

# FEATURES, DIMENSIONS AND COSTS OF ROMANIAN "NEET" YOUTH IN THE EUROPEAN CONTEXT

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**Abstract.** *In the European Union, young people, according to Eurostat statistics, represent one-fifth of the total population. Although today modern Europe offers unprecedented opportunities for young people, they still face challenges (aggravated by the economic crisis) related to education and training systems, access to labor market, globalization and population aging.*

*If in 2012, in EU-27, were employed only 32.9% of the people younger than 25 years (4.5% lower compared to 2008 level), youth unemployment rate was of 22.8% in 2012, much higher than the value recorded in 2008 (15.8%).*

*Also, given the current conjecture, traditional linear trajectories for young people integration in society are increasingly being replaced by diversified and individualized trajectories. Youth inclusion in the labor market becomes more complex and it takes place at an older age, these young people frequently moving in and out of the labor market. Consequently, traditional approaches to understanding the vulnerable position of young people in the labour market have become less effective, as many of these transitions are not captured by conventional indicators of unemployment.*

*In this context, the concept of NEET has been introduced to characterize the size and structure of a vulnerable group of young people i.e. those young people who are not engaged in any form of employment, education or training.*

*At EU level, NEETs are considered to be one of the most problematic groups in the context of youth unemployment.*

*According to Eurostat, in 2012, in Europe, 7.5 million young people aged 15-24 were excluded from the labor market and the education system. This boosted the rate of NEET population, aged 15-24, from the 10.9% level in 2008 to 13.2% in 2012, with significant variations between Member States: less than 5% in the Netherlands, more than 18% in Bulgaria, Ireland, Italy, Greece and Spain. In Romania, under the impact of the financial crisis, the rate of NEET population increased from 11.6% in 2008 to 17.4% in 2011 and 16.8% in 2012.*

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*This paper presents an analysis of the size and characteristics of the NEET population in Romania compared to other EU-27 Member States. It analyzes, for the pre-crisis period and under its impact, NEET groups' ethnic affiliation and education and gender structure.*

*The paper also presents an analysis of the economic costs, supported by various European countries, of NEET population non-integration.*

**Keywords:** NEET youth, vulnerability, employment, unemployment.

**JEL Classification:** E24, J21, J23, J64, J82.

## 1. Introduction

In the European Union, young people are, according to Eurostat statistics, one-fifth of the total population. Even if modern Europe today offers unprecedented opportunities for young people, however, young people face challenges (aggravated by the economic crisis) related education and training systems and labor market access.

The 94 million Europeans aged between 15 and 29 years, face, besides the traditional challenges when beginning adult life, a life in an era of complete globalization and with the need to cope with the responsibility of an aging population. How these young people have been hit so hard by the economic crisis is very worrying.

In 2011 only 34% of young people were employed professionally, the lowest figure ever recorded by Eurostat.

Youth unemployment is very high, reaching 21.8% in 2010 and 21.9% in 2011. In this context, the objective of the “Europe 2020” strategy targeting an employment of 75% for the population aged 20-64, requires the improvement of the measures / ways through which young people transition to the labor market.

The social inclusion of young people issue has always been on the political agenda, but in the last two decades it has received a special attention. In the European context, from 1988 until now specific programs such as “Youth for Europe” were implemented, but only in 2001 was released the first strategic document regarding young people, “The White Paper on Youth” [15]. The document proposes the cooperation of European Union Member States towards the prioritization of some areas, namely: participation, information, voluntary activities, understanding and knowing young people.

Between 2010-2018, EU directives regarding youth were gathered in the strategic document “Youth – Investing and Empowering” [6] concern-

ing the policies related to young people in Europe in terms of education, employment, social inclusion, civic participation, entrepreneurship etc.

Youth participation in the labor market varies significantly from one Member State to another. Although there are significant differences between Member States, the labor market is more volatile in the case of young workers than for workers in other age groups.

Since economic growth and the number of young people without a job are inversely related, during recession, young people are particularly vulnerable: frequently, they are the first to leave and the last to enter the labor market. To seek for a job, they have to compete with people more experienced professionally in a market that offers very few employment opportunities.

Yet, the statistics provided by various international bodies on youth participation in the labor market do not accurately reflect their situation because many of them are students and consequently are not considered part of the labor force. Therefore, it can be said that traditional labor market participation indicators have limited relevance for the young people.

In this context, EU policymakers are increasingly using the concept of NEET (*not in employment, education or training*). The NEET category refers to young people aged between 15 and 24, irrespective of their level of education, not in employment and not in any educational program and therefore at a higher risk of social exclusion and from the labor market.

The NEET acronym first appeared in the UK in the late 1980s, and it was an alternate name for the young people category, following some policy changes regarding unemployment benefits. Since then, in almost all Member States have been developed NEET equivalent definitions.

According to the latest estimates of Eurostat, in 2012, the percentage of young people in the EU-27, who are not in employment, education or a training program rose to 13.2% of the population aged between 15 and 24. This percentage varies significantly from one Member State to another, from 4.7% in the Netherlands to 21.6% in Greece and 1.5% in Bulgaria. In Romania, 18.6% of people aged between 15 and 24 are categorized as NEET.

## **2. Youth participation in the labor market**

In “World of Work Report 2011: Making markets work for jobs” [11] conducted by the International Labour Organization of the United Nations

it is stated that “Austerity has not produced more growth. Poorly designed labor market reforms will not work either on short term. In times of crisis, such reforms tend to lead to the extinction of even more jobs and the emergence of very few jobs, at least in the short term” (Raymond Torres, director of the Institute for International Work Studies in the ILO and one of the authors of the report).

In the EU-27, the 56.953 million young people aged 15 to 24 together with the 33.349 million aged 25-29 years old a tremendous resource for society. Most Member States are facing increasing challenges regarding the absorption and integration of young people in education systems and labor markets.

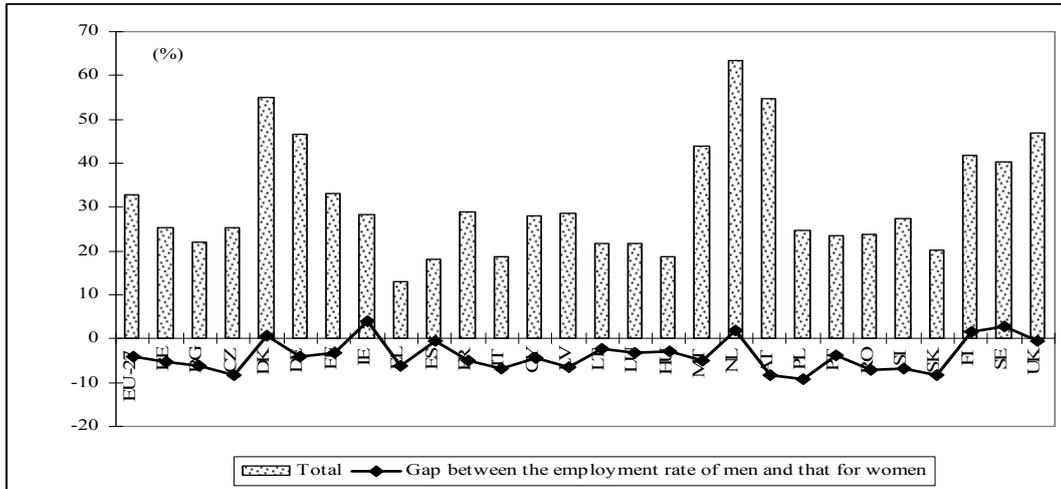
Youth unemployment is very high, reaching 22.8% in 2012, well above the 10.5% total unemployment rate in the EU. In this context, the 75% objective of employment for the population aged 20-64 years old in the strategy “Europe 2020” requires improved measures / ways for young people’s transition to the labor market.

Analyses carried out by the ILO show that the number of unemployed young people will not drop until at least 2016. An additional pressure on the unemployment rate is expected to take place when those who prolong their studies due to limited prospects of finding a job will eventually enter the labor market.

In the near future, the European Union will face two major demographic challenges: aging and reduced population. The share of young population will continue to decline, while that of older people will increase. As a result, active population characteristics will change.

In 2012, the employment rate of young people in the EU-27 was 32.9%, down 4.1 pp compared to 2000 and by 4.4 pp compared to 2007. By this measure, the Member States can be separated into five groups:

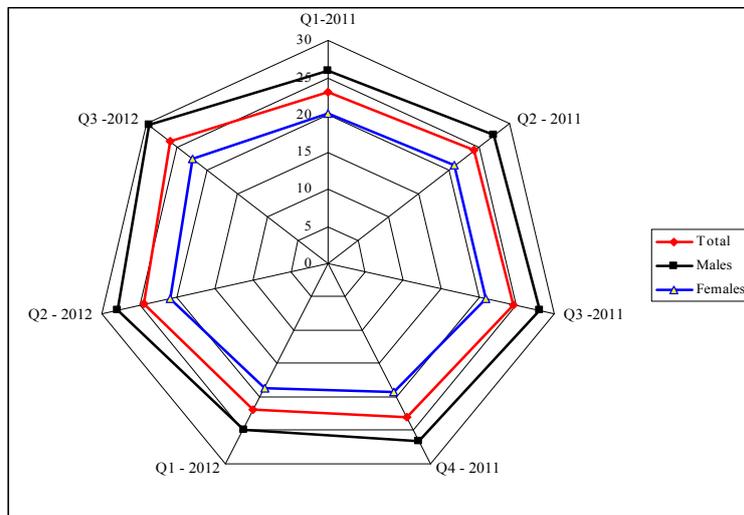
- i) those that have activity rates above 50%: Netherlands, Denmark and Austria;
- ii) the activity rates between 40-50%: Germany, United Kingdom, Malta and Sweden;
- iii) that with the activity rate value close to that recorded in the EU-27: Estonia;
- iv) the most numerous group of states with the activity rate between 20-30% (Figure 1) and
- v) countries with less than 20% activity rate: Italy, Hungary, Spain and Greece.



**Figure 1.** The youth employment rate and the gap between the employment rates by gender in 2012.

**Source:** Eurostat Statistics (online date code: [lfsa\_ergaed]).

The impact of the financial crisis on the labor market in Romania was reflected in the reduction of youth employment rate (Figure 2).



**Figure 2.** Evolution of the youth (15-24 years) employment rate in Romania.

**Source:** database Tempo online – time series of NIS.

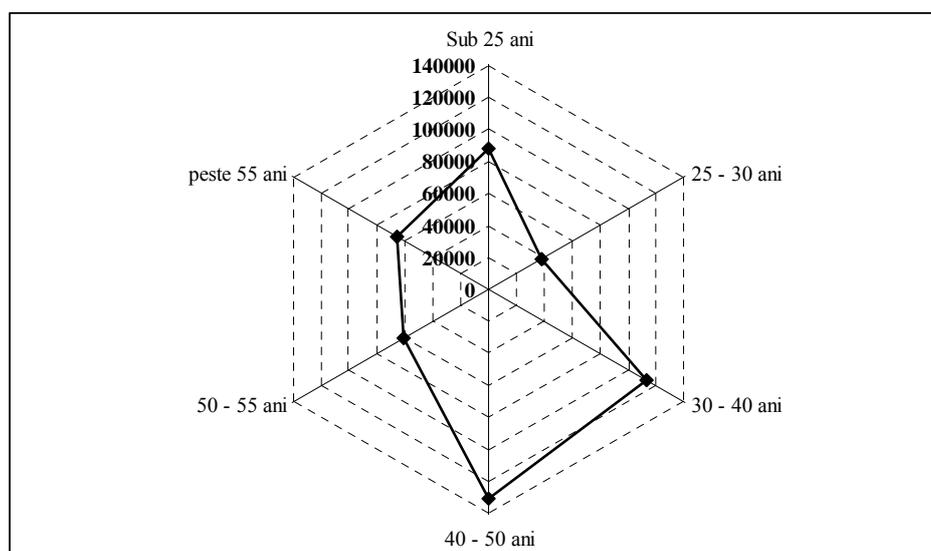
A result of the economic downturn was also a more pronounced reduction in the employment rate of young women compared to men of the same age. In Romania this process was much more pronounced than in other EU member states, or compared to the EU-27 average. Thus, in

Romania, for the third quarter of 2012, the gap between the employment rate of young women and men was 7.2 pp.

The analysis of youth employment by national economic activity reveals its reduction for most sectors, the only one increasing during the recession were “Agriculture, forestry and fishing” and “Accommodation and food service activities”.

According to the National Institute of Statistics of Romania data, the unemployment rate in Romania, for people aged between 15 and 24 for the third quarter of 2012, the rate reached 22.7%. In Romania, the evolution of the main macroeconomic indicators for the youth labor market during the transition period does not indicate positive developments for people between the ages of 15 and 24. However, the few existing jobs in the country were fully exploited, which can not be said of many European Union countries.

At the end of December 2012, the unemployment structure by age in Romania was: 26.3% of the unemployed were represented by people aged 40-50 years old, 22.7% by the group 30-40 years, 7.67% were people under the age of 25 (Figure 3).



**Figure 3.** Unemployment by age at the end of December 2012.

**Source:** *Statistics*, National Employment Agency.

One of the problems facing Romania is the continually aging population, putting pressure on the social security system, pension fund, and the educational system.

The highest values for Romanian youth unemployment were recorded for high school and professional schools (the vocation) graduates.

The analysis of evolution of unemployment statistics indicate that the structure of registered unemployed by age groups maintained its development for the period 2008-2012, with regular amplitudes, the crisis did not influence this structure.

### **3. General characteristics of NEET young people**

Usually, labor market participation is described by indicators such as employment and unemployment rates. They provide information on those who already have a job or are actively looking for one. However, basic unemployment and employment statistics do not adequately capture the issue for young people, as those who are students are classified as being out of the labour force.

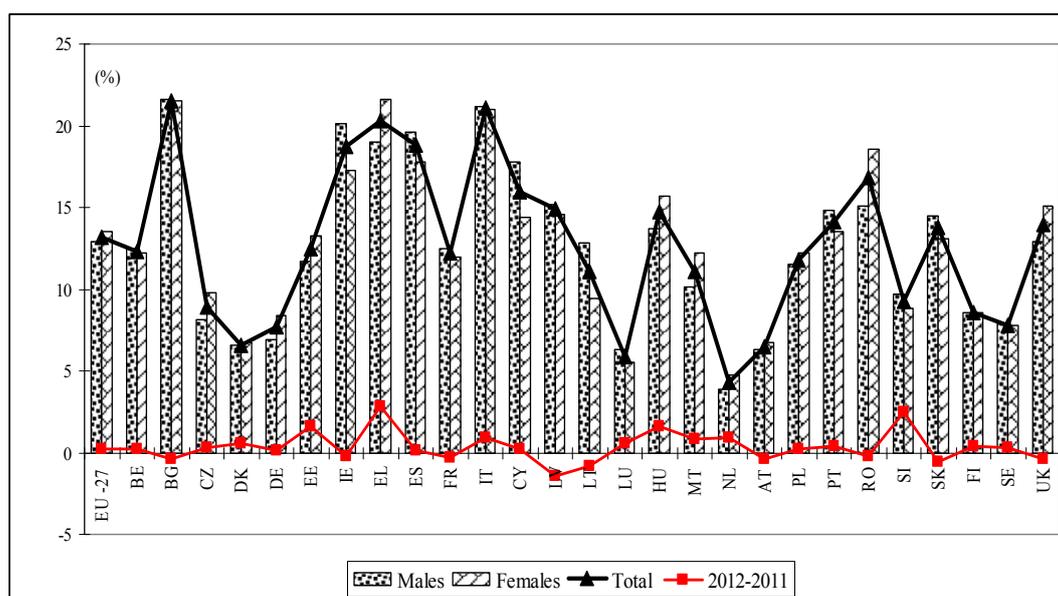
In the current situation, the integration of young people into society can no longer follow the traditional linear model (as a sequence of steps from school to work), and is therefore replaced by diversified and individualized pathways from school to work. It results that traditional approaches for the analysis of young peoples' vulnerable position in the labor market are not effective, many of these transitions not being captured by conventional indicators of the labor market.

Thus researchers, national and international authorities have begun to use alternative concepts and indicators to characterize and analyze the youth labor market. The NEET (not in employment, education or training) concept was developed for people aged 15 to 24 who, regardless of their level of education, are not employed and are not included in any educational program and therefore are at a higher risk of social and labor market exclusion. Since 1980 when the acronym NEET first appeared (it appeared in the UK as an alternative name for young people category, following policy changes regarding unemployment benefits), the interest in the NEET category increased at the EU policy level and the term is explicitly mentioned in Agenda 2020, as well as in the 2012 Employment Package 'Towards a job-rich recovery' [5].

The term NEET continues to mainly capture teenagers. In Japan and Korea, the category tends to be associated with a social phenomenon that affects not only the labour market but also the integration of young generations into society. For example, the Japanese definition of NEET strongly differs from the one adopted in Europe; there, the NEET group is defined as 'people aged 15-34 years old who are not in the labour force,

not attending school and not housekeeping' [13]. Similarly, in Korea, NEET refers to people aged 15–34 years who have left school, are not preparing to enter a company, do not have a job, do not have family responsibilities (or children) and are not married [14]<sup>1</sup>.

According to the latest Eurostat estimates, in 2012, the percentage of young people not employed who are not in an educational or training program reached 13.2% of the population aged between 15 and 24 years in the EU-27 (Figure 4). This percentage varies significantly from one Member State to another, from 4.3% in the Netherlands to 21.5% in Greece and 21.1% in Italy. With the exception of Ireland, Romania, Bulgaria, Austria, the United Kingdom, Lithuania and Latvia, which in 2012 showed a slight reduction of people in the NEET category (Figure 4), all other Member States registered an increase. Thus in 2012, in Greece, and Slovenia, the population in this category has increased by 2.9 pp, respectively by 2.2 pp (Figure 4), in Hungary, Cyprus, Portugal, Italy and Estonia with values between 1 and 2 pp and in the other Member States the increase was below 1 pp.

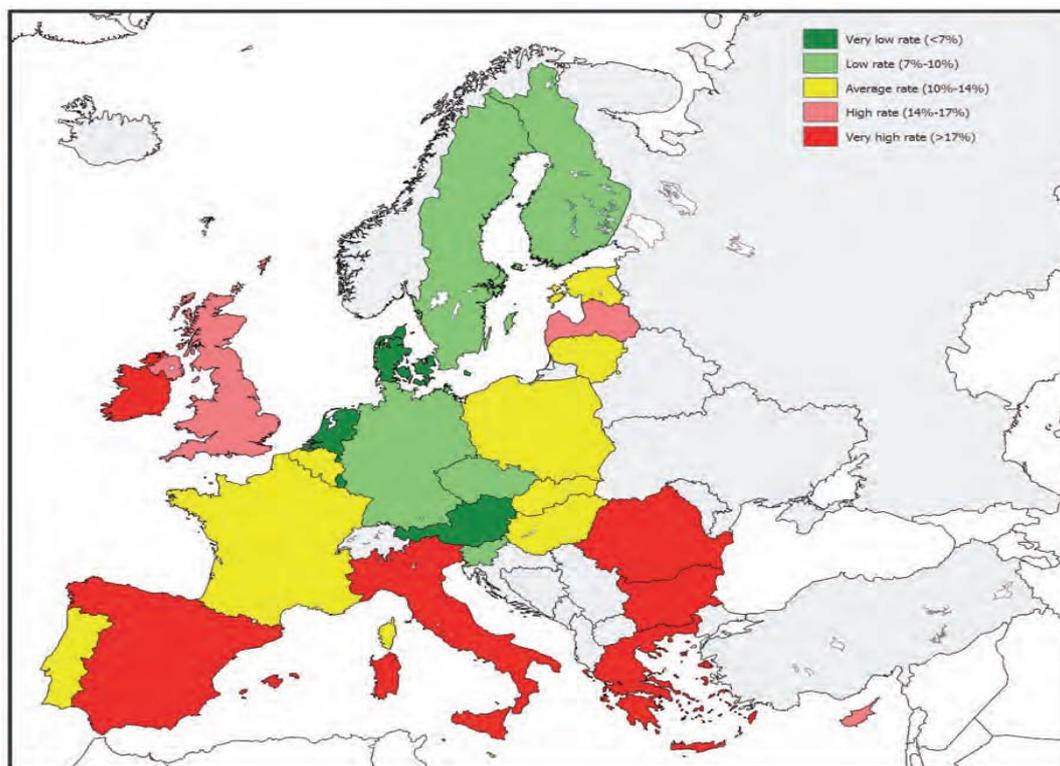


**Figure 4.** NEET rates in Europe by sex, 2012.

**Source:** Eurostat Statistics (online date code: [edat\_ifse\_20]).

<sup>1</sup> NEETs Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, European Foundation for the Improvement of Living and Working Conditions, 2012, pp20, [www.ec.europa.eu](http://www.ec.europa.eu)

For 2011, based on Eurostat statistics, countries were grouped according to the NEET rate for persons aged 15-24 years old. States are categorised into five types ranging from those with very high NEET rates, where over 18% of young people are NEET, to those with very low NEET rates, where less than 7% of young people are NEET. Their geographical distribution is shown in Figure 5.

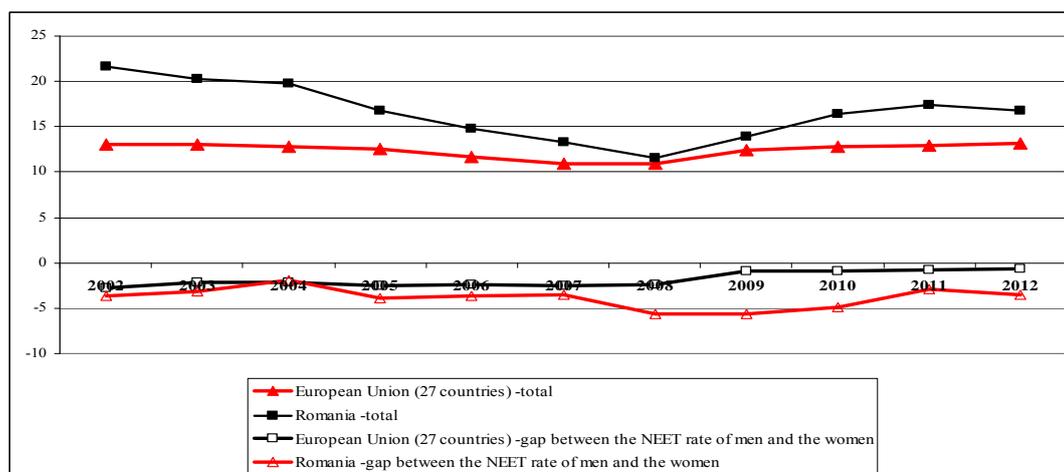


**Figure 5.** NEET rate in Europe among those aged 15-24 years.

**Source:** NEETs Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, European Foundation for the Improvement of Living and Working Conditions, 2012, p. 28, [www.ec.europa.eu](http://www.ec.europa.eu)

The analysis of the NEET rate in Romania compared to that recorded in the EU-27 shows that between 2002 and the onset of the crisis, it had a more pronounced reduction trend. If ECAT of youth NEET rate between Romania was of 8.6 pp in 2002, it was reduced to 3.6 pp in 2012. In Romania, the rate of young NEET people decreased from 21.6% in 2002 to 11.6% in 2008 and increased to 17.4% in 2011 (Figure 6).

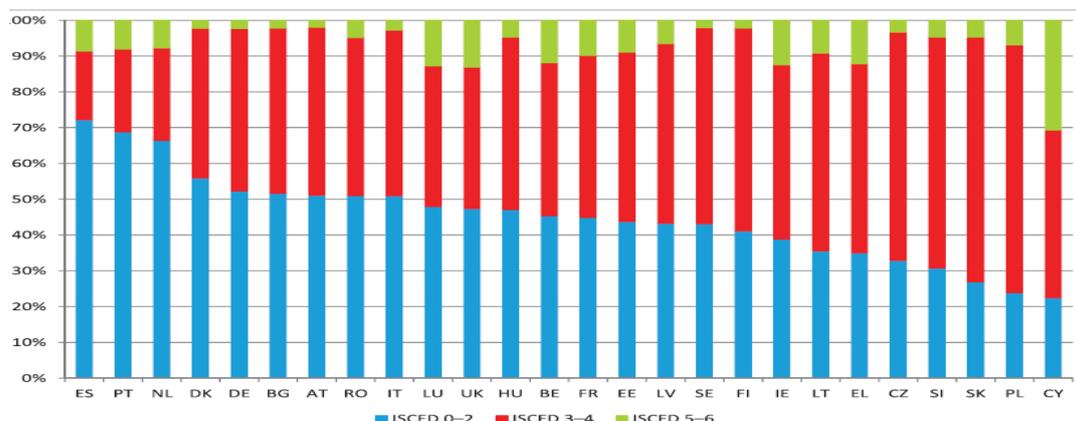
Young people were the most affected by the recession and NEET rates began to rise again. Since the onset of recession, the NEET rate increased in all Member States except Austria, Germany and Luxembourg. While in 2002 the average was 11.6% for males and 14.4% for women in the EU-27 and 19.8% for men and 23.9% for women in Romania, the gender gap narrowed over the period considered in 2012 to 06% in the EU-27 and 3.5% in Romania (figure 6).



**Figure 6.** Evolution of NEET rate for people aged 15-24 and the gap between the NEET rates by sex.

**Source:** Eurostat Statistics (online date code: [edat\_lfse\_20]).

The NEETs are young, regardless of their level of education. The analysis of the level of education of young people in the NEET category reveals that those with lower levels of education are overrepresented in the NEET group data. The analysis of the NEET population structure aged 15-24 years in 2010 shows that in Spain and Portugal young people with a lower education level represents about 70% of the NEET population. In countries like the Netherlands, Denmark, Germany, Bulgaria, Austria, Romania and Italy most people NEET have a lower level of education than the average (Figure 7). In Cyprus, UK, Greece, Belgium, Ireland and Luxembourg more than 10% of the NEET population are university graduates.



**Figure 7.** Structure of the NEET population by level of education in 2010.

**Source:** *NEETs Young people not in employment, education or training: Characteristics, costs and policy responses in Europe*, European Foundation for the Improvement of Living and Working Conditions, 2012, p. 31, www.

European statistics reveal that the size and the characteristics of the NEET population vary greatly between Member States. For example, in 2012, in Italy, Bulgaria and Romania a significant percentage of the NEET population aged 15-24 are inactive without previous work experience (14% in Bulgaria, 12.2% in Italy, and 10.3% respectively in Romania), Whereas in Spain and Sweden young people who are NEET are more likely to be unemployed with work experience.

The similarities of the NEET groups from various EU-27 countries allowed their grouping into four clusters:

- **Cluster 1:** includes Austria, Denmark, Finland, Germany, Luxembourg, Netherlands, Sweden and the UK. With the exception of Great Britain, all these countries are characterized by a low NEET rate and a percentage of NEETs women below the EU average. Also, for almost all of these countries, most young people in the NEET category are inactive and have a low level of education, well above the EU average;
- **Cluster 2:** comprising Greece, Italy-Bulgaria, Hungary, Romania, Poland and Slovakia. Except for Poland in this group of countries, the rate of NEETs women is much higher than the EU average. Characteristic for these countries is that most young people in the NEET category are inactive, have no work experience or have work experience less than the EU average and NEET young people have a lower education level, the share of those NEET with higher education is above the EU average;

- **Cluster 3:** consisting of Estonia, Ireland, Latvia, Lithuania, Portugal and Spain, countries that were severely affected by the economic crisis and where youth unemployment rate during recession has doubled or even tripled. The NEET rate recorded in most countries is generally higher than the EU average and most NEET young people are men with work experience higher than the EU average. Share of the NEET population with tertiary education is above the EU average;
- **Cluster 4:** comprises Belgium, Cyprus, Czech Republic, France, Luxembourg and Slovenia. In these countries the NEET rate is slightly below the EU average and the majority of NEET young people are female. The NEET young people in these countries appear to be associated to the increase in unemployment due to the crisis.

#### 4. Determinants of enrollment among young NEETs

Appearance, size and structure of the NEET young category are generated by a series of social, economic, personal and family factors.

The condition results from a complex interaction of institutional, structural and individual factors [1]. The literature suggests that there are two main risk factors related to vulnerable NEET status: disadvantage and disaffection.

Data provided by the 2008 *European Values Survey* (EVS) [9], conducted on a large transnational and longitudinal scale on basic human values revealed a number of factors that increase the probability of young people to enter the NEET category. Among these could be considered<sup>2</sup>:

- young people from *immigrants* are 70% more likely to become NEET than nationals;
- young people with *low levels of education* are three times more likely to become NEET than those with higher education;
- residing in *remote areas* increase by up to 1.5 times the likelihood of becoming NEET;
- young people *who have a disability* are 40% more likely to become NEET than the rest;
- young people with a *low income household* are more likely to become NEET than those with an average income;

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<sup>2</sup> *Young people and NEETs in Europe: First findings*, European Foundation for the Improvement of Living and Working Conditions, TJ-32-11-956-EN-C

- for young people *whose parents were unemployed* likelihood of becoming NEET is higher by 17%;
- for young people *whose parents have a low educational level* doubles the probability of becoming NEET;
- young people with *divorced parents* are 30% more likely to become NEET.

Despite the higher probability to cumulate more disadvantages, NEET is a heterogeneous category that includes a variety of categories. In this category, on the one hand are persons who have no control over the situation as it is: young unemployed, sick or disabled and young people who care for family members. On the other hand, other youth subgroups have full control over the situation in which they are: those who are not seeking a job nor advancing their education being forced to be in this situation due to other obligations or disabilities.

Therefore, the NEET concept entered the policies vocabulary without a special attention being given to the significance and reality it is trying to represent. Thus, this concept draws attention to the polyvalent nature of disadvantages as it includes various categories that may have different needs, but are at risk of becoming unemployed regularly or not being enrolled in education or training in the near future or medium term.

## **5. Economic cost of NEETs**

The NEET status represents a waste of young people's potential with a negative impact to them, but also to society and the economy.

As a result of this status for longer may occur a wide range of adverse social conditions: isolation, insecure employment and low wages, crime and physical and mental health problems, not starting a family or divorce etc. Each of these consequences entails a cost and therefore the NEET status is not only a problem for the person concerned but also for the society and the economy as a whole.

The calculation of such costs is complex because, on one hand, the series of possible costs, that may include actual, medium and long term costs, is wide and varied, and on the other hand, the data needed to measure these costs can be insufficient or missing.

To make this estimate, Godfrey et al (2002) [2] developed a framework to estimate the cost of NEETs in terms of their impact on public finances (taking into account social systems – unemployment

benefits, children benefits, housing benefits, allowances and other study-related expenses and other health, social and criminal justice related costs) and the costs of resources (which include estimates of economic losses, losses of social security benefits granted to the person and his family), as well as the cost impact in terms of resources or the opportunity costs on the rest of society (employees and self-employed income, employees benefits other than financial, consumer goods produced for own consumption, private pension plans etc.).

Therefore, the calculation of the annual costs of NEET status is calculated by adding the costs in terms of resources (lost earnings) and costs covered by public finance (surplus transfer).

Lost earnings are estimated as the difference between the revenue generated by NEET people and those generated by those professionals employed.

Transfer surplus is calculated as the difference between the total amount of benefits received by NEET people and the amount of benefits enjoyed by professional persons employed.

The total cost generated by NEET people is obtained, in a simplistic approach, by multiplying the unit cost for a NEET person (the difference between average income and average transfer between the NEET category and the young professional people employed) with the total number of NEET people. This approach is still quite vague; it does not take into account that the NEET group is defined by some specific characteristics.

When using the statistical method of “indices propensity comparison”, then each NEET is compared to a young professional employed, with the highest degree of comparability, based on a set of characteristics that explain the NEET status of that person. The income of each NEET person is then compared with the income of one or more young people involved professionally with identical characteristics. This method can be described by analogy to a set of “statistical pairs” in which both components are identical, but one of them is the person NEET and its counterpart is a young professional employed.

Based on this principle, the lack of participation in the labor market of NEET people, in 21 countries analyzed in 2008, had a weekly cost to their citizens of 2 billion euros. Last year about 100 billion euros, which corresponds to 1% of cumulative GDP consists of 94 billion euros lost earnings and 7 billion euros surplus transfers.

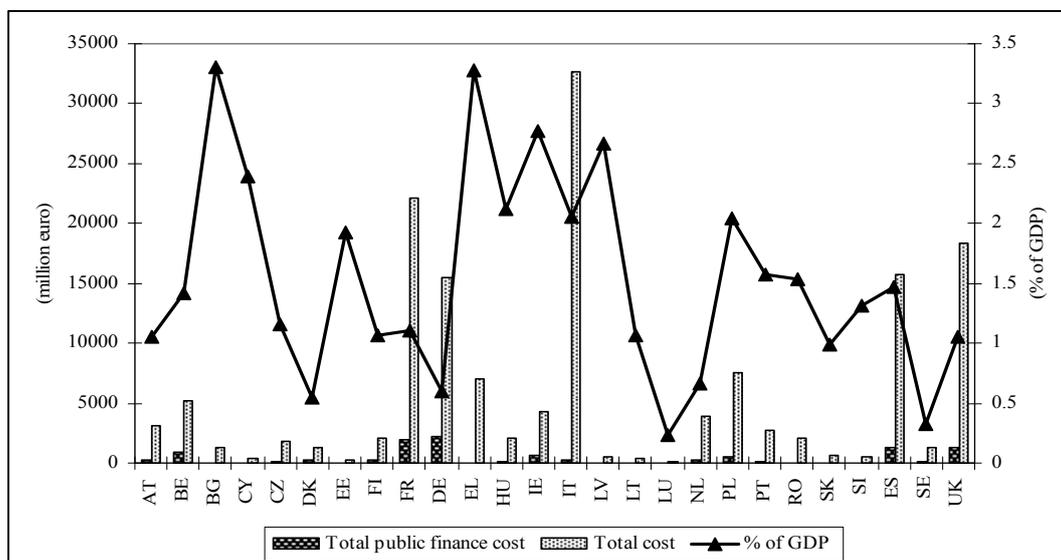
At country level, the highest annual expenditure, expressed in euro, shall be paid by Italy (26 billion euros) and the UK (16 billion euros). Regarding *the generated cost of NEETs as a percentage of GDP*, Bulgaria is in the first place with 2.36% of GDP, followed by Greece and Ireland (both 1.74% of GDP), Cyprus (1.65%) and Italy (1.60%). The lowest cost is generated by NEET people in Luxembourg (0.31%), Denmark (0.33%), Sweden (0.36%) and the Netherlands. In Romania, the cost generated by the NEET category as a percentage of GDP is 0.9%.

These estimates are still an underestimation of the actual costs incurred by NEET people as additional costs related to health, criminal justice and unpaid taxes applied to lost earnings are not included in the definition used. To this is added the problem of homelessness which is not taken into account in these calculations.

The calculations performed in this study show that labor market reintegration of just 10% of NEETs would generate an annual saving of more than 10 billion euros and this amount would increase to 21 billion euros if the labor market could absorb 20% of NEETs.

In 2011, following the economic downturn the NEET population rose and implicit costs thereof. Thus, the weekly economic loss in Europe increased from 2.3 billion euros in 2008 to almost 3 billion euros in 2011. This amount corresponds to an annual loss of 153 billion euros in 2011. It represents the cost to the economy of not being able to re-engage young people into the labour market. The cost of NEETs in 2011 was almost 34 billion euros higher than it was in 2008, a relative increase of almost 28 percentage points.

As a share of GDP, the economic loss due to the non-participation of young people in the labour market, at European level, increased from 0.96% in 2007 to 1.21% in 2011. At the Member State level, the situation has deteriorated considerably in many countries. In Bulgaria and Greece, the cost of NEETs in 2011 was higher than 3% of GDP (3.3% and 3.28% higher respectively). Similarly, in Cyprus, Hungary, Ireland, Italy, Latvia and Poland, the annual loss due to NEETs was more than 2% of GDP. In Romania, the cost of NEETs in 2011 was 1.54% of PIB. Conversely, in Denmark, Germany, Luxembourg, the Netherlands and Sweden, the cost of NEETs was below 0.6% of GDP, with Luxembourg achieving the lowest rate, at 0.22% of GDP.



**Figure 8.** Cost of NEETs in 2011.

**Data Source:** *NEETs Young people not in employment, education or training: Characteristics, costs and policy responses in Europe*, European Foundation for the Improvement of Living and Working Conditions, 2012, p. 79.

## 6. Conclusions

Since traditional indicators related to youth participation into the labor market have limited relevance for analyses and forecasts, it was introduced the concept of NEET. It describes and analyzes the vulnerability of young people in the labor market.

The studies conducted by various international organizations revealed that NEET young people represent a very heterogeneous group. Common characteristics and vulnerabilities of this group led to debate this issue at the center of European politics and not least in “Europe 2020” Agenda.

Similarities and differences in the NEETs population can be found across and between EU Member States.

European statistics show that, on average, the NEET rate is higher among women than among men, and for young people with lower education. Of the EU-27 NEET people, about half are registered as unemployed and the other half as inactive.

NEET population composition varies from member state to member state, but allowed their grouping into four clusters.

The characteristics of the first cluster (Austria, Denmark, Finland, Germany, Luxembourg, Netherlands, Sweden and the UK) include a low

NEET rate and a high percentage of inactive workers. The second group (Bulgaria, Greece, Hungary, Italy, Romania, Poland and Slovakia) is characterized by high NEET rates and a high share of female NEET. The group consisting of Estonia, Ireland, Latvia, Lithuania, Portugal and Spain comprises those countries that were the most affected by the crisis. Therefore here are the highest NEET rates and the majority are young males. Countries in this group have a large number of NEET young people with a high level of skills. The fourth cluster: Belgium, Cyprus, Czech Republic, France, Luxembourg and Slovenia are quite heterogeneous, with rates of NEET population below the EU-27 average.

The identification and analysis of risk factors generating NEET population is essential for adopting measures to reduce this phenomenon.

For young people, increasing the period of having a NEET status can have serious individual and for the collectivity they belong to that is both short and long term. Those can be financial, but also social: isolation, risks related to an unstable physically and mentally behavior.

This is very important given the size of the NEET population today, which may seriously undermine the sustainability and the stability of the societies concerned.

The assessment of the economic costs with the NEET population is a complex exercise, especially when carried out at the European level. For 2011, the cost of the NEET population was estimated at 153 billion euros, which represents more than 1.2% of Europe's GDP. The analyses made at the level of EU-27 countries showed the economic cost of the NEET population varies greatly between Member States with a considerable deterioration of the situation compared to 2008 in Bulgaria, Cyprus, Greece, Hungary, Ireland, Italy, Latvia and Poland. In all these countries, the loss in 2011 due to not employed young people on the labor market was around 2% of the GDP of each country.

Today, many Member States are confronted with pressures on public expenditure, demands for accountability, and ever-rising NEET and youth unemployment rates. At the same time, it is necessary to have comprehensive knowledge about the size and characteristics of the NEET population, and about the dramatic consequences of NEET status for the individual and for our societies and economies.

Now is the time for Member States and the EU to learn from each other's policy approaches, to reach an understanding about which policy measures work best and why, and to place more emphasis on developing systematic and coherent evaluations to clearly assess the effectiveness of policy initiatives in the future.

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