

Flexibilization trends for youth NEETs across the Mediterranean EU regions, in the aftermath of the consecutive crises of the 21st century

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Abstract

The Covid-19 pandemic, the health emergency and the subsequent economic crisis have strongly affected socio-economic life across the globe. The health crisis has implied severe economic turbulence, caused mainly by unprecedented mitigation policies and lockdown measures, with significant disruptive effects on economic activity and detrimental consequences on employment. These socio-economic effects have been socially stratified and geographically differentiated. Likewise, those regions and countries that were most affected by the 2008 global economic crisis and that were still recovering when the pandemic broke have tended to experience worse economic outcomes than those that were in a better economic position.

Particularly for youth, which constitutes a disadvantaged and strongly affected segment of the labor market, the implications of the consecutive crises (2008 and Covid-19) have been detrimental. The 2008 global economic crisis has significantly increased the rate of youth Not in Employment, Education or Training (NEETs) in the European Union (EU). The growth of the NEET rates has been greater in the regions of the EU southern periphery, reflecting the structural division of the EU between core and periphery regions, and highlighting the structural, path-dependent weakness and deficiencies of the youth labor markets in the EU South periphery. The increase in NEET rate has initiated the development of new regulations and policies, such as the Youth Guarantee, established by the EU, which have not been highly effective in limiting the growth of youth inactivity.

The paper in hand seeks to respond to the following research question: What is the impact of the 2008 global economic crisis and COVID-19 pandemic upon youth NEETs across the Mediterranean EU regions? The paper contributes to the socio-economic academic and policy discourse by seeking to explain the underlying factors of the regionally uneven growth of NEET rate and analyze the interrelationship between contemporary youth labor flexibilization and inactivity, critically discussing the effectiveness of mainstream policies and their true impact upon youth employment.

We use micro data from the Eurostat Labor Force Survey (LFS) on employment/unemployment/inactivity of young people by age, gender, level of education and reason for part-time employment. We in-depth analyse the abovementioned Eurostat micro data to highlight the spatially uneven precarity that youth in the EU face in the aftermath of the consecutive crises. Based on these figures, we estimate the annual NEET rate and annual growth of NEET rate in the study regions by age, gender, educational level, type of NEET (unemployed or inactive) from 2005 to 2020, employing descriptive statistics. Then, undertaking correlation analysis, we scrutinize the statistical association between NEET rate and various aspects of the regional socio-economic context:

- a) voluntary and involuntary part-time youth employment (%), to examine the connection between youth inactivity and flexibility
- b) GDP per capita, to study the relationship between economic dynamism and NEET rate

- c) employment share in tourism, agriculture, hospitality, trade and manufacturing, to scrutinize the association between industrial structure and youth inactivity
- d) share of population with a university degree, to examine the relationship between educational level and NEET rate.

The paper adopts a geographical political economy perspective to discuss the geographical evolution of NEETs vis-a-vis contemporary labor market restructuring and youth employment policies. This perspective offers a comprehensive approach to the economy that does not separate geographical patterns from socio-economic processes, analyzing employment and NEETs in view of the broader socio-economic framework. This approach emphasizes that the spatial issue becomes more significant in the Covid-19 era, with countries and regions recording different speed and effectiveness of implementing and lifting lockdown measures. Moreover, it perceives NEETs as a group of vulnerable young people who are deprived of basic social rights, such as employment and education, thereby remaining marginalized. Young people are most likely to be subject to escalating precariousness and flexibility at work, whilst facing difficulties in obtaining or sustaining employment, thus increasing youth unemployment, vulnerability and marginalization.

The focus is on NUTS-2 regions in Mediterranean EU countries (Cyprus, Greece, Croatia, Malta, Italy, France, Spain, and Portugal), which have been historically recording a high rate of NEETs.

Preliminary findings show that regions in the southern countries of the EU have been amongst those most adversely affected across Europe, in terms of employment losses, although these effects present significant spatial differentiation. Moreover, the effects on youth inactivity vary by region due to specific socio-economic and policy factors, such as labor flexibility, previous economic growth trajectories and the industrial base of each regional economy.

Keywords: labor flexibility, NEETs, COVID-19, 2008 crisis