and the ensuing monetary poverty can be powerful drivers of material deprivation. Living in geographical areas where opportunities and services (e.g. employment agencies, social services, learning facilities) are hard to reach may add further strain to those who live in severe material deprivation <sup>(28)</sup>.

<sup>(24)</sup> Povlsen et al., 2018.

<sup>(25)</sup> Data by country are available at the Eurostat online database [ilc\_lvh11].

<sup>(26)</sup> Data on gender equality, including on employment and childcare, are available at the Eurostat online database [eq\_gend].

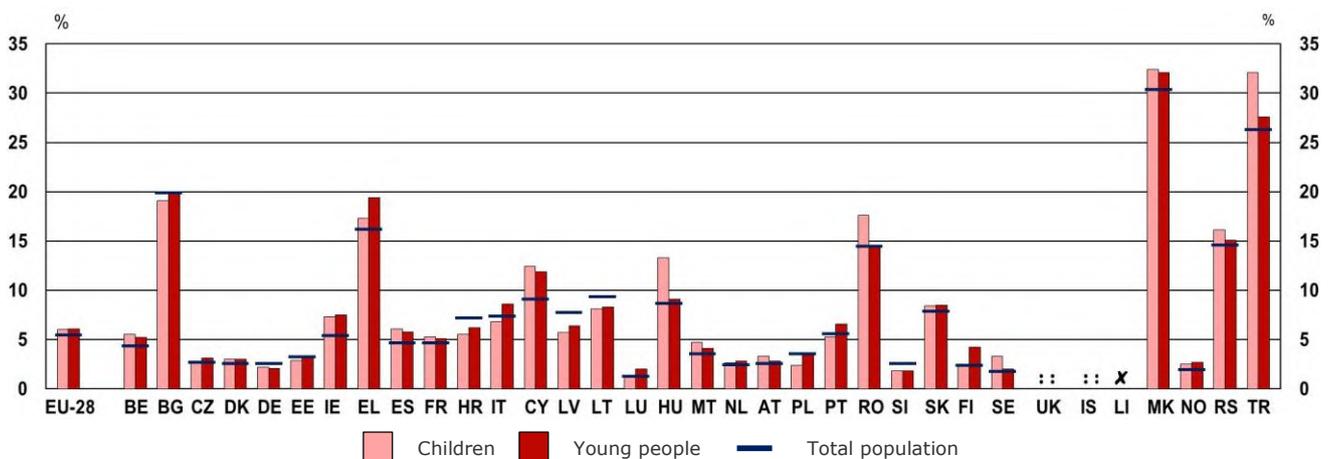
<sup>(27)</sup> European Anti-Poverty Network, 2019.

<sup>(28)</sup> European Commission, 2015a.

In turn, material deprivation has serious and long-lasting repercussions for young people. Homelessness, challenges to physical and mental health, social isolation and discrimination are among the main threats <sup>(29)</sup>.

The severe material deprivation rate may be interpreted as a more encompassing measure of poverty. Instead of referring to the level of income and the intensity of employment – with their significant differences across countries, age groups and gender – this indicator gives a picture of the actual level of hardship encountered in daily life. The indicator defines severe material deprivation as the inability to satisfy fundamental needs, such as paying the costs of accommodation, keeping one’s home adequately warm, facing unexpected expenses and buying indispensable appliances (e.g. a refrigerator or telephone) <sup>(30)</sup>.

**Figure 8.9:** Severe material deprivation rate for young people (16-29) compared to children (younger than 16) and the total population, by country, 2019



Source: Eurostat [ilc\_mddd11]. Data extracted on 10.02.2021.

Notes: EU-27 average: children 5.7 %; young people 5.8 %; total population 5.4 %.

On average, unlike the risk of poverty, children, young people and the general population suffer from material deprivation to similar extents (Figure 8.9).

Regarding the severe material deprivation rate of young people, countries can be divided into three main groups. In the first group, rates are well below the EU-28 average. This group includes the Nordic countries and several western and central European countries. The low rates registered in the Nordic countries are in line with what was discussed in previous sections: the indicators of at-risk-of-poverty and very low work intensity overlook the fact that young people leave the parental home very early and tend to stay longer in education.

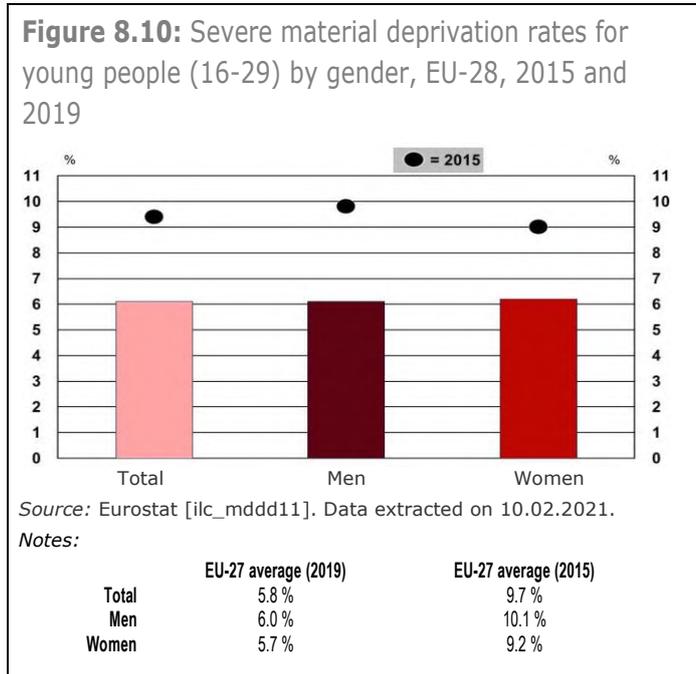
The second group, mainly comprising southern and eastern countries, reports rates of young people suffering from severe material deprivation that are close to the EU-28 average. The last group (Bulgaria, Cyprus, Greece and Romania) reports particularly high rates, between 11.9 % and 19.9 %. In North Macedonia and Turkey, the rates are very high: respectively one in three and one in four young people are at risk of material deprivation.

<sup>(29)</sup> Mikkonen, 2011.

<sup>(30)</sup> The full definition of severe material deprivation rate is the percentage of the population that cannot afford at least four of the following nine predefined items: (1) to pay their rent, mortgage or utility bills, (2) to keep their home adequately warm, (3) to face unexpected expenses, (4) to eat meat or protein regularly, (5) to go on holiday, or to buy a (6) television, (7) refrigerator, (8) car or (9) telephone. Eurostat, 2021j.

Bulgaria, Cyprus, Greece and Romania also reported some of the highest reductions between 2015 and 2019 in the proportion of young people affected by severe material deprivation (data not shown<sup>(31)</sup>). While the decrease at EU-28 level was 3.3 p.p. (Figure 8.10), it was 14 p.p. in Bulgaria, 10.5 p.p. in Romania, 9.4 p.p. in Greece and 9 p.p. in Cyprus. Hungary also reported a considerable decrease (13.2 p.p.).

No significant differences in severe material deprivation rates were found between young women and young men (Figure 8.10). In 2015, the severe material deprivation rate was 0.8 p.p. lower in women, while in 2019 the rates were equal.



### 8.3. Young people not in employment, education or training (NEETs)

As touched on earlier, the passage from adolescence to adulthood sees young people exposed to potential social and economic risks. During those years, the majority of young people transition from education to the world of work. Factors such as early school leaving, lacking basic skills and failing to find employment converge to push youth to the margins of society. Many find it difficult to re-enter education, training and gain a solid foothold in the labour market.

The term ‘NEET’, which refers to ‘individuals who are neither in employment nor in education or training’ is used to identify this particular group among the youth population. This condition is often described as having ‘scarring’ effects on young people who are NEETs for long periods of time<sup>(32)</sup>. While some experience being NEET occasionally, for example in periods between jobs, others remain longer in such condition and therefore stay at the margin of the labour market, are more exposed to poor mental health and interpersonal isolation, and participate less in society and politics<sup>(33)</sup>.

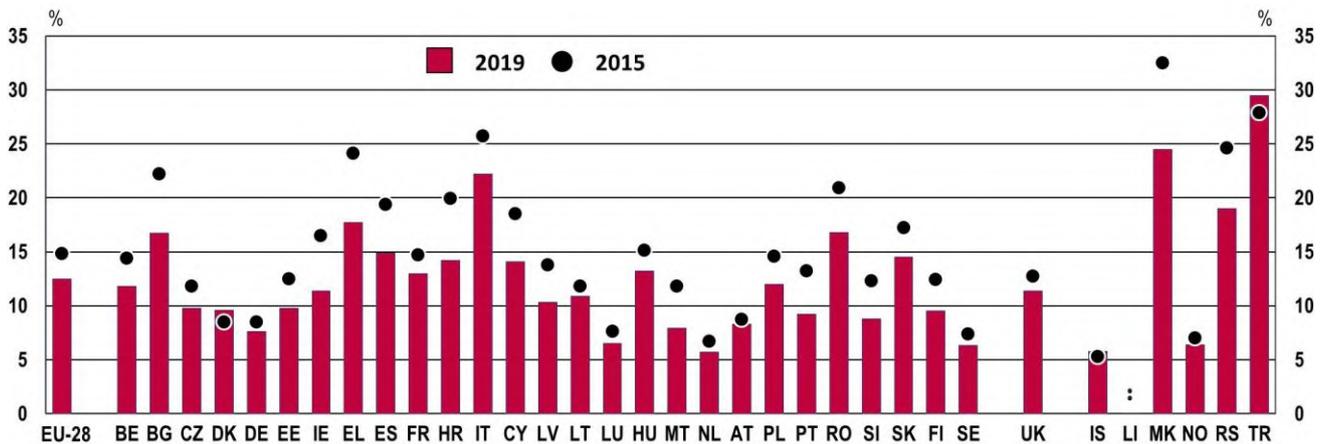
On average, in the EU-28, approximately 1 in every 10 young people (12.5 %) is NEET (Figure 8.11). The highest rates are found notably in Italy (22.2 %) and in Greece (17.7 %), Romania (16.8 %) and Bulgaria (16.7 %). Outside the EU, very high rates are also reported in Turkey (29.3 %), North Macedonia (24.4 %) and Serbia (19 %).

<sup>(31)</sup> Data by country are available at the Eurostat online database [ilc\_mddd11].

<sup>(32)</sup> Balan, 2016.

<sup>(33)</sup> Ibid.

**Figure 8.11:** Proportion of young people (15-29) not in employment, education or training (NEET rate), by country, 2015 and 2019



Source: Eurostat [yth\_empl\_150]. Data extracted on 18.01.2021.

Notes: EU-27 average: 2019: 12.6 %; 2015: 15.2 %.

Since 2015, the NEET rate has declined by 2.3 p.p. Large decreases have been reported in Greece (6.4 p.p.), Croatia (5.7 p.p.), Bulgaria (5.5 p.p.) and Ireland (5.1 p.p.). Outside the EU, the NEET rate has decreased the most in North Macedonia (8 p.p.) and Serbia (5.6 p.p.). In contrast, the NEET rate in Turkey has slightly increased (1.6 p.p.).

It is important to highlight that NEETs do not constitute a homogeneous group, as their status in the labour market varies. A first distinction must be made between those who are active and those who are inactive. The first category consists of young people who are actively seeking employment with no success (the unemployed). The second category consists of individuals who are not looking for a job. For some, this is a personal choice, as they do not wish to work. For others, it is unavoidable: they would like to work if conditions allowed (e.g. young carers and individuals with a disability).

Figure 8.12 shows that, in 2019, out of the total of NEETs, 4.6 % were unemployed, while 7.8 % were not seeking employment (inactive).

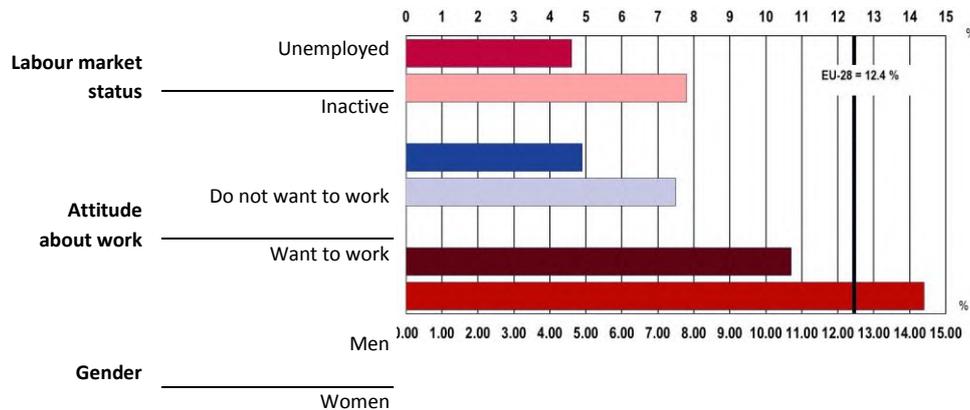
Considering their attitude to work, around two thirds of NEETs (out of employment either because they were unable to find a job or because of unavoidable personal circumstances) expressed the wish to have a job (even if they did not search it actively).

On average, the proportion of women who are NEET is markedly higher than that of men: in 2019, the NEET rate was of 14.4 % for women and 10.6 % for men. This divide is more pronounced in certain countries, such as Hungary, Czechia and Romania, where the difference between women and men was 4.3, 4.9 and 6.4 p.p. respectively (not shown)<sup>(34)</sup>. A closer look at the gender gap reveals that women are more often inactive than men (7.1 % vs 5.2 %), who in turn are more frequently unemployed (4.7 % vs 3.3 %) (not shown)<sup>(35)</sup>. The fact that women tend to bear more family responsibilities and hold more precarious positions in the labour market than men may explain the move into inactivity.

<sup>(34)</sup> Data are available at the Eurostat online database [yth\_empl\_150].

<sup>(35)</sup> Data are available at the Eurostat online database [yth\_empl\_150].

**Figure 8.12:** Proportion of young people (15-29) not in employment, education or training (NEET rate) by labour market status, attitudes towards work, and gender, EU-28, 2019



Source: Eurostat [yth\_empl\_150]. Data extracted on 18.01.2021.

Notes: The value EU-28 in the graph refers to the overall EU-28 NEET rate.

EU-27 average: total 12.6 %; unemployed 4.8 %; inactive 7.8 %; do not want to work 4.9 %; want to work 7.8 %; men 10.8 %; women 14.6 %

## 8.4. Social inclusion and the COVID-19 pandemic

While data have not yet been systematically collected across Europe, a first evaluation of the available evidence points to a rise in the level of social exclusion during 2020<sup>(36)</sup>. Young people and children emerge as those most at risk, especially those already suffering from difficult conditions such as poverty, disability and disadvantage<sup>(37)</sup>.

A report from the International Labour Organization identifies the main driver of the worsening conditions as the rise in unemployment during the pandemic<sup>(38)</sup>. Loss of employment has hit young people harder than other segments of the population. The economic sectors that have suffered the most from lockdowns (the wholesale, retail, accommodation and food sectors) are those in which high shares of young Europeans tend to work, often with temporary contracts<sup>(39)</sup>.

Data collected by Eurostat illustrate the trend in the share of young NEETs during 2020. As indicated in Figure 8.11, the share of NEETs in 2019 in the EU-27 was 12.6 %. Figure 8.13 shows that, in 2020, this proportion amounted at 12.9 % in the first quarter, 14.7 % in the second, 13.8 % in the third and 13.3 % in the fourth. Although there has been a decrease in the share of NEETs during the last 3 months of 2020, it was still higher than that before the start of the pandemic. The trend affected men and women equally.

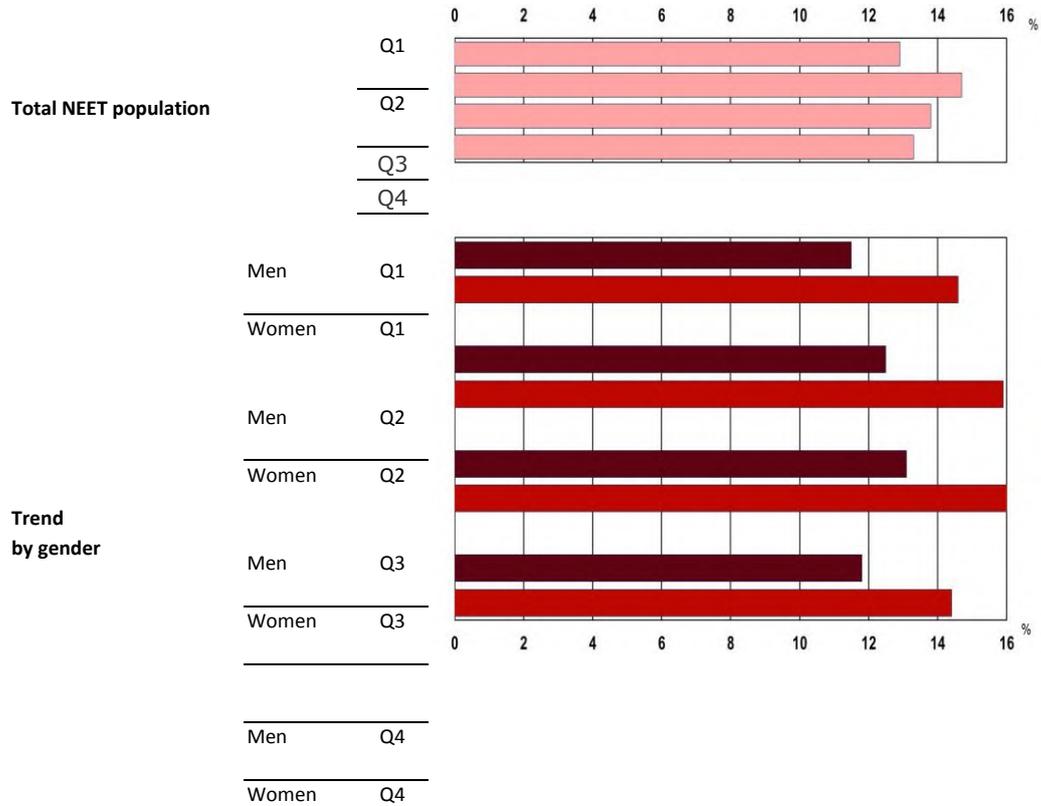
<sup>(36)</sup> Furceri et al., 2020.

<sup>(37)</sup> UNICEF, 2020.

<sup>(38)</sup> ILO, 2021.

<sup>(39)</sup> Ibid.

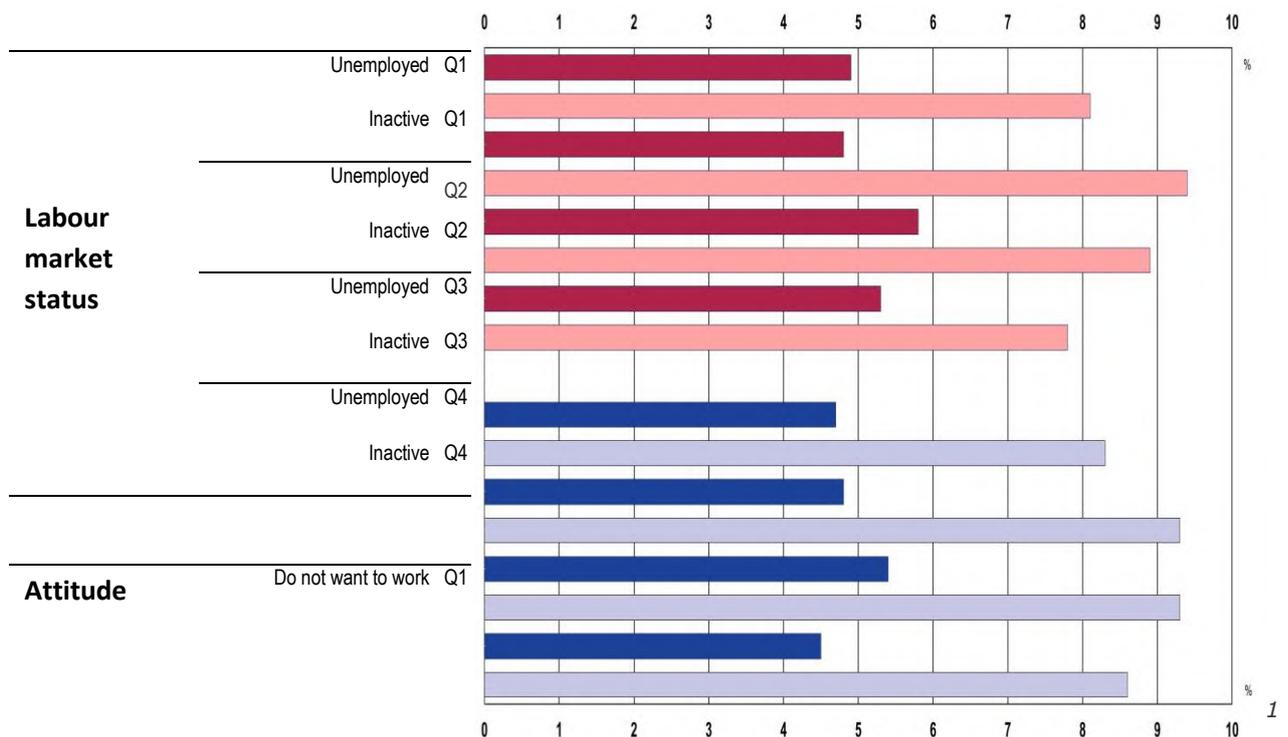
**Figure 8.13:** Proportion of young people (15-29) not in employment, education or training (NEET rate), total and by gender, EU-27, by quarter, 2020



Source: Eurostat [yth\_empl\_150]. Ad-hoc extraction 23.02.2021.

Considering the status of young NEETs in the labour market (Figure 8.14), the share of inactive NEETs (not looking for a job) increased the most in the second quarter of 2020 while that of the unemployed in the third.

**Figure 8.14:** Proportions of young people (15-29) not in employment, education or training (NEET rate) by labour status and attitude towards work, EU-27, by quarter, 2020



**about work**

Want to work Q1

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Do not want to work Q2

Want to work Q2

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Do not want to work Q3

Want to work Q3

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Do not want to work Q4

Want to work Q4

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Source: Eurostat [yth\_empl\_150]. Ad-hoc extraction 23.02.2021.

The comparative increase in the proportion of young people who are inactive in the first part of 2020, and of those who are unemployed in the second, can be at least partially explained by the recurring periods of confinement across Europe to contain the spread of the COVID-19. Strict restrictions on movement have hampered the possibility to seek jobs<sup>(40)</sup>. Coupled with the halt in economic sectors where young people are most frequently employed (mentioned above), lockdowns have pushed many young people into forced inactivity and unemployment<sup>(41)</sup>.

Concomitantly, the share of NEETs who are either inactive or unemployed and would like to have a job has increased, with a considerable jump in the second and third quarters of the year (Figure 8.14). The reduction that followed during the last part of 2020 did not bring the share back to the values of 2019. This increase is comparatively bigger than that in the proportion of those who do not want to work.

In addition to threatening the social inclusion of the general youth population, the COVID-19 pandemic deepens pre-existing inequalities between different groups. For example, research shows that those already having a precarious position in the labour market (such as low-skilled workers and long-term unemployed) are disproportionately affected by the economic downturn<sup>(42)</sup>.

Similarly, the disparities in participation in the labour market between young men and young women – already present as illustrated in the section on poverty – are aggravated. During lock-downs, when for many pupils school attendance is replaced by e-learning (an aspect dealt with in chapter 4), many women are obliged to reduce their (online) working time to care for children<sup>(43)</sup>. This unequal sharing of family responsibilities is also behind the fact that young women aged 18–34 were more likely to lose their job than men of the same age (11 % vs 9 %) <sup>(44)</sup>.

## Conclusions

Between 2015 and 2019, which was a period of economic recovery and expansion, the level of social inclusion of young Europeans has improved. All indicators analysed in this chapter showed positive trends. The share of young people at risk of poverty and exclusion decreased by 3.6 percentage points. Similarly, the proportions of young people living in poverty, in households with low work intensity and in conditions of material deprivation declined. The rate of NEETs also diminished.

However, data show that challenges continue to exist. Young people are more at risk of poverty or social exclusion than children and the total population. Moreover, the divide between young women and young men has deepened. Not only the proportion of women who are NEET is markedly higher than that of men, but while in 2015 men and women had the same rates of poverty or social exclusion, 4 years later the rate for women was 2.2 p.p. higher than that for men.

In addition, in the course of 2020, the share of NEETs has soared because of the impact of the COVID-19 pandemic on the labour market (see Chapter 3). Despite a reduction during the last 3 months of 2020, at the

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<sup>(40)</sup> Banco de España, 2020.

<sup>(41)</sup> Ibid.

<sup>(42)</sup> Furceri et al., 2020.

<sup>(43)</sup> Eurostat, 2021g.

<sup>(44)</sup> Eurofound, 2020.

end of the year the NEETs rate was still higher than that before the start of the pandemic. The increase has been mainly due to a growth of the proportion of young people who are inactive in the first part of 2020, and of those who are unemployed in the second, which can be at least partially explained by the recurring periods of lockdown. Strict restrictions on movement have hampered the possibility to seek jobs. Coupled with the halt in economic sectors where young people are most frequently employed, lockdowns have pushed many young people into forced inactivity and unemployment.