

Eurostat podcast: Stats in a Wrap

How has the pandemic affected youth employment?

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SPEAKERS

Anna Emilia Martino from Eurostat, Niall O'Higgins from the International Labour Organisation, hosted by Jonathan Elliott, soundbites from people on the street

Jonathan Elliott

'Stats in a wrap' - The new podcast series from Eurostat. Welcome to another episode of 'Stats in a wrap' the podcast series from Eurostat, the statistical office of the European Union with this podcast series, we want to immerse ourselves in the world of statistical data by wrapping them into small packages, intriguing stories, and fascinating conversations about the everyday and not so every day that we experience in our lives. No topic is too obscure, or too obvious. I'm Jonathan Elliot, your host for this episode. Now this year 2022 is the European Year of Youth and today, we're going to focus on the world of work for young people and the effects that the COVID pandemic has had and continues to have on it. The transition from school to work can sometimes be complicated. A teenager getting an internship or work experience, or a Saturday job is one of life's rites of passage. But when young people need to support themselves and get their careers underway, the early years of work can be daunting, lonely even, and prone to pitfalls. There is even a whole area of academic scholarship dedicated to studying the transition to work. The pandemic has made that transition even more tricky, and I want to know how the world has changed for young people aged 15 to 29. Fortunately, I have a couple of people here with me today who are excellently placed to tell me: Niall O'Higgins, senior economist from the International Labour Organization, and Anna Emilia Martino, a statistician with an expertise in labour and education, and she's from Eurostat.

Anna Emilia Martino

Hi, happy to be here with you.

Jonathan Elliott

So welcome both. Very glad to have you here today. Just going to kick off with our informal icebreaker question, which is about our individual first experiences of work and paid employment. Niall, let me dive in with you what was your first ever job and tell us about it?

Niall O'Higgins

My first job was when I was completing my doctorate and in Florence, I got a job in teaching a masters course in Naples, I began my career as an academic and it was in Italy, and in Italy the entry into the labour market now as it was back then is quite long and torturous and indeed, it was quite a long and torturous process before I actually got a permanent job.

Jonathan Elliott

Okay .. what about you? What was your first ever job? Can you remember?

Anna Emilia Martino

Yes, well, I changed so many jobs. But one of the first jobs was at university. I was in education and I had a part time job in a marketing company as a tele-interviewer.

Jonathan Elliott

Well, obviously, I have to talk about my first time in employment and I feel very humiliated now because you have such prestigious and august first employments, my I'm but I think I'm setting the bar slightly higher for me. It's the first paid employment first earning money I ever did, was working on the bar, the Pimm's and champagne bar, the Wimbledon tennis finals, and I didn't see any tennis, and I didn't drink any Pimm's or champagne. I didn't earn very much money, but I did learn to spot the heavy tippers, Let's just talk about the subject today, which is about youth unemployment. And the age group we're talking about here is 15 to 29. And Eurostat and others divide these into six different groups of people. And we can imagine them as students and non-students and people with jobs and people who are not in the workforce at all. Anna, perhaps you could just start off and set out for us what those different categories are.

Anna Emilia Martino

By following the International Labour Organization's guidelines, labour force, classifies people in three main groups: in the employed, unemployed and outside labour force. The employed people are defined as those that have worked at least an hour in a reference week, or being temporarily absent from work during that week. Unemployed are those who are available to work and actively looking for a job. Instead, people outside the labour force are everybody else. For young people, education plays a major role. So, we have split each of the mentioned three groups in other two with those participating in formal education and those not. The outside labour force are at school or at university while most employed and unemployed young people are not attending formal education.

Person on street

I think it's not necessarily a necessity to have great education to get into work. I think as long as you have a basic level of understanding in whether it be your native language, or language, which country we're working in, understands, I don't think things like mathematics can be quite essential for work. But you don't necessarily have to go into higher education such as university.

Jonathan Elliott

Should we just talk a bit about what the employment picture was like, for people who are transitioning from education into work in these different categories? And let's just ask you, Niall, for start with, what was the what were the kinds of opportunities and challenges that faced young people in the years running up to the pandemic? What was the picture like? I mean, it's a very general question, but just set out the picture for us.

Niall O'Higgins

Before COVID hit, what we saw in the labour market general in Europe is that the process of entry into, to enter the labour market, into employment of young people was getting longer and the types of jobs available to young people was getting less secure, let's say more temporary work. The whole process of the school to work transition was tending to get somewhat longer. And there was, this was also influenced by trends in digitalization, which on the one hand, makes for a much more flexible labour force, but at the same time, creates much less secure employment opportunities for young people and young people are heavily engaged in these types of work. So, what we saw the big trend, of course, there's a lot of variation across countries, but there was a generally, let's say, less secure and longer process involved in the school-to-work transition already before COVID hit.

Jonathan Elliott

That's fascinating. I this is an age group will be coming to repeatedly, they're looking to get more experience to build their CV and to get more traction make themselves more useful in the workforce in the labour market and yet this launch project, if we can call it that, can be exploited and there's a fine line between people getting a few little jobs here and there, which will hopefully turn into something more solid, and young people who are simply being exploited and used as expendable workers – if you'd like. Anna, could you tell us a little bit about what the picture was like, for our six categories in the run up to COVID?

Anna Emilia Martino

Before COVID, from 2009 until 2019, youth employment has increased over the years, there have been minor fluctuations, but some of these have been seasonal, linked to the end of school year and the start of summer jobs or more permanent jobs. So, this decade, the employment rate has even more increased for young people in education than for young people not in education. Well, it has been a slow trend, but it has been constant. So, we have seen this increase. On the other hand, the long trend, youth unemployment has seen a slow decrease in spite of some fluctuations, both for young people in education and not in education.

Jonathan Elliott

This is an important and interesting trend to discuss before we go into the kind of COVID era, which is that things were gradually improving thanks to policies like the youth guarantee. And, Niall I'm gonna ask you just to explain to us a little bit about the youth guarantee. But one thing that I just need to kind of unpack slightly is that from my youth, I remember that youth unemployment was a huge social issue back in the 1980's, mass unemployment, there was a kind of real anxiety about young people, in particular, not getting into the workforce enough. Can you just explain that little backdrop for us first, Niall, and then go on to talk a little bit about the youth guarantee?

Niall O'Higgins

Yes, indeed, in the end of the 1970s, beginning of 1980s, there was a lot of in Europe and in the, I remember from my personal experience in the UK, there was a lot of unrest, let's say, amongst young people expressed and the urgency of doing something about youth unemployment became a more pressing issue at the political level. And there was a big emphasis on introducing policies to ease the transition into work for young people. One element of that was the increasingly introduction of temporary contracts for young people. But also, there was a more active involvement in terms of the

development of active labour market policies for young people. Things like the training scheme in the UK. And in many other countries, this became a big, there was a big focus of active labour market programs on the young on supporting the entry of young people - providing training, providing subsidized employment and so on to young people to ease their transition. There was also later on there was also expansion of things like internships and after the global financial economic crisis in 2008-2009, at the European level there was this recognition that something seriously needed to be done to deal with the surge in youth unemployment, which accompanied the previous global recession – the Great Recession, as it was then called. And in 2013, the youth guarantee was introduced and in 2014, actually implemented across the European continent, and this involved guaranteeing young people who had been neither in employment nor in education, that is either unemployed or inactive in the labour force, but not in education, guaranteed them some sort of opportunity, either an educational place, or subsidized employment or training or an internship.

Jonathan Elliott

Absolutely. So this is a critically important term, which we'll come across repeatedly on this podcast, the so-called NEET, which is the acronym for an especially vulnerable group of young people who are not in education, employment or training, and more than others, they're more prone to longer term unemployment, but also particularly mental unwellness. And I think, Niall, you've been observing this as a particular feature, haven't you?

Niall O'Higgins

Yes, indeed. And particularly since the onset of COVID, where the mental health of young people are starting to be monitored with some seriousness, we've seen, particularly amongst the unemployed, and particularly amongst the more generally, amongst the NEET, we've seen worsening of mental health which has been much stronger in general amongst young people, and much stronger, as I say, amongst the NEET group within that, though. So, those young people who managed to keep their jobs or who remained in, in at least attached to employment, have been doing much better. And this is quite different from what we saw before the COVID-19 pandemic, typically it is older workers who are more subject to depression and feelings of exclusion and loneliness. Since COVID started to hit this has been, has become a serious issue also amongst the younger generation.

Person on street

But that is unfortunately, unfortunately, what is happening. Because I was in the same position that I was almost so desperate that I was willing to kind of work for free to prove myself, to show the people that I'm a good worker, and then then maybe they would want to hire me.

Jonathan Elliott

We're going to talk a little bit about how young people get jobs, and particularly, that there's a sort of very clearly well observed number of different categories that statisticians have generated. Anna, can you just talk us through about the strategies that people employ to get jobs?

Anna Emilia Martino

One of the most typical ways of looking for jobs for young people is through education or training institution internships, or previous work experiences. Also, job advertisements are more frequent

method for young people. Other methods, as contacting friends or relatives or acquaintances, or direct contacts from employers are less frequent for the young compared to the broader age group.

Jonathan Elliott

There's a very striking map of the EU's 27 Member States and it shows how dramatically different the employment picture is for young people across the whole area, especially between southern and northern Europe. Anna, could you just unpack that a little for us?

Anna Emilia Martino

There are 71 million young people in Europe corresponding to 21% of the working age population, 15 to 74. Countries with a higher share of young people are Denmark, Ireland, Cyprus, the Netherlands, and Sweden all with about 25% of young people. While countries with lowest shares of young people are Bulgaria, Slovenia, Czechia, Latvia and Italy with between 18% and 20% of young people. Countries with high levels of unemployment usually have high levels of youth unemployment. Countries such as Greece, Italy, and Spain have high levels of youth unemployment, and they also have great variability among their regions. For instance, regions in South Italy have higher youth unemployment rates compared to northern regions. France is also a country with a great variability among its regions where the overseas islands, Guadeloupe and Guyane have high unemployment rates and instead, the Loire and Brittany regions have the lowest unemployment rates.

Person on street

I personally believe that it is education plus experience, not just the education by itself, because a highly educated person can still be very like bookish and not very practical and street smart. So I think it's a combination of both education as well as experience. So even in my personal case, even went through, throughout university, I think I must have done about like, eight, nine internships while I was in university, which definitely added to my experience and which helped me get a job when I graduated.

Jonathan Elliott

Anna, just tell us a little bit about what different sectors we find the age group 15 to 29, what sorts of things are they going into what sort of work are they going into?

Anna Emilia Martino

So young people are more likely than the other age groups to be working sectors that have to do with people and a public, as commerce, tourism, restauration, information and communication, arts, entertainment and recreation, and also professional, scientific and technical activities.

Jonathan Elliott

The pandemic hit exactly the kinds of occupations and roles which are public facing and more likely to be carried out by younger people. So, their jobs were most badly hit and there's another unique feature of work for young people. And that is that they find themselves in jobs which need flexible hours, weekends, nightshift, shift-work, and all of that kind of thing. Anna, could you explain a little bit more of that for us.

Anna Emilia Martino

As you mentioned before, young people have more atypical working schemes and outside normal working hours. They, they tend to work more at weekends and in the evenings compared to the other age groups. They're also more involved in shift work schemes. 20% of young people usually work in shift compared to 18% for people aged 15 to 74. However, young people work less hours per week compared to the other age groups, a few hours less on average, but with a greater variability. The reason for this is why young people are involved also in in education. So, the very young are usually studying at school or at university and work less hours.

Jonathan Elliott

We are we're now coming to the point in the program where we're which is what it's all about, really, because it's about what happened when COVID hit and as I mentioned earlier, it's the European Year of Youth this year. And there's a very good reason for that. And it's best summed up by the European Commission president Ursula von der Leyen and she said that the pandemic robbed young people of many opportunities to make friends and explore new cultures. And we can't give them that time back, so we propose to designate 2022 the European 'Year of Youth'. And it's important now to look back and realize that the COVID pandemic affected all of our working lives, but it certainly hit this group, the hardest. They have bounced back, however, but that has been a very painful road for many of them and we'll be talking about those in a minute. First thing coming to you, Niall, really, big economic shocks tend to hit young people hardest. Just tell us why?

Niall O'Higgins

Young people tend to be let's say less attached to the labour market. So they're entering the labour market, they tend to look around, they're not sure exactly what kind of job they want to do long term. And they also have less time on the job. So, when it comes to decide we, we need to, the firm decides we need to fire some people, they tend to release the people who were hired most recently – because it's cheaper to do so and it's, there's less engagement from the firm in the young person. So, so young people tend to look around bit more, they're not sure about what they want to do long term. They tend to be less eligible for employment protection measures.

Jonathan Elliott

Particularly, the group that was going to, expecting to move into the labour force just as the pandemic hit, because there was simply no jobs for them to go into, they were walking out into a wilderness, which is very different from anything else that's happened before. Anna, can you just sort of again, our statistician, perhaps you could just unpack for us, tell us how the different groups in our cohort, our 15 to 29, how they were affected, when the pandemic hit, what happened to the different groups.

Anna Emilia Martino

At the end of the two years of the COVID crisis, in the fourth quarter of 2021, those in education have recuperated their employment level pre-COVID and exceeded the pre-COVID value of 2019. Instead, those not in education, were still a bit behind regarding employment. So, there has been a better recovery for those in education with only one substantial decrease in employment over the COVID period. There has been an increase in the unemployment rates for both young in and out of education, in the third quarter 2020 compared to pre-pandemic values of fourth quarter 2019. This increase has been registered in the following quarter compared to the decrease in employment, because, due to

lockdown, people did not look for jobs or were not available to work. For example, care responsibilities in the second quarter of 2020, or because they thought they wouldn't find another job due to lockdowns.

Person on street

So the youngsters today are very, the main thing and the most important benefit that they have is that they're very technologically savvy. So, I definitely agree that the youngsters, I wouldn't say have it easy, because at the same time, they are putting in effort to make it easier for themselves and plus the world is also changing constantly.

Jonathan Elliott

We're talking about the recovery there, but I mean, I'm also just thinking about during the actual lockdown period, some obviously a lot of people did continue employment if they were working online, or they were digitally enabled if they could somehow do something to earn a living using their computers. And clearly education impacts there. Niall, do you think there was a sort of a kind of a survivor's group within that cohort who managed to keep their employment picture moving forward because they were able to work online? And you know, was that significant?

Niall O'Higgins

Certainly, there was a big increase in young people seeking work online, young crowd workers and this type of people doing online work, actually, however, the demand for this type of work, because there was an economic shock, and so there was less demand for firms' products, there was actually a fall in the demand for such labour. So yes, there was an increase in the supply of young people seeking to do this kind of work and to some extent; they were able to get it. But in as much as there wasn't quiet, during the height of the crisis, if you like, in the in the in the first half of 2020, or the second quarter of 2020. Actually, the demand for these types of online workers decreased. At the same time, in as much as employment, which had been formally offline, production and service work went online as much as was possible. There was a big shift to towards working online, also for people who had previously been working offline. So, teleworking became the norm for a lot of people.

Person on street

It did change, I started working from home and then after coming back from COVID, we went to hybrid options. And I'm still doing it, because then why not? It's kind of fun to work in, in your pyjama's.

Jonathan Elliott

And a lot of it is still there now even as things get better. That brings us to a myth, a public myth, or maybe it isn't a myth that people who are under 30 are much more digitally enabled. They're much more capable of working with technology and with platforms and all that kind of thing. Whereas, you know, those of us who are a bit older, the digital dinosaurs are still struggling to master the finer points. But is that true? Or is it just that people have just, younger people who have just left education, they've been working with technologies and new platforms, which are cutting edge. And that's part of their education. And just talk to us a little bit about that, Niall, to what extent are young people really more able to work online?

Niall O'Higgins

Well, this is certainly true. We've done some analysis of, of crowd workers, young and old, first of all, people doing online tasks, doing this kind of very small task-based employment, jobs, so called crowd work, through digital labour platforms, they are mainly young people, they tend to be relatively young. And there's a reason for that, because young people actually earn higher wage rates than older people on, in these kinds of tasks, and the reason they do that is that they learn, there's a much faster learning curve for young people. And you can see that actually, in the data that they, that young people, young people's wage rates increase much faster with experience on these kinds of tasks, than do older workers. Now that's quite a specific niche type of employment, but at the same time, it does show that really, it is true that young people are more, let's say are quicker to learn this kind of specific tasks.

Person on street

Kind of like negatively impacts my working relationships with my colleagues, because I don't get to meet them face to face, and build like a network sort of thing. So that's the only thing that was being hindered, versus I love work from home, it was the best. Now I'm sad that I have to go back to office.

Jonathan Elliott

Yes, it's a strange world for a young person entering the workforce, who has probably done two years of lessons at school or university online. And then they enter a workforce where a lot of people are still online, even though the original reason for that is less apparent. And in the recovery phase now there are newspaper headlines telling us employment rates are the highest they've ever been. But it hasn't been an easy journey for some of the groups in our, of our young people.

Anna Emilia Martino

If we observe the trends of the three groups of young people, those with high levels of education, with those with medium level of education, low level of education, we see that those with a high level of education have recovered their pre-pandemic values of employment rates, while for the younger people, both men and women with low educational rates, they are very slow in recovering. They have a lot of problems and they are still beyond reaching their pre-pandemic employment rates.

Jonathan Elliott

We're nearly coming to a close here, but I just want to unpack another bit of myth or mythologizing around young people. And Anna I'm going to come to you, maybe you could give us a little bit of not just the stats, but also your reading of them. There is some sort of general belief that the flexibility that young people have, means that they are able to adapt to a kind of changing labour market more, they have fewer family responsibilities, they could work atypical hours, move more quickly, to where the work is, more able to adapt to the digital technology, the gig economy and so on, because they have this ease of moving around the needs of different employers, it makes them more resilient. What is your own impression of that, general perception?

Anna Emilia Martino

We can also define young people as more creative compared to older generations. And this is, let's say, they dream more, and they dream of a future life. And so, this is a personal thought, but I think it is

shared by other people. Because yes, they are more creative, and they look for different perspectives and possibilities, surely.

Jonathan Elliott

Yes, Niall? I mean, is that is that a fair comment about having to be more agile, they become more supple and resilient, and young people to simply have just that not only more employable, perhaps, but they're just more that they're more resilient to setbacks.

Niall O'Higgins

What we've seen during the pandemic, in fact, as I mentioned, this sharp increase in depression amongst young people and the sharp increase in the sense of social exclusion amongst young people, which was not typical of the past in the sense that it's affected young people much more, for some young people, it's a godsend, the flexibility and so on is great and if you, if you're able to manage that and able to navigate it, that's fine. But not everybody is personality-wise adapted.

Jonathan Elliott

If you're insecure in your employment, and you might be insecure about all kinds of other aspects of life and making big decisions about settling down, getting married, having a family and so on. So you will defer those, those big commitments, those big decisions in life, because you don't know how much money you'll have in six months' time or whether you will have a job or whether you'll have your status will be taken away because you haven't got a job? Are we seeing an insecure cohort of people who simply can't get their lives started? Niall.

Niall O'Higgins

I mean, this is actually I mean, it's a very practical question, once seeing this, because in order, for example, if I want to buy a house, I need to get a mortgage, how do I get a mortgage? Well, I need to have some kind of security. In order to have some security, if I have long term employment, that gives the bank some reassurance that I'm going to be earning enough money to pay back the mortgage. If I have gig work, or I'm working as a delivery person with no with no fixed contract and or, you know, I have these kinds of flexible who on earth is going to lend me any money?

Person on street

I think looking at the economy, especially with things like houses or housing prices, rates of pay. I think it's okay to be on a on a lower wage when you're in the 1970s or 1960s when everything was a lot more affordable and a lot more equal. I think now, the younger generation, especially millennials and Generation Z have it a lot harder than the older generations. I just don't think that they're quite up to scratch by understanding how difficult it actually is.

Jonathan Elliott

Okay, well, let's just come to submit a few kinds of closing thoughts, which is a bit like the opposite end of the or the mirror of the opening icebreaker question. You told us a bit about your first jobs. What advice would you give to a young person starting out in their employment path? Anna I'm going to come to you first, what advice would you give to a young person starting out today?

Anna Emilia Martino

The more job search you do and the more possibilities you will have in finding a job. So that's my suggestion. That's realistic.

Niall O'Higgins

Yeah. Well, I would I would agree first with Anna I think it's good, it's important not to get too discouraged. Nowadays, one needs to do a lot of applications one needs to, to keep trying because there are there are lots of opportunities out there. But it's likely one's going to have to go through a longish process in order to get one's foot on the ladder as it were. The other, the other side of things. I would say that what we seen particularly, I mean, it was true before the pandemic, but it's been emphasized by the pandemic is that education counts. Education is very, very important. So I would encourage people to aspire to a good level of educational attainment, that's really makes such a big difference in the labour markets.

Jonathan Elliott

Yes, I asked my, in my social network in my, on Facebook for people to tell me what their advice would be. And it just shows what sort of boring friends I have, one said, make sure you start a company pension scheme as soon as you can. Which I thought was, was, well, I suppose it's useful. And another one said, don't be frightened of job interviews - it's just a meeting. So, I suppose that's kind of helpful to an extent, I'm afraid. Well, I suppose it's the old saying you should try and work to live not live to work. Maybe that's a corny old, saying, but it's sometimes the corny old ones are the best. Well, that about wraps it up for Stats in a Wrap today. If you've enjoyed the show, don't forget to share it with friends and colleagues where it can be found on Spotify, Apple, Google, and all the usual places. And of course, join us next month, when we'll be dishing out more flavours and insights from Eurostat, this time about the mysterious quirks and oddities of inflation, rising prices, rising wages, rising interest rates, and what the numbers are telling us on this very, very topical subjects. That's it for now. Join us next time, bye for now.