The scarring effect of COVID-19: youth unemployment in Europe

Even before the pandemic, youth unemployment in the European Union was three times higher than among the over-55s. COVID-19 threatens to undo the last decade of progress: policymakers must act to avoid Europe’s youth suffering the scarring effect.

01 Europe unemployment rates (% labour force)

Unemployment in EU countries for workers aged 15-24 and those aged 55-64. Youth unemployment increased during the second quarter of 2020, while unemployment remained almost unchanged compared to the year before for the older cohort.

Source: Bruegel based on Eurostat

02 Persons available to work but not seeking work, Europe (% of the extended labour force)

There is a substantial increase in the proportion of under-25s who are not even seeking work, even though they are available to work.

Source: Bruegel based on Eurostat

03 Labour market slack in Europe (% of the extended labour force)

Source: Bruegel based on Eurostat

04 The geography of youth unemployment in Europe (aged 15-24, % labour force, as of August 2020*)

Source: Bruegel based on Eurostat

*Romania: the latest available data is for June 2020