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From school-to-working life: Facts on youth unemployment

There are 48 million people aged 15-24 years in the European Union. In spring 1996, almost five million 15-24 year olds were unemployed. The unemployment rate for 15-24 year olds was 22%, compared to around 10% of 25-59 year olds. It was even higher for recent initial education and training leavers, with a 28% rate, indicating that the first months after leaving initial education and training represent a critical phase in the transition between school and working life.

In general, although young people are more likely to be unemployed than their elders, they remain so for slightly shorter periods of time: 62% of 15-24 year old unemployed persons had been searching for work for more than six months as opposed to 68% of 25-59 year old.

However, half of the 15-24 year olds who were unemployed in spring 1995, were still without a job in spring 1996. The majority (three out of four) had actually remained in unemployment throughout while one quarter had temporarily stopped to look for a job between the two dates.

Unemployment of the young: setting the scene

Throughout the European Union, young people's unemployment has been a major topic of discussion for the last 20 years. Although youth unemployment has followed a similar long-term trend to adult unemployment, the unemployment rate for 15-24 year olds in the European Union is more than double the rate for 25-59 year olds.

A greater proportion of young people are now entering tertiary education than in the past. This should improve their chances of success in the labour market since there is evidence that the unemployment rate is generally lower for those who have reached higher education levels.

Despite the above, a relative improvement in the youth unemployment rate has not yet occurred. Therefore new entrants to the labour market, particularly those with little experience of work or even job-search, are likely to face additional problems in their search for work.

To measure transition from school to working life, we can categorise the individuals concerned in two ways: young people (15-24 year olds) and school leavers (those who have recently left initial education and training).

The Labour Force Survey (LFS) - the data source used in this report - can be used to describe unemployment in three ways: incidence, duration, and the link between unemployment and possible exit states.

Defining the school-leaver population using the Labour Force Survey (LFS)

The LFS does not include a question on the year the individual completed their initial education and training, which could be used to identify recent leavers.

As a rule, the most suitable indicator for the majority of countries is as follows: leavers are those who were in initial education or training one year before the survey and were either a) active at the time of the survey or b) inactive but not in education at the time of the survey.

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Table 1:
Activity, inactivity and education of 15-24 years old, 1996 (Thousands)

| | EU-15 | B | DK | D | EL | E | F | IRL | I | L | NL | A | P | FIN | S | UK |
|-------------------|--------|-------|-----|-------|-------|-------|-------|-----|-------|----|-------|-----|-------|-----|-------|-------|
| Total | 48 025 | 1 282 | 680 | 8 636 | 1 377 | 6 538 | 7 339 | 631 | 8 184 | 48 | 1 965 | 958 | 1 609 | 606 | 1 081 | 7 090 |
| Employed | 17 370 | 334 | 449 | 3 931 | 350 | 1 531 | 1 873 | 225 | 2 076 | 18 | 1 064 | 532 | 565 | 168 | 366 | 3 889 |
| - in education | 4 417 | 24 | 271 | 1 590 | 12 | 163 | 395 | 27 | 83 | 1 | 568 | 139 | 69 | 60 | 8 | 1 005 |
| Unemployed | 4 847 | 86 | 53 | 419 | 159 | 1 102 | 712 | 50 | 1 072 | 2 | 137 | 39 | 116 | 120 | 100 | 681 |
| - in education | 803 | 6 | 27 | 45 | 15 | 231 | 62 | 4 | 99 | .. | 87 | 6 | 25 | 68 | 3 | 126 |
| Inactive | 25 808 | 862 | 179 | 4 286 | 869 | 3 905 | 4 754 | 357 | 5 036 | 29 | 764 | 387 | 928 | 318 | 615 | 2 520 |
| - in education | 22 769 | 818 | 137 | 3 856 | 752 | 3 624 | 4 474 | 331 | 4 182 | 27 | 584 | 356 | 841 | 278 | 522 | 1 987 |

N.B.:

Total employed+unemployed+inactive may not sum to total due to rounding to nearest thousand

..: nil or negligible

Source: Eurostat - LFS 1996

How many young Europeans are unemployed?

Of the 48 million Europeans aged 15-24 in 1996, 17.4 million were employed, 4.8 million were unemployed and 25.8 million were inactive, mostly in education and training. (Table 1).

When studying unemployment incidences, the unemployment rate (proportion unemployed out of the active population) is the common indicator used, as it excludes those who are not competing on the job market.

Young active people are more likely to be unemployed than their elders. The unemployment rate of 15-24 year olds was 22%, compared to 10% for 25-59 year olds. Only Germany and Austria had similar levels of unemployment for the two age groups, indicating that young people in these countries do not face (or face very few) additional difficulties in their search for work (Table 2).

For 15-24 year olds however, it can be more relevant to look at the proportion of the age group who are unemployed, for the following two reasons: in many Member States, the majority of young people are inactive and therefore the unemployment rate is only based on a sub-population of the age group; also the unemployment rate for young people is skewed towards those who have attained lower education levels, as those still studying for higher qualifications are excluded from the unemployment rate's base. The proportion of 15-24 year olds unemployed ranges from 4% in Luxembourg and Austria up to 20% in Finland (Table 2). The proportion is above average in all southern European countries with the exception of Portugal.

Table 2:
The proportion of people in unemployment, 1996 (percentages and ratios)

| | EU-15 | B | DK | D | EL | E | F | IRL | I | L | NL | A | P | FIN | S | UK |
|---|-------|----|----|----|----|----|----|-----|----|------|----|----|----|-----|------|----|
| Unemployment rates for 15-24 years old | 22 | 20 | 11 | 10 | 31 | 42 | 28 | 18 | 34 | 9 | 11 | 7 | 17 | 42 | 22 | 15 |
| Unemployment rates for 25-59 years old | 10 | 8 | 6 | 9 | 7 | 19 | 11 | 11 | 9 | 3 | 6 | 5 | 6 | 12 | 8 | 7 |
| Percentage unemployed out of all 15-24 years old | 10 | 7 | 8 | 5 | 12 | 17 | 10 | 8 | 13 | 4 | 7 | 4 | 7 | 20 | 9 | 10 |
| Unemployment rates for school leavers | 28 | 33 | 19 | 8 | 55 | 58 | 34 | 19 | 57 | n.a. | 32 | 10 | 43 | 49 | n.a. | 22 |

N.B.:

- By definition, the unemployment rate is always the same as or higher than the percentage unemployed. Countries with a large inactive population (i.e. those where initial education and training continues to a later age) will have a large difference between the two percentages (for example Belgium)

- School-Leavers are those who were in initial education or training one year before the survey and were either a) active at the time of the survey b) inactive but not in education at the time of the survey.

Source: Eurostat- LFS 1996

Among the active leavers (young people who were in education one year ago and who are currently part of the labour force), 28% found themselves unemployed (Table 2). Unemployment rates for leavers were higher than for 15-24 year olds with the sole exception of Germany. Therefore the first year after leaving initial education and training represents a critical phase in the transition between school and work. In some countries, young females are more likely to be out of work than males, especially in Belgium, Denmark, Greece, Spain, Italy, and Portugal (Figure 1). In the United Kingdom in particular, men are significantly more likely to be unemployed.

How long are young people unemployed for?

62% of 15-24 year olds who were unemployed in spring 1996 had been searching for work for more than six months (Table 3) - we will describe them here as being long-term unemployed (LTU) although the common definition is one year or more. This proportion is slightly less than for 25-59 year olds (68%). The Member States can be divided into three distinct groups:

- Greece, Italy, Luxembourg and the Netherlands, where unemployed young people have no reduced likelihood of being LTU than their elders.
- Belgium, Spain and Ireland, countries which are similar to the European Union's average LTU rates.
- Denmark, Germany, France, Austria, Portugal, Finland, Sweden and the United Kingdom, where unemployed young people are much less likely to be LTU than their unemployed elders. For example, in Finland, 25% of young unemployed were LTU, compared to 66% of unemployed 25-59 year olds.

Figure 1: Unemployment rates of 15-24 years old by sex (Percentages)



Therefore in the majority of countries, the young unemployed are more likely to be unemployed for shorter spells than their elders.

More than two-fifths of young unemployed in Denmark, Austria and Finland had been so for less than three months, indicating that the search for work is relatively short in these countries. This compares dramatically with just 7% of unemployed in Italy and the Netherlands. At the other end of the scale, in Greece and Italy, more than half of all young unemployed had been so for more than a year. In general, unemployed women aged 15-24 are slightly more likely to be LTU than men in the same age group (41% compared to 36% for EU-15). The countries where this is not the case are Luxembourg, the Netherlands, Finland, and the United Kingdom.

Leaving unemployment : better chances for young people ?

Of all those aged 15-24 who were unemployed a year before the survey, around half are still unemployed, meaning that they had either remained without a job throughout the year (almost three quarters of them) or had returned to unemployment after one or more jobs or periods of inactivity. One third was currently in employment, and the remainder (17%) inactive.

At the European Union level, there was little difference between the 15-24 year olds with 25-59 year olds. However there were some large variations from country to country.

Comparing young people against their elders, there are four groups of countries concerning the outcomes a year after unemployment:

- Greece and Italy, where young people are less likely to go into employment than their elders and are also more likely to have remained unemployed.
- Ireland and Luxembourg, where although the same or a higher proportion are likely to find work than their elders, the proportion of young people remaining or returning to unemployment is also higher.
- Germany, Spain and France for which differences between the two age groups are low.
- Belgium, Denmark, the Netherlands, Austria, Portugal, Finland and the United Kingdom, where young people are more likely to find employment than their elders.

Therefore in the majority of countries, the prospects for young unemployed are better than for their elders. More than three in ten were in employment a year after being unemployed. Evidence based on the last date of employment shows that most of those who returned to unemployment had found work between spells of unemployment, albeit short-term.

Finally, for young and old alike, in most countries, those with higher levels of education were more likely to find themselves in employment than others. They were also less likely to be still unemployed one year later, again indicating the importance of education in the search for work.

Table 3: Unemployment duration, 1996 (As a percentage of all unemployed)

| Age group | Unemployment duration | EU-15 | B | DK | D | EL | E | F | IRL | I | L | NL | A | P | FIN | S | UK |
|-------------|-----------------------|-------|----|----|----|----|----|----|-----|----|----|----|----|----|-----|----|----|
| 15-24 years | under 3 months | 21 | 19 | 64 | 26 | 13 | 17 | 29 | 17 | 7 | 25 | 7 | 41 | 25 | 53 | 28 | 34 |
| | under 6 months | 38 | 30 | 76 | 52 | 26 | 32 | 51 | 33 | 17 | 44 | 15 | 65 | 45 | 74 | 61 | 54 |
| | under 1 year | 61 | 62 | 90 | 72 | 46 | 57 | 79 | 53 | 36 | 67 | 65 | 83 | 59 | 90 | 91 | 75 |
| 15-24 years | 6 months + | 62 | 70 | 24 | 48 | 74 | 68 | 49 | 67 | 83 | 56 | 85 | 35 | 55 | 26 | 39 | 46 |
| 25-59 years | 6 months + | 68 | 79 | 52 | 66 | 75 | 74 | 61 | 79 | 80 | 39 | 80 | 44 | 67 | 66 | 48 | 63 |

Source : Eurostat - LFS 1996

LFS definitions of unemployment

To identify those currently unemployed, the LFS uses the definition of unemployment initiated by the International Labour Organisation. For that purpose individuals without a job, who are actively seeking one and available to work are considered.

However unemployment a year ago is identified differently- simply on the basis of respondent's self assumption of their main status one year before

These two definitions do not necessarily reflect the same image for unemployment.

Table 4:
Current status of people who were unemployed one year ago (As a proportion of all unemployment one year earlier)

| | EU-15 | B | DK | D | EL | E | F | IRL | I | L | NL | A | P | FIN | UK |
|-----------------------------|-------|----|----|----|----|----|----|-----|----|----|----|----|----|-----|----|
| 15-24 year olds | | | | | | | | | | | | | | | |
| Remained unemployed | 36 | 34 | 8 | 30 | 63 | 40 | 23 | 43 | 41 | 31 | 20 | 18 | 29 | 12 | 28 |
| Returned to unemployment | 14 | 14 | 15 | 18 | 7 | 19 | 24 | 16 | 8 | 12 | 2 | 20 | 11 | 20 | 14 |
| Into employment | 33 | 36 | 45 | 38 | 22 | 35 | 39 | 27 | 24 | 51 | 29 | 48 | 43 | 36 | 42 |
| Into inactivity (education) | 2 | 1 | 16 | 4 | 1 | 1 | 2 | 1 | 1 | .. | 21 | 2 | 5 | 14 | 3 |
| Into inactivity (other) | 15 | 14 | 16 | 10 | 7 | 5 | 12 | 13 | 26 | 6 | 28 | 12 | 12 | 18 | 12 |
| 25-59 year olds | | | | | | | | | | | | | | | |
| Remained unemployed | 42 | 46 | 18 | 46 | 59 | 50 | 39 | 49 | 37 | 21 | 27 | 26 | 44 | 33 | 39 |
| Returned to unemployment | 12 | 7 | 9 | 12 | 7 | 16 | 16 | 8 | 8 | 9 | 4 | 19 | 8 | 14 | 9 |
| Into employment | 28 | 14 | 29 | 26 | 24 | 28 | 32 | 18 | 27 | 51 | 17 | 32 | 31 | 32 | 35 |
| Into inactivity (education) | 1 | 0 | 8 | 1 | 0 | 0 | 0 | 0 | 0 | .. | 2 | 0 | 1 | 5 | 1 |
| Into inactivity (other) | 18 | 33 | 36 | 16 | 10 | 7 | 13 | 25 | 29 | 19 | 49 | 23 | 17 | 16 | 15 |

N.B.:

Percentages may not sum to 100% due to rounding.

.. : nil or negligible

Source : Eurostat - LFS 1996 (Data for Sweden are not available)

This report has been written by Paula Maratos on the basis of a study carried out by the Centre d'Etudes et de Recherches sur les Qualifications – Cereq (Michèle Mansuy and Thomas Couppié) for Eurostat.

A further 'Statistics in Focus' is planned to look at the employment characteristics of young people, in the school-to-work transition context.

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