



The Social Protection Committee

SPPM THEMATIC REVIEWS ON THE 2013 SOCIAL TRENDS TO WATCH

Social protection and youth exclusion in the EU¹

¹ SPC (2015). Social Europe: Aiming for inclusive growth. Annual report of the Social Protection Committee on the social situation in the European Union. <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7744&visible=0>

1. Introduction

The social and economic situation of young people in Europe has worsened during the last years: youth unemployment reached record high levels in 2013, the number of young people disengaged from employment, education and training has increased and more young people experience poverty and social exclusion. While unemployment rates in Europe start to decrease, youth unemployment remains high and many young people remain in low paid, low quality jobs often of involuntary temporary nature. Young people seem not to profit from first signs of economic recovery.

Young people are among those most severely affected by the crisis. Already pre-existing structural disadvantages on the labour market and changed patterns of transitions from education to work have weakened the social situation of young people and increased their vulnerability. Nowadays, the risk-of-poverty rate of young people is the highest among all age groups; the crisis accelerated trends which were visible already before 2008.

Youth exclusion was identified by the SPC as one of the social trends to watch for 2013 and as such was chosen as a subject to a thematic review in the course of the second half of 2014². While the major focus of the discussion related to the youth unemployment problem in Europe has been on what employment policies can do, the implications for social protection systems are also considerable and need due attention. This thematic review is an exploratory discussion on this subject, building on the thematic focus of the 2014 National Social Reports, and considering the fact that only few Member States have started to experiment with comprehensive approaches to address the challenges of young people nowadays.

The present note aims at providing a brief overview of the current situation, focusing on young people between 15 and 29 years old in order to cover the period marked by the transition from education to work, finding a first more permanent employment and gaining independence from parents. As far as possible, it will outline policy responses in Member States and raise attention to the existing gaps in the social protection of young people, using the information received through the thematic reporting in the context of the 2014 National Social Reports.

2. Recent trends and future challenges

Looking at a set of key social and employment indicators (including SPPM indicators)³ for young people provides a rather daunting picture:

We would like to especially thank Eurofound for their contribution to this background paper.

² SPC (2014) Social Europe: Many ways, one objective. Annual report of the Social Protection Committee on the social situation in the European Union (2013)
<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7695&type=2&furtherPubs=yes>

³ Please note that the SPPM focusses on young people from 18-24; this paper has widened the perspective to provide a more comprehensive view on the situation of young people in Europe. More detailed data are annexed to this paper.

- The unemployment rate of young people between 15 and 29 years in the EU increased from 12 % in 2008 to 18.7 % in 2013. The unemployment rate for the 18-24 year olds was with 23.3 % in 2013 even higher. The youth unemployment ratio increased from 7.0 % in 2008 to 10.6 % in 2013 (age group 15-29)⁴. Overall, there are nearly 7 million young people less in employment today compared to 2008⁵.
- The number of young people (15-29) not in employment, education or training increased from 13 % in 2008 to 15.9 % in 2013.
- The rates of early school leavers⁶ decreased at the same time from 14.7 % in 2008 to 11.9 % in 2013, but although it represents good progress compared to 17% in the early 2000s, there is much reason to assume that the reduction of early school leaving is at least partly an effect of the lack of employment opportunities for young people. The OECD estimates that 30-40% of early school leavers risk facing persistent difficulties in accessing stable employment, with risks of marginalisation over time.
- 29.7 % of young people aged 15-29 were at risk of poverty or social exclusion in 2012, compared with 26.2 % in 2008⁷. Poverty rates for young people are higher than poverty rates for the total population (24.5 % in 2013). They also depend on the living situation of young people: young people not living anymore with their parents are more exposed to the risk of poverty and social exclusion (27.6 % vs. 33.1 % in 2012).⁸

The deterioration of their social and employment situation is perceived as an overall marginalisation of young people. Independently from their own personal social and economic situation, more than 50 % of young people, aged 16 to 30, in the EU have the feeling that young people have been marginalised in their country as a result of the economic crisis⁹.

⁴ The youth unemployment rate is the number of those unemployed (15-29) divided by the total number of young people (15-29) in the labour market (employed plus unemployed). The youth unemployment ratio divides the number of unemployed young people (15-29) by the total population aged 15 to 29. It thus gives an unemployment-to-population measure. The size of the youth labour market (i.e. the size of the young labour force) does not trigger effects in the youth unemployment ratio, contrary to the unemployment rate.

⁵ Eurostat, yth_empl_010, accessed 04.09.2014

⁶ Early school leavers are defined as persons aged 18 to 24 fulfilling the following two conditions: (1) the highest level of education or training attained is ISCED 0, 1, 2 or 3c short, (2) no education or training has been received in the four weeks preceding the survey. The reference group to calculate the early school leaving rate consists of the total population of the same age group (18 to 24). All measurements come from the EU Labour Force Survey (LFS).

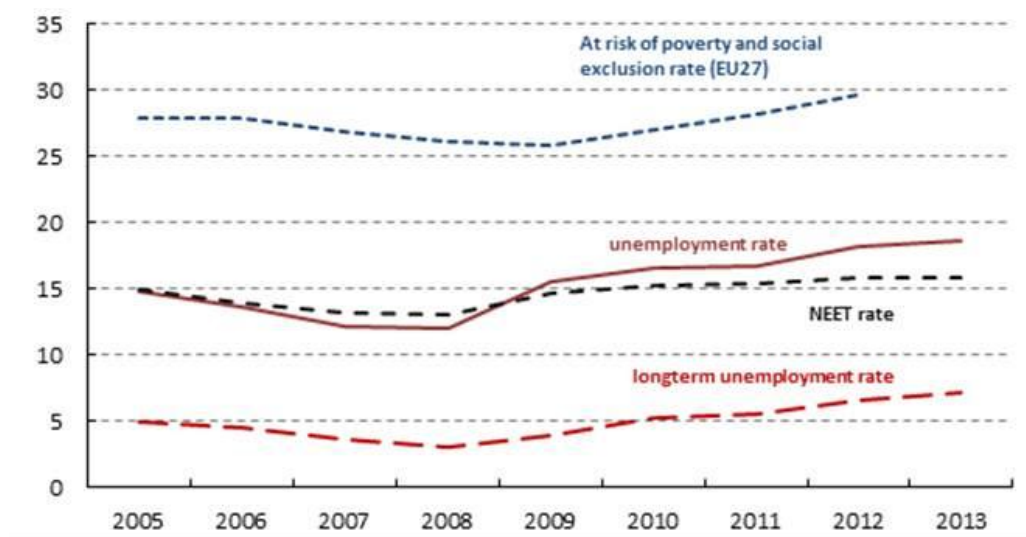
⁷ Data available for EU27 only

⁸ Eurostat, yth_incl_010 and yth_incl_030, accessed 23.10.2014; no data available for 2013

⁹ Flash barometer of the European Parliament (EP EB 395), European Youth in 2014, analytical synthesis, p.7

Before looking at social protection of young people in more detail, the paper will summarise the main factors contributing to the vulnerability of young people and hinting to the underlying structural challenges in the social protection of young people.

Figure 1: EU 28 trends in key youth exclusion indicators, 15-29 age-group



Source: Eurostat (accessed 21.02.2014), indicators: yth_incl_010, yth_empl_100, yth_empl_120, yth_empl_150, age group 15 -29; Eurofound calculations

3 Youth employment

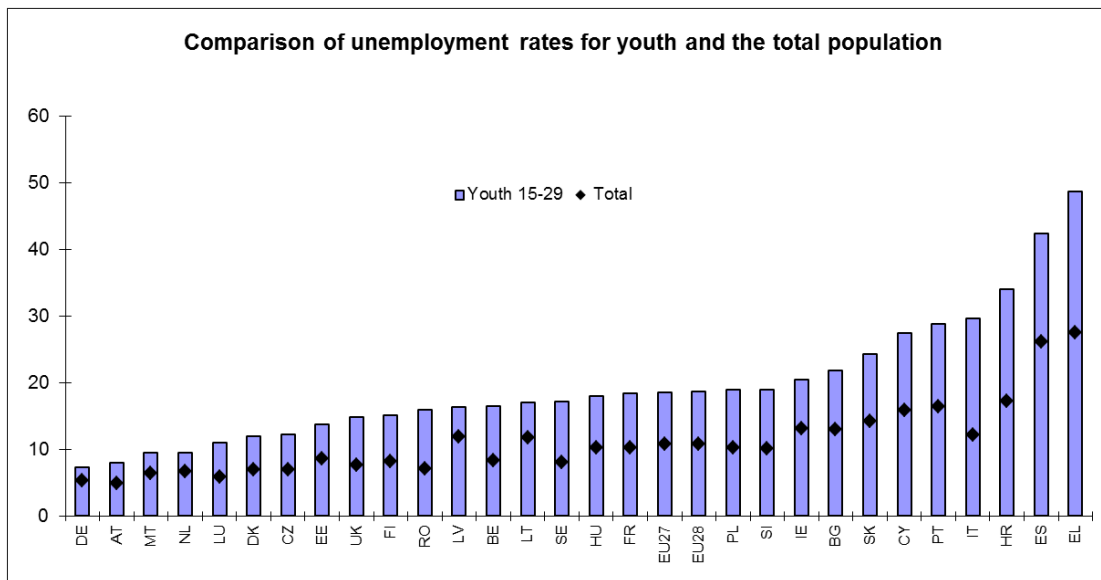
Country differences in youth unemployment are large, ranging from 48.7 % in Greece and 42.4 % in Spain to 7.3 % in Germany or 8 % in Austria. Many countries with high youth unemployment rates face also above average long-term unemployment rates among young people and a high number of young people being neither in employment, nor education or training (NEET). Both indicators underline the degree to which labour markets are under pressure and cannot provide employment to young people. Nevertheless, also structural factors may contribute to high long-term unemployment or inactivity of young people.

- Long-term unemployment: 7.1 % of the 15 to 29 year olds in the EU were unemployed for more than one year. Rates were particularly high in Greece (29.1 %), Croatia (18.4 %), and Spain (17.8 %). The countries facing high rates of long-term unemployment among young people were also confronted with high rates of long-term unemployment for other age groups. But across all European countries, young people are significantly more affected by spells of long-term unemployment than the average population (5.1 % in 2013).
- Long-term unemployment for young people is often linked to the lack of qualifications and skills, especially for those below 18 years old¹⁰. But also young people aged 25-29 years (6.3% were long-term unemployed in 2013) are more affected by long-term

¹⁰ See: Employment and Social Developments in Europe 2012, p.84

unemployment than the overall population in working age. Variations between countries can be expected with increasing long-term unemployment rates also for better qualified young people in some European countries.

Figure 2. Comparison of unemployment rates for youth and the total population

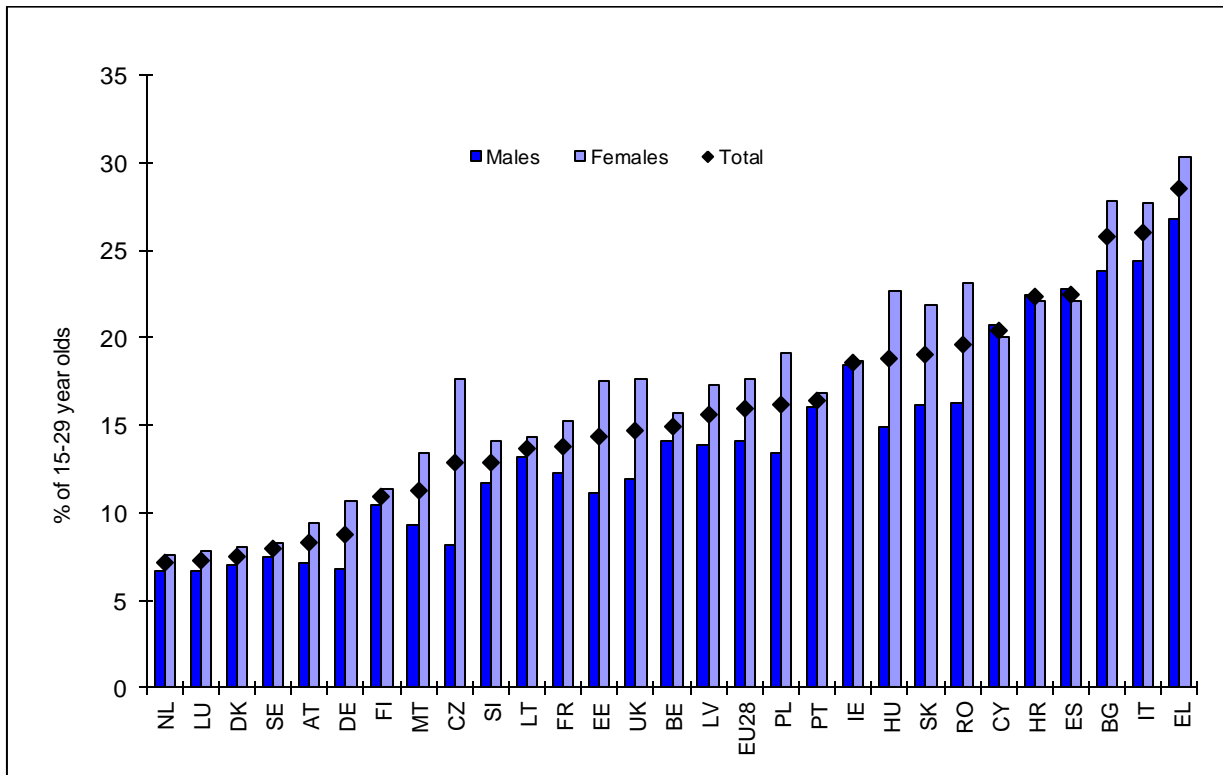


- Not in employment, education or training: 15.9 % of all young people aged 15 to 29 were in 2013 neither in employment, education nor training. Highest rates were recorded by Greece (28.5 %), Bulgaria (25.7 %) and Spain (22.5 %). With regard to gender, education level, previous work experiences and skills, there are big variations between countries. These differences are strongly linked to the specific labour market conditions of young people.

A recent Eurofound study on NEETs pointed out that "young people with low levels of education are three times more likely to be NEET than those with tertiary education. Young people with immigration background are 70% more likely to become NEET than nationals. And young people suffering from some kind of disability or health issue are 40% more likely to be NEET than those in good health." In addition, females are more likely than males to be NEET (in 2013 13.9% for males vs. 17.7 % for females).¹¹

¹¹ Eurofound (2012) NEETS – Young people not in employment, education or training, Luxembourg.

Figure 3: NEETs rates by gender, 2013



Young people are over-represented in temporary and part-time work with less on-the-job training, lower wage levels and poorer long-term employment and career prospects. In 2013, 31.5 % of young employees (15 to 29) were working on a temporary contract and 32.4 % part-time.

- Countries with the highest levels of temporary work among young people were in 2013 Poland (50.6 %), Spain (49.3 %) and Slovenia (48.6 %). But also in Portugal, the Netherlands, Germany and France more than one third of the 15 to 29 years old have only temporary work contracts. While this might be less problematic in periods of transition from education or training to work, temporary work is also prominent among young people above 24 years old. In Spain, Poland, and Portugal, more than 40% of all 25 – 29 year olds work on a temporary contract, affecting also those having finished their education since several years and wanting to start an independent life.¹²
- Countries with the highest level of part-time work among young people in 2013 were the Netherlands (63.2%), Germany (51.2 %), and Sweden (36.7 %). Here many young people combine education or training with employment and work voluntarily part-time. In the Netherlands, Germany and Denmark more than 50 % of the young people working part-time indicated in 2013 that they are still in education or training.

Nevertheless, one third of all young people in the EU working part-time indicated in 2013 that they work part-time involuntarily. Overall there is a worrying trend of more young people working part-

¹² Eurostat, yth_empl_050, accessed 23.10.2014

time because of the unavailability of full-time employment: in 2008 29.6 % indicated this as a reason for working part-time, in 2013 already 34.2%.¹³

Recent data from OECD indicate that non-standard work can be a stepping stone to standard work contracts but young people seem to profit less from that than older employees, independent from their education level.¹⁴ Young people experience both structural and cyclical difficulties in entering the labour market. Structural difficulties are especially pronounced for those lacking sufficient qualifications and not having completed upper secondary education. But the crisis also increased the difficulties of those with medium or high level of qualifications. And it prolonged the time until young people can hope to enter into permanent or at least longer-term work contracts with wages sufficient to start an independent life.

4 Poverty and social exclusion of young people

As a consequence of the precarious work situation of young people and the often difficult socio-economic situation of their families, youth is nowadays the group most at risk of poverty and social exclusion (closely followed by children under 16 years of age). The contrast with older people aged 65 and older is particularly stark and the gap between both groups has increased in the majority of countries in recent years. Across the EU 27, the gap has widened from a 2.9 percentage point difference in 2008 to a 10.5 percentage point difference in 2012.

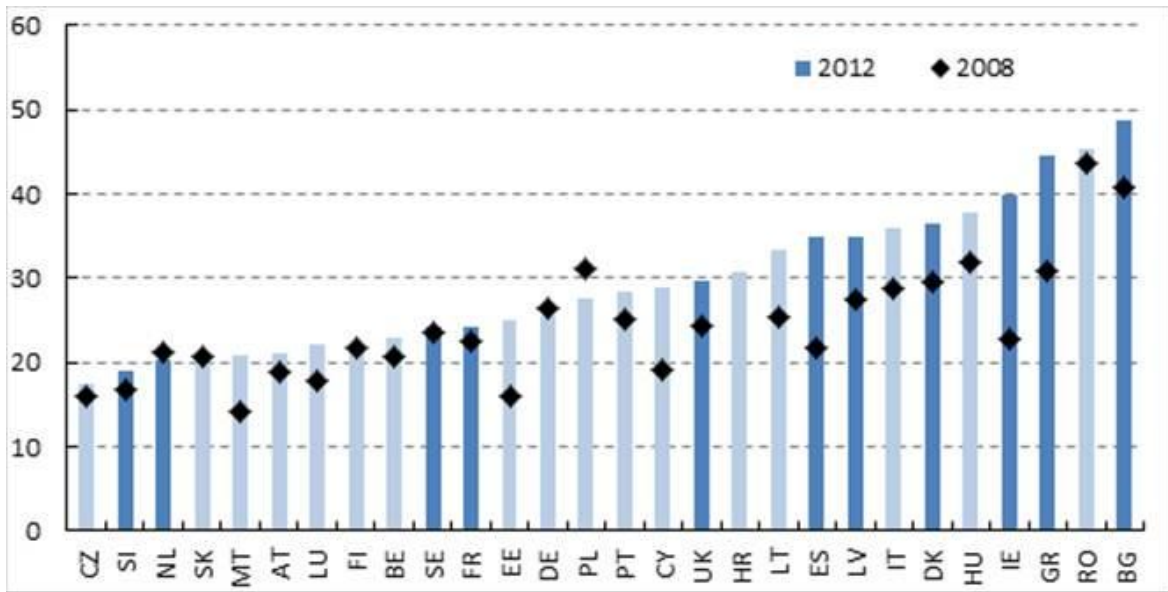
Structural challenges such as limited access to the labour market and to social protection seem to determine the situation of young people and be responsible for the growing gap on risk of poverty and social exclusion as compared to other age groups. The concrete situation of young people varies strongly in relation to their access to labour market, level of education, living conditions and access to different types of benefits and services. OECD data show that the large majority of poor youth is in education or in employment. Youth poverty rates across countries are strongly associated with household composition and if young people live alone or with their parents¹⁵. More research is needed to identify the main triggers for increasing poverty rates especially among young people and in comparison to other age groups.

¹³ Eurostat, yth_empl_070, accessed 23.10.2014

¹⁴ Joint OECD-EU project: Jobs, inequalities and wages,

¹⁵ OECD (2013) Social policies for youth: Bridging the gap to independence, p.10.

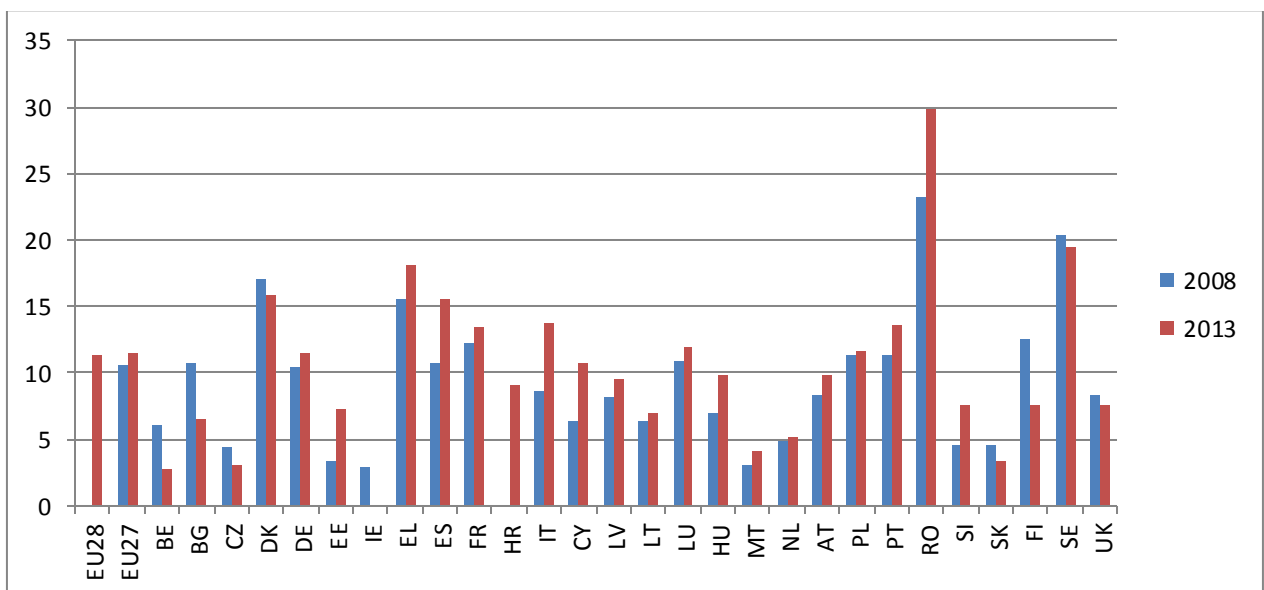
Figure 4. Share of young people at risk of poverty or exclusion, 15-29



Source: Eurostat (accessed 04.09.2014), indicators: yth_incl_010, no data for HR for 2008.

In-work poverty of young people has increased from 8.6% in 2008 to 9.5 in 2012; countries with highest rate of in-work poverty among young people were in 2012 Romania (20.9 %), Denmark (17.1 %) and Greece (14.4 %). These and also other countries faced increases in the in-work risk of poverty of young people during the last years due to the overall deterioration of working conditions of this age group.

Figure 5. In-work at-risk-of-poverty-rate of young people (18-24 years old)



In addition, projects and measures targeted at the social inclusion of young people and especially of young people with multiple problems were affected by austerity measures. 16 Member States reduced expenditure in education during 2008 and 2011, including cuts on the average investment in education per school student¹⁶. Also youth work was affected by budget cuts in many Member States. Cuts in public spending for youth work have often been accompanied by attempts to target it more to the needs of disadvantaged young people, in order to tackle the negative impacts of the crisis. This had a strong impact on the character of youth work with an increasing focus on fostering the employability of young people. More universal youth work, for all young people and looking more broadly at youth participation and civic engagement, struggles increasingly to get public funding¹⁷.

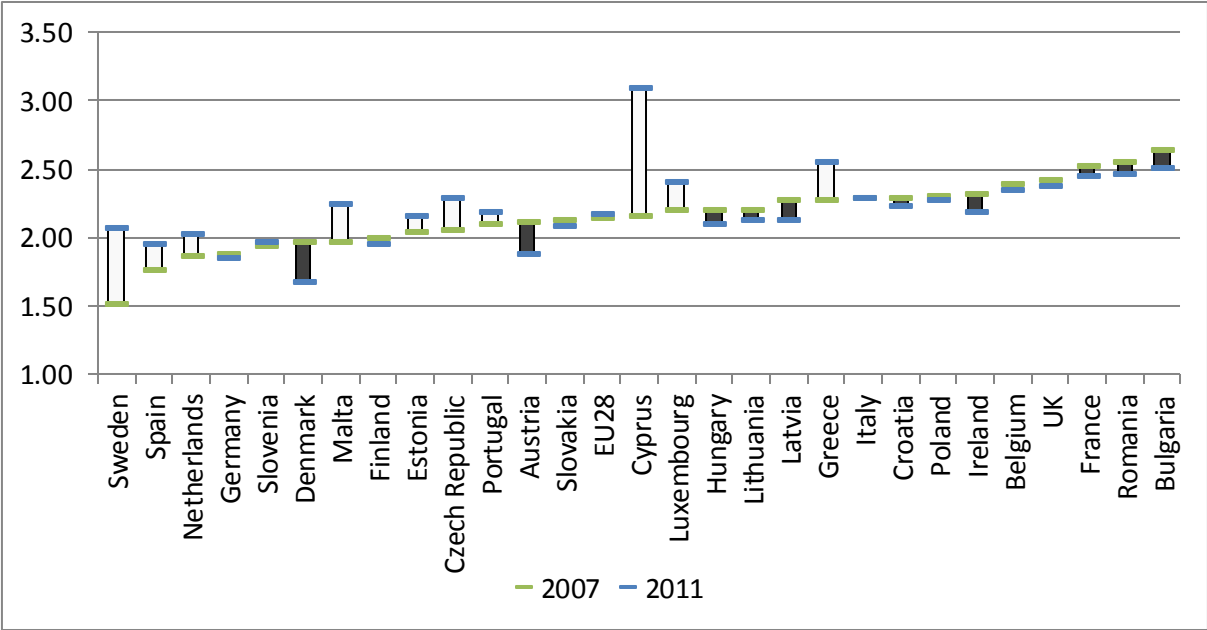
Looking at the perceived social exclusion among young people completes this picture. The perceived social exclusion index is based on Eurofound's European Quality of Life Survey (EQLS). The index measures the extent to which young people actually feel excluded, based on responses to several questions¹⁸. In 2011, the lowest levels of perceived social exclusion were found among young people in Denmark, Germany, Austria and Finland and the highest in Cyprus, Greece, Bulgaria and Romania. In most Member States young people did not feel on average more socially excluded in 2011 than in 2007, but in some countries such as Cyprus, Sweden and Greece there has been a significant increase (see Figure 6).

¹⁶ Cuts in education expenditure were significant during this period in EE, IE, LV and HU as well as in BG, EL, IT and RO where spending levels in relation to the GDP were already low and have been cut further. DK, ES, CY, LT, PL, PT, SK and UK made cuts at some stage between 2008 and 2011 which is reflected in a reduction of education spending as a percentage of GDP in 2011. Education and Training Monitor 2013, p.14 (http://ec.europa.eu/education/lifelong-learningpolicy/progress_en.htm).

¹⁷ Working with young people: the value of youth work in the European Union, study commissioned by the European Commission 2014, p.102f (http://ec.europa.eu/youth/library/study/youth-work-report_en.pdf)

¹⁸ The perceived social exclusion index refers to the overall average score from responses to the four statements: 'I feel left out of society', 'Life has become so complicated today that I almost can't find my way', 'I don't feel that the value of what I do is recognised by others', 'Some people look down on me because of my job situation or income', where 1 = 'strongly disagree' and 5 = 'strongly agree'.

Figure 6. Perceived social exclusion of young people by country, 2007 and 2011



Source: Eurofound, based on the EQLS social exclusion index

Unemployment, poverty and social exclusion impact on the life of young people in many ways and often long-term. They limit access to education and training, to quality services and to housing. They reduce young people's opportunities to participate in public life, reduce self-esteem and subjective well-being and can lead to stigmatisation

5. Risk factors

Factors that increase the risk of poverty and social exclusion are multiple and some young people are more vulnerable than others. Amongst them are young people with migration background or from ethnic minority groups; Roma; those with lower educational levels; homeless or those at risk of homelessness and young people with health conditions or disabilities¹⁹.

Migration: In 2012, 44% of the young people between 16 and 29, which were born abroad, were at risk of poverty and social exclusion, compared to 28.3 % among native young people²⁰. Young migrants face more difficulties and discrimination on the labour market; their unemployment rate

¹⁹ See EACEA (2013), *Youth Social Exclusion and Lessons from Youth Work, Evidence from Literature and Survey*, http://eacea.ec.europa.eu/youth/tools/documents/social_exclusion_and_youth_work.pdf accessed 22.02.2014) and EC (2012), *Social Inclusion of youth on the margins of society, policy review and research results*, Luxembourg, Publication Office of the European Union, http://ec.europa.eu/research/social-sciences/pdf/social-inclusion-of-youth_en.pdf (accessed 22.02.2014).

²⁰ Eurostat, yth_incl_020, accessed 23.10.2014

is higher. In most countries they also have higher early school leaving rates; in some countries the rate of early school leavers among migrant youth is more than double the rate of native youth.²¹

Gender: In 2012, also the rate of young people at risk of poverty and social exclusion differed according to gender with more females at risk of poverty and social exclusion²². It coincides also with the higher NEET rates for females compared to males (in 2013 13.9% for males vs. 17.7 % for females). The reasons for these differences are manifold (e.g. including care responsibilities for siblings or own children) and the diversity of NEETS has been reported frequently. In general, transition from education to work appears to be more complicated for young women than for young men, despite the fact that young women are often better educated, have lower rates of early school leaving and achieve better results in tests such as PISA.

With regard to employment, trends have been partly reversed during the crisis, which affected men to a greater degree and the unemployment rates among men rose to a higher level than among women. This is most likely an illustration of the recession which had a biggest impact on sectors with predominantly male workforce. In November 2013 the EU 28 male youth unemployment reached 23.9% compared to female youth unemployment rate of 22.8% (Eurostat). Again there are some country difference with male unemployment rates higher in UK or Ireland and Mediterranean countries (except Spain) where females are more exposed to unemployment. Belgium, Malta or Netherlands present a more balanced situation.

Education level and skills: Low levels of education (maximum lower secondary education²³) correspond generally with higher unemployment rates. The unemployment rate for young people with only lower secondary education was of 30% in 2008, since 2008 it has increased by 10.5 percentage points. The unemployment rate for young people with upper secondary or higher education increased from 2008 till 2013 by 7.4 percentage points to 17.1%.

However, since the onset of the crisis the higher level of education can no longer be seen as a protection against unemployment even though those with lowest education (primary education) were most hit, with most pronounced increases observed in Ireland, Greece and Spain. The unemployment rates of those with tertiary education are high in Greece, Spain, Romania, Portugal and Italy with the situation worsening during the crisis. In addition, the number of those with tertiary education that became unemployed increased from 5.5% in 2007 to 18% in Ireland. Rates remained stable in Belgium and France. It seems that the tertiary education is a strong protector against unemployment in Netherlands, but also Czech Republic, France and UK (Eurofound 2012).

²¹ Education and Training Monitor 2013 p.27 (http://ec.europa.eu/education/lifelong-learningpolicy/progress_en.htm). See also: Reducing early school leaving: Key messages and policy support. Final Report of the Thematic Working Group on Early School Leaving (in the context of Education and Training 2020), November 2013, http://ec.europa.eu/education/policy/strategic-framework/doc/esl-group-report_en.pdf

²² 2012 AROPE for 15-29 years old: 29.7 % in total; 28.9% for males, 30.5 for females.

²³ ISCED 1997 0-2

Skills mismatches account partly for the difficulties of highly educated young people to enter the labour market. Overall, vocational education systems with a strong component of work-based learning have been more successful in supporting young people in their transition from education and training to work.

Furthermore participation in lifelong non-formal learning activities can also be an indicator of inclusion. 8.8% of young people aged 15-29 reported to take part in them in 2012. Again here, vast country differences exist. While around a third of young people took part in non-formal learning activities in Denmark (33.1%) and Sweden (28.6%), less than one per cent reported to take part in them in Romania and Bulgaria²⁴.

Health: Bad health is increasingly seen as a factor in social exclusion. In addition, inactivity and unemployment, especially long spells of unemployment have detrimental effects on people's health including mental wellbeing. When it comes to the health status of young people (16-29), 8.1% reported to perceive their overall health as fair, bad or very bad in 2011 across the EU28.

While cross-country differences of self-perceived health status are difficult to interpret due to social and cultural factors influencing the response²⁵, analysing differences within countries is more meaningful. The health status of young people within the lowest income quintile is lower than those in the highest quintile in all EU Member States, with the exception of Greece and Ireland. The gap between these two groups with regards to reporting fair, bad or very bad health status can be larger than 10% (in 2011: Portugal and Slovenia). According to the European Quality of Life Survey (EQLS), although the level of psychological well-being of young people is generally higher than in the total population, unemployed and inactive young people give a comparatively low rating for their subjective well-being²⁶. Young people have significantly better-than-average mental well-being everywhere in Eastern Europe and in some southern European countries (especially Bulgaria, Greece, Romania and Slovenia) but for instance in Sweden young people score six points lower than the average population on the WHO scale²⁷.

6. Future challenges

Experiencing unemployment and poverty has long-term consequences for young people. Especially young people with only lower secondary education might be confronted with recurring spells of unemployment due to their lack of skills and work experience and their limited chances to improve skills on-the-job²⁸. Studies show that the experience of unemployment has more negative

²⁴ Eurofound, Social inclusion of young people, forthcoming

²⁵ OECD (2010). *Health at a Glance: Europe 2010*, OECD Publishing: p. 44, http://dx.doi.org/10.1787/health_glance-2010-en (accessed 24.02.2014).

²⁶ Eurofound, *op.cit.*

²⁷ *Ibidem*

²⁸ Eurofound (2012), NEETs – Young people not in employment, education or training: characteristics, costs and policy responses in Europe, OPOCE, Luxembourg. See also: Overview and examples of costs of early school leaving in Europe.

consequences for young people than for people in later phases of their careers²⁹. Long-term unemployment and detachment from the labour market and education and training increase the risk of poverty and social exclusion in later life. Gaps in employment and limited work experience can lead to a lower rate of pay, a reduced number of accrued social entitlements and in consequence long-term pay losses³⁰.

Accelerated by the crisis, many young people find themselves more often and involuntarily in non-standard work contracts. They are more often than in the past confronted with interruptions in their career or forced to change career paths. This influences their contribution history to social security systems and pension schemes. They risk facing lower pension entitlements and an increased poverty risk at later age.

For the individual, but also for the social security systems and for society as a whole these developments will create challenges for the future. More research on this is needed. While many of the current challenges are a consequence of the crisis and its direct impact on youth unemployment, long-term changes in career patterns with extended periods of education and training, more complex transition periods and less predictable career paths also play a role. Policies might need to respond not only to the short-term impact of the crisis and its effects on young people, but also address the structural challenges behind the current peak in youth unemployment and youth exclusion and the societal consequences of prolonged education periods and prolonged and more diversified transitions from education and training into employment and an increase of part time, temporary work.

7. Social inclusion and social protection of young people – policies and practices

Most Member States have policies and initiatives in place to prevent and address youth unemployment, low educational achievement and early leaving from education and training and also particularly difficult situations of individual young people. Countries also try to create comprehensive approaches in addressing the often multiple problems of young people and trying to break the vicious circle of social disadvantage, low educational achievements and limited opportunities to find employment.

If education and training of young people takes longer, transition from education to work becomes increasingly difficult, people change jobs and careers more often, work more on

Report of the Thematic Working Group on Early School Leaving, http://ec.europa.eu/education/policy/strategic-framework/doc/europe-esl-costs_en.pdf

²⁹ David N.F. Bell, David G. Blanchflower (2010): Youth Unemployment: Déjà Vu? (<http://www.dartmouth.edu/~blnchflr/papers/Youth%209-1.pdf>)

³⁰ Eurofound (2012), NEETs; SPC (2013), Social Europe-Many ways, one objective. Annual Report of the Social Protection Committee on the social situation in the European Union, p.41.

temporary jobs, and experience more often spells of unemployment, this has implications for the social protection of young people, which deserve due attention.

7.1 Individual support and structure-related measures

A review and analysis of policies and initiatives for the social inclusion of young people, conducted by Eurofound in the context of its project on the "Social inclusion of young people", distinguished existing measures into 'individualising measures' and 'structure-related measures'³¹. Currently the majority of measures taken by Member States are individualising measures, addressing the individual capacities of young people to cope with labour market and societal demands. Structure-related measures, addressing either socio-economic aspects or institutional set-up of youth transition are less frequent.

A wide range of actors is involved in policies and initiatives for young people including public organisations at national, regional or local level, but also often private non-profit organisations. Especially the individualising measures and initiatives are often funded on a project-basis, lacking permanent structures and stable financing. They are normally addressed to specific groups of young people (e.g. NEETs), providing them with targeted individual support. Many of them respond well to the needs of young people facing multiple challenges and requiring comprehensive support to enter the labour market, but also concrete support in dealing for example with dysfunctional family settings, social and financial problems.

At the same time, project-based individualising measures and initiatives do not respond to the structural disadvantages young people face on the labour market. They do not address the long-term consequences of youth unemployment and changed patterns in transition from education and training.

The crisis and its substantial impact on the social situation of young people has presented us with the question of whether the European social protection systems are well prepared to address the specific needs of young people. Besides providing sufficient assistance to individual young people, they need to compensate for a possibly prolonged youth exclusion from the labour market and its long-term consequences such as lack of investment in skills development, foregone contribution periods to social security and limited benefit entitlements.

Young people can receive different types of benefits, depending on their circumstances. Besides minimum income support and unemployment benefits, as described in more detail below, they might be entitled to disability benefits, housing benefits or family benefits and child care allowances. For the OECD countries, data indicate that for young people living in low- income

³¹ 'Individualising measures' address individual capabilities to cope with labour market and societal demands such as coaching programmes or training courses for low skilled young people. 'Structure related measures' address either socio-economic aspects or the institutional set-up of youth transitions. They might develop infrastructures for young people or unlock barriers to the social inclusion of young people with the help of financial assistance. Eurofound (2014), Review and analysis of policies and initiatives for the social inclusion of young people, p.57.

households and for those with no work experience, social assistance, housing and family benefits play a key role. In 2011 it was estimated that for all young people, independent from their working status or involvement in education and training, family benefits played a crucial role in income support.³²

This focus here is primarily on minimum income and unemployment benefits. The role of the different types of benefits in preventing the risk of poverty and social exclusion and in reacting to the impact of the crisis on young people in the EU would require further research.

7.2 Inclusive approaches to the Youth Guarantee

The Youth Guarantee is an important policy initiative for addressing youth unemployment, aiming to provide all young people with a job or training opportunity within four months following their registration to the PES. In its character, it is both an 'individualising measure' addressing the individual capacities of young people and a 'structure-related measure' by re-organising the employment and other services for young people and providing better support to all young people.

Some countries placed the Youth Guarantee already at the core of their strategies (PT, AT, BG, HR, LT, PL and RO among others). Looking at Youth Guarantee Implementation Plans in Member States confirms also that the concept of the Youth Guarantee has the potential to foster comprehensive approaches in addressing young people, including outreach activities to those furthest away from the labour market and not yet registered with the PES or any other service. An inclusive Youth Guarantee concept can address the needs of young people with multiple disadvantages and combine social support, targeted education and training measures and assistance in finding employment. It can be understood as a social investment approach by addressing the specific problems of individual young people at a decisive phase in their life, preventing or at least reducing the risk of social exclusion in future and shaping social services accordingly.

Outreach activities and easy access to services are key. One-stop-shops for young people can avoid that services are scattered, have conflicting requirements on young people and are inefficient in their results. E.g. the Youth Employment Agency in Hamburg, Germany³³ combines the public employment service, social services, educational authorities and local authorities.

7.3 Access to minimum income support

In most Member States, access to income support is granted to all people fulfilling the basic eligibility criteria. The aim is guaranteeing a minimum decent living standard for people on low or no income. In general, there is no conditionality related to age or previous attachment to the

³² OECD (2013), Working Party on Social Policy, "Social Policies for Youth: Bridging the Gap to Independence", p77ff.

³³ Jugendberufsagentur; <http://www.hamburg.de/jugendberufsagentur/ueber-uns/>

labour market. With sometimes important exceptions, young people who are outside the labour market have access to this type of benefit.

In several countries (IE, UK, NL), the amount of income support depends on age and/ or living conditions, making a difference between different age groups and between different family situations such as living in the parents' household or having responsibility for a child.

Link between income support and activation measures: In Ireland young people engaged in training programmes can receive higher rates of income support. In the Netherlands, young people have to prove that they tried to find work before they are entitled to receive income support. In Sweden, municipalities may require young people to participate in activation measures when receiving benefits. In Austria, specific emphasis is given on social integration, training and integration into the labour market of young people.

7.4. Access to unemployment benefits

The insurance-based nature of unemployment benefits linking them to previous work history makes it difficult if not impossible for young unemployed people with very little or no work experience to get access. In a number of Member States (SK, HU, IE, CZ, PT, CY, DK, UK, FI, NL) the legislation is unified for all insured people, including young unemployed people. In order to be entitled to unemployment benefits, an insured person must have paid insurance contributions for a given period of time prior to registration as a job seeker. Minimum contribution periods vary between four months and 24 months; the maximum duration for receiving unemployment benefits can in some countries be longer than the contribution period, in most cases this period is shorter.³⁴ Receipt of unemployment benefits is often also linked to being available for, capable of and genuinely seeking full-time employment.

Confronted with high youth unemployment rates, some MSs (PT, SI, AT) have modified the eligibility criteria for young people e.g. by shortening or re-defining the minimum contribution periods for young people. Other countries such as Luxembourg and Romania provide unemployment benefits after a waiting period of several months; benefits are then not paid in full, but as a percentage of the minimum wage or with reference to social indicators.

Another approach to address the problem exists e.g. in Slovakia: All people above 16 can contribute voluntarily to the unemployment insurance, regardless of their work situation. This gives them additional rights to access this type of benefit and is especially interesting for young people with long education and training periods.

The level of coverage and access to benefits, both minimum income and unemployment benefits, differs across Europe. Overall, young people not in employment, education or training, in South Europe are less covered by income support than in Northern or Central Europe.³⁵ Linked to the

³⁴ OECD (2013) p. 80

³⁵ OECD (2013) p. 78

very nature of individually awarded benefits such as unemployment allowances, young people are more often covered by benefits awarded at household level such as social assistance, housing or family benefits. The access to all type of benefits and in relation to this the risk of poverty differs according to the living situation of young people, e.g. living with their parents or on their own. Nevertheless, the difference in receipt can be small if the parents are receiving income support as well.

In terms of maximum duration of coverage, in many MSs, the period for which it is possible to claim unemployment benefit is linked to the amount of time over which contributions have been paid. Accordingly, in these cases, younger people eligible for benefits tend to receive them for a shorter period than older workers because they have not been in employment long enough to build up a lengthy contributions' record. In addition, because young people are likely to earn significantly lower wages than their older counterparts, especially if they are employed on probationary or training contracts, and more likely to work part-time, the benefits they receive can be considerably lower. This is particularly so for young women, who typically earn less than young men and are more likely to be employed part-time.

There is also a group of young people not getting any kind of income support. Reasons for this lack of coverage might be rooted in the structure and accessibility of the different forms of income support and in the low level of registration of young people, especially NEETS, with public employment services or social services/ local authorities. OECD estimates for 2011 that more than 50% of NEETs did not receive any type of income support in ES, IT, PL and PT. In Northern Europe and most Continental Europe the rate is about 30% (except SE 40% and FI 20%).³⁶

Not only the level of services and income support available for young people are relevant, but also the quality of services. As a project from the Council of Europe pointed out³⁷, young people often perceive social services as not youth-user friendly, too complicated or contradictory in requirements. Training of staff in social services targeted to young people is relevant, but also the design of services, their transparency, availability and outreach.

7.5. Access to health care services

Investing in the health of young people is not only important for the individual young person, but also crucial in a life course perspective as it lowers the risk of health costs later on. The health of young people is influenced by health related behaviours such as tobacco and alcohol use, diet and exercise patterns, overweight and obesity, but also by wider social and economic factors. Healthy behaviours and conditions that arise during adolescence impact on health across the life course.

³⁶ OECD (2013) p.89

³⁷ www.coe.int/enter

Access to quality health care is determined by basically the costs of health care services and the availability of the right services at the right time; services targeted at young people as well as health education are important to improve coverage and out-reach.

In countries where health care services are provided through public health insurance with universal coverage (UK, CZ, PT, SE, DK, FI), all young people have access to health care services. In UK, where treatment in general is free but there can be charges for some treatments, young people who receive (or are included in an award of) certain income-related benefits are entitled to full help with health costs. In some countries, access to health care services is granted linked to the receipt of social benefits or registration as job seekers (SK, HU, IE, AT, BE).

While young people in Europe seem to be largely covered by either a health insurance scheme or public health care services, only few countries report on initiatives to address the specific needs of young people in health care. Their needs are strongly related to the rapid biological and psychosocial changes during adolescence and the resulting vulnerability of young people. This vulnerability can be especially high as a result of individual and environmental factors such as marginalisation, social exclusion or lack of parental support³⁸. Data show that 15 to 20% of the adolescents in Europe suffer from one or more psychological or behavioural problems such as phobias, post-traumatic stress, depression, eating or learning disorders, substance abuse, juvenile delinquency, school absenteeism, and suicide³⁹.

In this context also the growing number of NEETs might raise concern: Young people not being in employment, education or training are more likely to develop mental and physical health problems. The increase in youth unemployment might also lead to subsequently higher demand for health services to cope with growing needs from young people.

Difficulties in accessing health care by young people also emerge in the European Quality of Life Survey (EQLS). 44% of young respondents indicated that waiting time has made access to medical care at least a little difficult, while 37% indicate that they experienced a delay in getting an appointment. Finding time to go to the doctor (due to work or care responsibilities) is an issue for 32% of young people, and cost of medical care is a problem for 31%. The distance to travel to the doctor or hospital is a less frequent problem, experienced by 18%. There is variation between MSs in the importance of these barriers: cost is a major barrier in CY and IE but not so much in UK and DK. In some countries multiple barriers to access exist, for example in EL and IT delay, waiting time and cost all seem to be an issue experienced by a significant proportion of young people.

Compared to 2007, barriers in accessing health care, especially cost, have become more prevalent in some countries, especially EL, MT, NL, IE and SK.

³⁸ WHO 2014, Health for the World's Adolescents, Summary, p.6

³⁹ <http://adocare.eu/>

Table 1. : Reasons for difficulty accessing healthcare, as reported by young people, 2011

	Distance	Delay in getting an appointment	Waiting time	Cost	Finding time
Austria	7%	29%	31%	14%	21%
Belgium	10%	20%	33%	26%	31%
Bulgaria	22%	23%	39%	30%	20%
Cyprus	15%	20%	36%	51%	19%
Czech Republic	19%	35%	53%	22%	25%
Germany	19%	41%	52%	27%	37%
Denmark	17%	22%	24%	7%	34%
Estonia	21%	43%	36%	23%	19%
Greece	38%	65%	68%	64%	39%
Spain	11%	26%	37%	10%	14%
Finland	18%	32%	29%	22%	19%
France	11%	26%	34%	32%	37%
Hungary	17%	37%	42%	19%	18%
Ireland	12%	21%	43%	51%	30%
Italy	36%	55%	61%	53%	36%
Lithuania	8%	28%	36%	30%	30%
Luxembourg	4%	14%	34%	29%	30%
Latvia	19%	25%	37%	29%	23%
Malta	16%	41%	65%	58%	38%
Netherlands	13%	20%	26%	25%	19%
Poland	24%	47%	42%	39%	26%
Portugal	24%	45%	48%	37%	38%
Romania	22%	39%	56%	46%	34%
Sweden	12%	32%	24%	16%	21%
Slovenia	25%	35%	38%	11%	13%
Slovakia	30%	33%	55%	50%	31%
UK	12%	36%	42%	7%	36%
Croatia	22%	42%	48%	18%	19%
EU28	18%	37%	44%	30%	31%

Source: European Quality of Life Survey, 2011

Note: red shading indicates greater difficulty in accessing healthcare, green shading indicates less

Data from EU-SILC indicate that for the EU average, young people (16–29) in 2012 do not report more unmet health needs compared to 2008, but in some MSs the percentage of young people reporting on unmet health needs due to the fact that health services were too expensive, too far away or had long waiting increased (e.g. Estonia, Ireland, Greece)⁴⁰.

In order to improve the access to health services, several countries started to develop youth friendly health services which are responsive to the needs of young people and combine targeted services for young people with outreach activities (SE, UK). Outreach activities are especially relevant for NEETs; and also for young men, who are often recognised as the most under-served group when it comes to health services. Despite the fact that they are often in need for treatment, they address themselves less often to health services. Youth Health Centres like in SE, offering free

⁴⁰ Eurostat, yth_hlth_060

of charge services for those under 20 and linked to youth centres, can be a solution to reach out to those hardest to reach⁴¹. Also disseminating relevant information on health issues via Internet could be a means for reaching out to young people.

7.6. Acquisition of pension rights

One of the potentially more significant long-term effects of prolonged youth unemployment is the loss of pension contributions with all the consequences this can have on acquiring pension rights as well as on the level of pension income.

Member States have different approaches in terms of counting or not years in unemployment for pension insurance and the way periods of unemployment are factored in terms of the acquisition of pension rights. Some countries also have time limits to pension coverage in case of prolonged periods of unemployment.

In some Member States, basic unemployment allowances do not add to earnings-related pensions (FI, SK) and a period of unemployment is not considered as period of pension insurance (SK), but in SK and AT, for example, it is possible to pay a voluntary pension insurance during unemployment.

In other Member States pension contributions are provided by the state if young people are on social benefits (CZ, IE, UK, PT, BE, AT), insurance-based social benefits are considered as income and thus, compulsory insurable (DE) in order to protect entitlements, or receipt of social benefits confers pension rights (SE). However, in some countries this is conditional upon having previous social insurance record (IE).

Basic state pensions as in Denmark or the Netherlands give basic pension rights to everyone independent from his or her contribution history. Entitlement is based on the residence in the country.

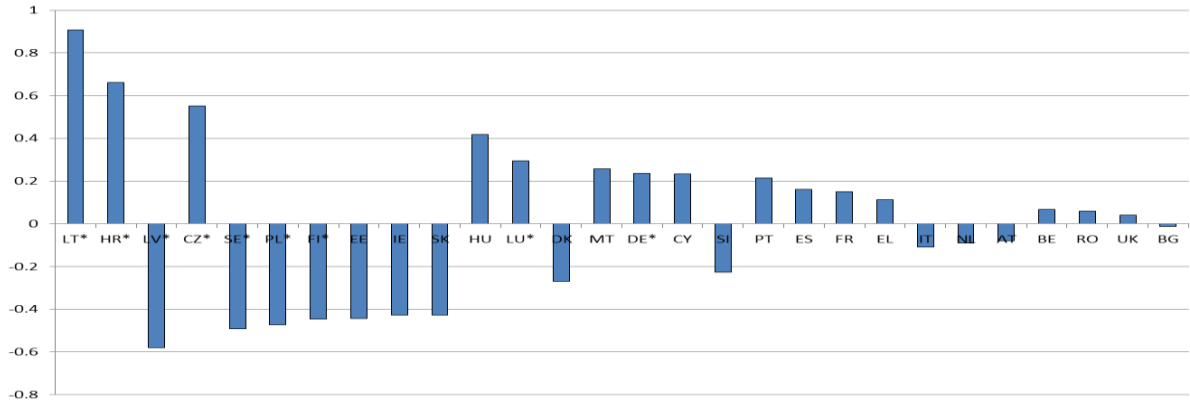
One important and rather under-researched issue is related to the social long-term consequences of large shares of long-term youth unemployment leading to young people having (significantly) reduced contribution histories and the implications for future pension adequacy and the pension systems overall. Estimations of the average loss in pension right due to unemployment can provide first hints on the difficulties young people might face at retirement age. While there is a considerable protection of pension entitlements in the unemployment benefit system in most Member States for unemployment spells of up to 3 years, the loss in entitlement increases with the duration of career breaks. Especially in pay-as-you-go pension schemes, extended periods of unemployment or non-linear transitions to the labour market with recurring periods of unemployment and education and training, can have a great impact on pension entitlements and

⁴¹ WHO (2010) Youth-friendly health policies and services in the European Region, p.151

increase the risk of poverty at later age.⁴² In addition, it appears to be particularly difficult for people to recoup the drop in entitlement, if they are without pension coverage in the first three to five years of their working career. Measures such as re-defining contribution periods during extended periods of education and training, transition periods from education to work or recurring unemployment spells; or strengthening basic pension schemes, are examples of possible adjustments to the pension system.

The European Quality of Life Survey⁴³ shows that young people’s views on the quality of the state pensions system has decreased in many Member States between 2003 and 2011 (most negative changes can be observed in Czech Republic, Bulgaria, UK, Belgium, Cyprus, Hungary, Ireland). As shown in Figure 7, in several countries young people rate the quality of the pension system lower than other age groups. Only in Lithuania, Croatia, Czech Republic and Luxembourg have youth rated the pension system better than other age groups. In Latvia, Sweden, Poland and Finland youth rated pension system worse than other age groups.

Figure 7: In general how would you rate the quality of the following public services: state pension system – difference in judgement between youth and other age groups (country mean – scale 0 – 10)



*differences statistically significant p<0.05;

Source: EQLS data 2011

⁴² Joint Report on Pensions: Progress and key challenges in the delivery of adequate and sustainable pensions in Europe, p.55

⁴³ Managed by Eurofound and carried out every four years, this pan-European survey examines both the objective circumstances of European citizens' lives and how they feel about those circumstances and their lives in general. <http://eurofound.europa.eu/surveys/eqls>

8. Results of the in-depth thematic review

Experiences among MS show the need to balance carefully social protection measures and activation measures for young people. In Belgium young unemployed people, who do not yet qualify for unemployment benefit due to insufficient work history, can receive a benefit while engaging in job-seeking activities. This means that there is an incentive for them to establish a connection with the Public Employment Services, early after graduation. Belgium reported on a recent reform of the benefit (integration allowance) that includes the extension of the waiting time to one year, a stronger obligation to take part in activation measures and to look actively for work and the limitation of the duration to three years. Ireland and Spain stressed especially the need to develop comprehensive strategies in supporting young people, to ensure cross-sectoral cooperation and to improve transition from school or vocational training to work and tackle early school leaving.

Based on an exploratory discussion on youth exclusion from the social protection point of view and building on the thematic focus of the 2014 National Social Reports, the SPC identified the following issues which need to be taken into account in further developing policy guidance on addressing youth exclusion.

Overall, **social protection systems** should provide sufficient social protection for all young people taking into account their individual social and employment situation and at the same time avoiding dependency traps. To ensure the right balance, a close monitoring of the specific measures for young people and their social protection is therefore necessary. Conditionality and waiting times can, when designed carefully and taking into account the overall labour market situation and the employability of a young person, help to motivate young people to pick up employment or to continue or re-enter education and training. Too limited or lack of access to benefits combined with lack of or limited access to enabling services risks to create prolonged dependency on parents' and/or family support and delays financial and effective independency. Long periods of unemployment, inactivity or precarious employment might increase the risk of long-term salary losses, limited pension rights and poverty in retirement. Thus, focus should be put on increasing employability and income benefits, relevant for young people, should be better linked to activation measures and to a tailor-made approach to training.

Integrated and multidimensional approaches are necessary to answer to the needs of young people especially during transition periods and when confronted with unemployment or precarious employment. They combine different perspectives and policy approaches in addressing young people and allow for using the different resources available to help young people in need. This includes close **cooperation between different policy areas and providers of social support, health services, education and employment services**. **Youth organisations** can also play a crucial role in integrating young people in society and in reaching out to those furthest away from the labour market addressing young people in a different way than employment and social services and using different communication channels. Comprehensive **government strategies** to address the social, educational and employment situation of young people can form the framework to

bring different stakeholders at local, regional and national level together and design efficient and effective policy interventions. Attention needs to be paid to the situation of young people with migration background, especially newly arriving young migrants.

Municipalities/local governments are an important actor in providing targeted support for young people. Municipalities/ local governments could be better placed to know the concrete difficulties young people face in their region, know their labour market situation and can **combine the different services to support young people**. Depending on the structure of social support systems, municipalities can create **one-stop-shops** for young people including a wide range of employment and social services, youth coaching and access to further education and training, reach out to young people and cooperate with local stakeholders, including youth workers, education and training institutes, but also local employers. Important are early interventions and an early detection of potential problems of young people to provide targeted support before young people become disengaged, inactive and consequently further excluded from the labour market.

Mobility can help young people to gain first work experiences and to improve their skills; supporting the mobility can therefore be one possibility to help young people in regions with high youth unemployment. At the same time it can create the risk of brain drain; balance needs to be kept between promoting mobility of young people, strengthening access to local labour markets and offering young people realistic chances to return to their region after having spent some time abroad.

The **Youth Guarantee** is recognized by Member States as a very important comprehensive and strategic instrument for addressing youth unemployment in Europe. They can bring together initiatives such as Youth Coaching programmes, programmes focussing on the skills and employability of young people, and outreach activities to sustainably improve the social situation of young people.

Social protection systems have an important role to play in supporting labour market integration and helping young people to bridge difficult periods of transition from education and training to work and to employment of progressively higher quality. They are also relevant in avoiding the risk of long-term social exclusion, providing young people with multiple difficulties with support to increase their employability and bring them closer to the labour market. The in-depth review made clear that further exchange on the efficiency and effectiveness of the different approaches is needed.