NEETs: who are they?
Being young and not in employment, education or training today

SUMMARY

'NEET' is an acronym used to refer to young people who are not in education, employment or training. The expression, which first emerged in the mid-90s in the United Kingdom, has been eagerly adopted by the media, policy makers and researchers due to its usefulness in describing the disproportionate effects of the economic crisis on the education, training and employability of young Europeans and, in the long term, on their social inclusion.

In 2015 in the European Union, 12% of 15- to 24-year-olds (6.6 million people) were not in a job, training or an internship. If we include young people up to the age of 29, the number of NEETs increases to almost 14 million, or 14.8% of that age group. This social group is highly diverse, including short- and long-term unemployed people, young people in transition, young people with family responsibilities and people with disabilities or medical conditions. Statistically, young women are over-represented and the probability of being a NEET increases with age; that figure is also inversely proportional to the level of education reached and varies widely from one Member State to another.

In response to the worsening of the NEET situation following the crisis, the European Commission drew up an EU Youth Strategy for the 2010-2018 period, whilst the European Parliament defended the NEET cause. The Youth Guarantee scheme created as a result is the European Union's key measure to provide support to NEETs.

In this briefing:
- Background
- Origin and meaning of the expression 'NEET'
- Statistics
- Socio-demographic factors
- Differences between Member States
- European policies
- Main references
Background
In the wake of the 2008 crisis, youth unemployment and integration into the labour market became priority issues both for the European Union (EU) and for its Member States.

According to Eurostat, in 2013, nearly a quarter of Europeans aged between 15 and 24 were unemployed (23.5 %). This figure had fallen to 20.3 % by 2015 and stood at 18.7 % in September 2016. Despite these signs of improvement, the youth unemployment rate remains very high in several Member States in southern Europe. In Cyprus and Portugal, it is above 30 %, whilst in Greece, Spain, Croatia and Italy, it is higher still, at over 40 %.

The economic and financial crisis of 2008 made entering the labour market even more difficult and made the shift from youth to adulthood longer. These transitions have manifested themselves in diverse ways, people's paths into and through society have become more individualised, and learning methods have taken on less academic characteristics.

Origin and meaning of the term 'NEET'

'NEET' is an acronym used to refer to young people who are not in education, employment or training. It emerged in the mid-90s (see boxed text below) to describe the social situation in which a growing category of the population found itself: young people who were not accumulating human capital in any of the usual ways – i.e. through work, education or training. The traditional indicators of employment, professional training and academic success were no longer enough to track the changing nature of the difficulties many young people were facing on the labour market, and the lasting fragility that ensued.

<table>
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<tr>
<th>From 'Status Zer0' to 'NEET'</th>
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<td>The term 'NEET' was first used in the United Kingdom in the middle of the 1990s. The issue of young people not in employment or education emerged following changes to the British welfare system that affected 16- and 17-year-olds: the Social Security Act of 1986 replaced the right to income support or benefits with a youth training guarantee. As a result, researchers and representatives of the British government wanted to develop a new way of measuring the prevalence of labour market vulnerability among young people.</td>
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<td>The expression 'Status Zer0' was first used in a study on young people in Wales, in reference to a group of people aged between 16 and 18 who did not fit into any of the categories commonly used to describe labour market status (employed or in education/training). The study highlighted the diversity of this group and the variation in its members' socio-economic situations.</td>
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<td>Researchers later abandoned this name in favour of 'NEET', in the hopes of clarifying the concept, drawing attention to the varied nature of the category, and removing the negative connotations linked to the expression 'Status Zer0'.</td>
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<td>The term 'NEET' officially became part of the British political vocabulary in July 1999 when it was used in the government report Bridging the Gap.</td>
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The acronym was eagerly adopted by the media, policy makers and researchers due to its usefulness in describing the risk of a 'lost generation' being created by the disproportionate effects of the economic crisis on the training and employability of young Europeans and, in the long term, on their social inclusion. Since the beginning of
the 2000s, similar – if not identical – definitions have been adopted in most of the Member States.

In response to the rapid increase in youth unemployment in Europe, the European Union adopted in 2010 a new official indicator to better take stock of the situation of young people not in employment, education or training, as part of its Europe 2020 strategy and by way of the Indicators Group of the Employment Committee (EMCO). This indicator is called the NEET rate and is calculated as follows:

\[
\text{NEET rate} = \frac{\text{Number of young people not in employment, education or training}}{\text{Total population of young people}}
\]

This ratio, which was devised using data from the European Labour Force Survey (EU LFS), can be used to assess the situation of young people in different age groups, the most commonly used categories being 15-24 years old and 15-29 years old.

By its very nature, the NEET category is mixed. Unlike the youth unemployment rate, 'NEET' allows for a diverse population to be grouped under a single concept. This same diversity, however, can be an obstacle to the accurate use of the concept. Indeed, it has earned the concept its fair share of criticism (see boxed text below).

### Criticism and the limits of the concept of 'NEETs'

Whilst it is a media favourite which is used by many international and non-governmental organisations and which has become a must in the development of European and national youth integration policies, reference to the concept of 'NEETs' raises certain methodological reservations.

Extending its use to cover the 15-29 age bracket tends to undermine the link established at the outset between the risk of social exclusion and the likelihood of being a NEET.

The concept of 'NEETS' describes, in a single term, groups with highly diverse characteristics and needs, from young graduates on the verge of entering the labour market to young women taking care of families – not to mention people with disabilities, young people who have been socially marginalised since their teens and, say, young volunteers who have gone to Africa to support non-governmental organisations. As such, it cannot be used to define a social group for which specific political measures might be taken.

Lastly, the diversity which is inherent to the concept of 'NEETs' is often hidden by the careless way in which it is used, which fails to highlight its complexity. As a result, 'NEET' s sometimes used in a way which stigmatises the young people in such situations by depicting them as a uniform group that is unwilling to work or study².

### Statistics

#### Proportion of NEETs in the European Union

According to the latest Eurostat data, in 2015, 12 % of EU citizens aged 15 to 24 (around 6.6 million people) were not in employment, education or training. The proportion of NEETs varies greatly from one Member State to another. Those with the fewest NEETs – at less than 7 % – are Denmark, Germany, Luxembourg, the Netherlands and Sweden. Conversely, in Bulgaria and Italy, NEETs make up almost a fifth of the population (more than 19 % of 15- to 24-year-olds).
If we extend the age group by five years, to cover 15- to 29-year-olds, the total number of NEETs in 2015 was almost 14 million, or 14.8% of that age category. The Member States with the lowest rates were Denmark, Luxembourg, the Netherlands and Sweden (less than 8%), whilst a quarter of this age group were affected in Greece and Italy (24.1% and 25.7% respectively).

**Effects of the crisis**

Analysis of the evolution of the proportion of NEETs in the EU shows how strongly the economic and financial crisis affected the younger generation.

Before 2008, the NEET rate was decreasing. Supported by continuing economic growth and increased participation by young people in education and training systems, the NEET rate fell steadily between 2004 and 2008, decreasing from 12.9% to 10.9% for 15- to 24-year-olds and from 15.3% to 13.1% for 15- to 29-year-olds.

Starting in 2008, this trend reversed in all EU countries except Germany, Luxembourg, Austria and Sweden. The proportion of NEETs in the 15-24 age group increased in the other 24 Member States between 2008 and 2013, before starting to decrease again. Similar trends can be observed at OECD level. The same is true if we extend the age group to 15- to 29-year-olds, except in Germany, Luxembourg, Malta, Austria and Sweden.

**Composition of the NEET population**

The NEET indicator aims to assess the situation of young people currently not in education, training and employment. It covers those who cannot find work (the unemployed) and those who are not looking for work (the inactive). Many studies have devised classifications to reflect the level of diversity within the social group.

To better understand the background of such young people, assess their needs and try to meet those needs with ad hoc policies, a NEET categorisation was put forward in two successive studies by the European Foundation for the Improvement of Living and Working Conditions (Eurofound). The first study from 2012 identified five sub-groups: the conventionally unemployed, those not available to join the labour market, those who have disengaged from it, those dedicating time to other activities (arts, volunteering, self-directed learning, etc.) and those who are simply taking time out for themselves.

A further study from 2016 refined the categorisation, identifying seven sub-groups listed here in order of weighting: short-term unemployed (29.8%), long-term unemployed (22%), unavailable due to family responsibilities (15.4%), re-entrants (7.8%), unavailable due to illness or disability (6.8%), ‘discouraged’ workers (5.8%) and, lastly, others who are inactive for unknown reasons (12.5%).

**Socio-demographic factors**

**Gender**

There are more female than male NEETs in the European Union.

In 2015, the NEET rate among 15- to 24-year-olds was 12.3% for young women as against 11.8% for young men. That gap had been as wide as 3.4 percentage points in 2000, but it dropped to half a percentage point in 2015 due to more women participating in the labour market and a comparatively bigger rise in the unemployment rate among young men during the crisis (Eurofound). Marked differences can be seen among Member States. In the Czech Republic, Germany, Hungary, Malta, Romania and...
the UK, the majority of NEETs (around 55 %) are young women. Meanwhile, young men account for the majority of NEETs in Croatia, Cyprus, Luxembourg and Finland.

If we expand the age group to cover those aged 15 to 29 years, the NEET gender gap is even wider: in 2015, 16.7 % of young women were NEETs as against just 13 % of young men (Eurostat). This rather large gap is primarily due to the fact that young women who are NEETs often come to be in that situation for family reasons. In the EU, women make up 88 % of young people who are not in employment, education or training for family reasons. By contrast, young men are predominant in all the other NEET sub-groups.

Age
The proportion of NEETs increases with age. In 2015, just 6.3 % of young people aged 15 to 19 were not in employment, education or training. That rate jumps to 17.3 % for 20- to 24-year-olds and to 19.7 % for 25- to 29-year-olds (see Figure 1).

Figure 1 – NEET rate by age group – EU 28, 2004-2015

Source: Eurofound, 2016.

Education
As a general rule, a person's probability of being NEET is inversely proportional to their level of education. Without a doubt, high educational attainment is still the best defence against unemployment and social exclusion, as attested to by OECD and Eurofound studies.

The image of the young person who has dropped out of school or has a very low level of education and who has few job prospects does actually reflect the reality. Yet, while the depiction may be valid for the youngest NEETs, it needs to be refined. According to Eurofound, in the southern EU Member States hardest hit by the crisis, including Cyprus, Greece and Croatia, there is a higher percentage of NEETs among young people with a tertiary education than in all the other categories (e.g. more than 40 % in Greece in 2013).
Differences between Member States

The socio-demographic differences among NEETs are matched by marked differences at geographical level. An analysis of NEET population characteristics in each Member State shows that the size and composition of the group varies considerably from country to country. Eurofound used those variations as a basis for developing a typology for the EU distinguishing between three clusters of countries:

- The first cluster is mainly composed of Nordic, western and continental countries: Belgium, Denmark, Germany, France, Luxembourg, Malta, Austria, the Netherlands, Slovenia, Finland, Sweden and the UK. It is characterised by a low NEET rate with a very low proportion of long-term unemployed and discouraged workers and a larger proportion of young NEETs with a disability.
- The second cluster mainly comprises southern European countries (Greece, Spain, Croatia, Italy, Cyprus and Portugal), along with Ireland. The countries in this cluster all have a NEET rate that is above the EU average, with a significant proportion of their NEETs being long-term unemployed or discouraged workers.
- The third cluster comprises eastern European countries: Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia. Although their NEET rates vary considerably, the proportion of young people not in employment, education or training due to family responsibilities is greater than the EU average in all of those Member States.

EU policies

The cost of long-term NEET exclusion

Protracted youth disengagement from the labour market can have serious consequences at an economic, social and individual level. In 2013, Eurofound estimated the economic loss due to the lack of a NEET policy to be EUR 162 billion for the year 2012 (i.e. 1 % of EU GDP). The academic and political consensus is that a lengthy absence from the labour market or educational system leads in the long run to lasting social exclusion.

EU measures for NEETs

In April 2009, with the situation of NEETs deteriorating, the European Commission adopted a communication proposing a new EU youth strategy for the period 2010-2018. The strategy places an emphasis on education and the promotion of youth employment as key means of facilitating young people’s social inclusion.

A key measure: the Youth Guarantee

In this context, the implementation of the Youth Guarantee is a core component of EU NEET policy. The Youth Guarantee entered into force in 2014 thanks to a high level of political mobilisation on the part of the EU institutions and the Member States. It saw Member States undertake, via an April 2013 recommendation, to offer every young person under the age of 25 good-quality employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

The guarantee needs stakeholders' cooperation and active involvement if the priorities set by the Council in its April 2013 recommendation specifically relating to NEETs – namely increasing the information available to young people, improving their qualifications and facilitating their integration into the labour market – are to be achieved. Given the differences in Member States’ NEET populations as well as in their
institutional, political and financial structures, the Council of the EU encouraged countries to design and pursue their own schemes for implementing the Youth Guarantee, a fact which makes comparison difficult. However, the measure seems to have fuelled a trend at national level towards proposing more targeted action.

The latest documents published by the European Commission in April 2016 suggest that much effort has been made to reintegrate certain NEET groups, in particular the short-term unemployed who are not yet far removed from the labour market. Member States’ national plans frequently included measures aimed at young people with disabilities or illnesses. By contrast, there were few measures focusing on long-term unemployed young people.

*Other measures for NEETs*

Helping young people who are NEET due to family responsibilities (15.4 % of NEETs, of which 88 % are young women) to enter the labour market is also a strategic element in a series of actions implemented by the EU to foster equality between women and men and boost the employability of women. The European Parliament has been very active in promoting gender equality and the employment of women in times of crisis, as well as on behalf of NEETs in general. The December 2016 Council conclusions on women and poverty also invited Member States to implement specific measures for young female NEETs as part of their policies on combating poverty and on social inclusion.

Furthermore, as an OECD study (2015) tells us, measures aimed at promoting independence and enhancing all the skill sets of young people are key factors in rehabilitating NEETs and reintegrating them into social and economic life.

*Main references*


European Foundation for the Improvement of Living and Working Conditions, *NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe*, 2012.


*Endnotes*

1 The International Labour Office used the expression 'lost generation' in the 2010 edition of its report *Global Employment Trends for Youth*.


3 According to the OECD, since 2005, the average length of time spent in school has increased by about half a year.


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