

# ▶ Global Employment Trends for Youth 2020: Europe and Central Asia

In 2020 the NEET rate in Europe and Central Asia (ECA) is projected to be 14.6 per cent; well below the Global rate (table 1). Moreover, in contrast to many other regions this represents a significant improvement on the situation in 2012. Between 2012 and 2020, the ECA NEET rate is estimated to have fallen by 1.2 percentage points. One could thus argue that the region as a whole has made significant progress towards meeting the SDG target of substantially reducing the NEET rate by 2020, although a significant part of this reduction - one full percentage point - had occurred by the time the SDG target was established in 2015 driven at least partly, by the large scale interventions in youth labour markets specifically

targeting NEETs initiated in 2013 under the Youth Guarantee programme in the European Union. Especially since 2015, a number of substantial active labour market interventions targeting youth have also been introduced in non-EU countries in the region.

In Europe and Central Asia, although female NEET rates are certainly higher than males ones, the gender disparity - of just over 4 percentage points in 2020 - is much less pronounced than it is globally, where two out of three young NEETs are women. The disparity has also fallen slightly from 4.8 to 4.3 percentage points between 2012 and 2020.

**Table 1: NEET, unemployment and labour under-utilization (LU3) rates for young people, ECA, 2012-2021.**

			2012	2018	2019	2020	2021
NEET rate	<b>World</b>	<b>Total</b>	<b>21.6</b>	<b>21.9</b>	<b>22.2</b>	<b>22.3</b>	<b>22.5</b>
		Total	15.8	14.3	14.5	14.6	14.9
	Europe & Central Asia	Male	13.4	12.2	12.4	12.5	12.8
		Female	18.2	16.6	16.7	16.8	17.1
Youth unemployment rate	<b>World</b>	<b>Total</b>	<b>13.4</b>	<b>13.5</b>	<b>13.6</b>	<b>13.7</b>	<b>13.8</b>
		Total	19.1	15.6	15.7	15.5	15.7
	Europe & Central Asia	Male	19.1	15.4	15.8	15.6	15.8
		Female	19.0	15.8	15.6	15.3	15.5
LU3	<b>World</b>	<b>Total</b>	<b>19.6</b>	<b>20.1</b>	<b>20.2</b>	<b>20.4</b>	<b>20.5</b>
		Total	26.1	22.4	22.4	22.3	22.6
	Europe & Central Asia	Male	25.6	21.5	21.8	21.7	22.0
		Female	26.8	23.5	23.2	23.0	23.2

## ► Global Employment Trends for Youth 2020: Europe and Central Asia

Youth unemployment rates are, in contrast to NEET rates, significantly higher in ECA than in the world as a whole, although progress on the youth unemployment rate in the region between 2012 and 2020 has been substantial. Indeed, the reduction in NEET rates observed between 2012 and 2020 is to be attributed to the pronounced fall in the numbers of young unemployed NEETs, as opposed to any reduction in the numbers of young NEETs outside the labour market. The youth unemployment rate is expected to fall by 4.6 percentage points between 2012 and 2020. In contrast with the NEET rate, there is no gender disparity to speak of in youth unemployment rates. Indeed, female youth unemployment rates have fallen slightly more than males ones between 2012 and 2020, so that globally in 2020, face unemployment rates which are 0.3 percentage points lower than for young men.

The ILO's labour under-utilization index LU3<sup>1</sup> is relatively high in the region; at 22.3 per cent in 2020, it is almost two percentage points above the global average of 20.4 per cent. However, there has been a marked improvement in the

index in recent years and, in contrast to the global average which has increased between 2012 and 2020, in ECA the index has fallen by almost four percentage points.

Unfortunately between 2020 and 2021, all three indices – for both young women and men – are expected to increase in ECA albeit slightly, conforming to the global picture.

Turning to working young people, the employment population ratio in ECA has remained relatively constant over the period, in contrast to the global trend towards falling employment rates. The latter phenomenon is to be attributed to the increasing participation in education observable in many regions. In ECA, educational participation rates were already rather high in 2012 and, although these continue to rise, they do so more gradually than elsewhere thus having a smaller impact on the overall employment rate which also reflects – and in ECA is more sensitive to – the business cycle.

**Table 2: Employment and working poverty rates for young people, ECA, 2012-2021.**

			2012	2018	2019	2020	2021
Employment-to-population ratio	<b>World</b>	<b>Total</b>	<b>38.7</b>	<b>35.8</b>	<b>35.6</b>	<b>35.4</b>	<b>35.1</b>
		Total	33.5	34.5	34.1	33.9	33.4
	Europe & Central Asia	Male	37.4	38.5	38.0	37.7	37.2
		Female	29.3	30.3	30.1	29.9	29.5
Extreme working poverty rate (<1.90 USD per day PPP)	<b>World</b>	<b>Total</b>	<b>16.3</b>	<b>13.1</b>	<b>12.8</b>	<b>12.6</b>	<b>12.4</b>
	Europe & Central Asia	Total	2.4	1.6	1.5	1.4	1.3

Informal employment in the region is, as elsewhere, more prevalent amongst young people than amongst adults, however, although significant – 35.7 per cent of young workers are in informal jobs in the region – the rate of informality is well below the global average of 77.1 per cent of young workers.<sup>2</sup> Working poverty is on the decline everywhere. Notable here is that ECA is a relatively

prosperous region with relatively low working poverty rates; hence, although extreme working poverty rates have fallen, the reduction – from 2.4 per cent of young workers in 2012 to 1.4 per cent in 2020 – has been more modest than that observable globally, where the extreme working poverty rate has fallen from 16.3 per cent to 12.6 per cent between 2012 and 2020.

<sup>1</sup> The LU3 indicator may be thought of as a broadened unemployment rate in as much as it includes both the unemployed and the potential labour force comprised of those who would like to work but for one reason or other are not actively looking. The precise definition may be found at <https://ilostat.ilo.org/glossary/lu3/>.

<sup>2</sup> Based on data reported in ILO (2018). Data is for 2016 or nearest year.