Young Europeans’ perspectives on the crisis

Europe’s lost generation?

FutureLab Europe
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Europe’s youth has been hit hard by the economic crisis. An unprecedented level of youth unemployment, emigration and disaffection has earned Europe’s current cohort of young people the unenviable label: lost generation. FutureLab Europe consists of a group of young people from across the European continent that is currently seeking to better understand the problems of the “lost generation”. To this end, FutureLab members have compiled a report on the situation of young people in 24 European countries. They have examined primarily the issue of youth unemployment and its related challenges, engaging directly with their peers to obtain a sense of what Europe’s “lost generation” thinks about its prospects.

The collection of reports from across Europe points to the need for immediate and profound reform in order to overcome the challenges facing Europe’s youth. The key issues that emerged are:

1) **Europe’s youth is in crisis.**
   The crisis require an immediate and decisive response. Europe’s youth are still waiting for that response. Policy-makers at European and national level, who have in recent months increased their focus on the problems of young people and increased their use of the language of crisis, must now put their rhetoric into action.
2) **Youth is a resource and not a problem.**
This realisation at a wider societal and political level would go a long way towards solving the manifold problems of the young generation. Trapped in a limbo of unemployment, underemployment or an endless cycle of education because of a lack of job opportunities, many of Europe’s youth perceive themselves as ‘useless’ and powerless. Since self-esteem is a precondition for active and positive citizenship, this could have significant repercussions for long-term social cohesion and democratic stability. Young people must be better engaged in political processes and decision-making in order to give them a sense of control over their own lives. Politicians and officials at national and European level must show more interest in the problems of young people, engage more with young voters, listen to their views and talk to young people about what matters to them. Political parties should do a better job in getting young people involved in the political process (and not only in universities), thereby giving them a sense of being involved at an earlier age. Of course, not all young people want to join a political party. However, e-Democracy offers exciting opportunities for engaging with and including young people in the decision-making process without going through the traditional medium of the political party. Technological advances have changed the way that young people see and interact with the world, but political parties and state bodies have been slow to catch up and grasp the opportunities that technology offers for democratic participation.

3) **Education. Education. Education.**
Funding for education and training should not be made a victim of the policy of austerity. Governments must provide young people with the necessary skills and qualifications to equip them for the world of work. Reducing education spending and access to education, which has occurred in several European countries since the economic downturn, only serves to damage the long-term employment prospects of young people.

4) **Education systems must adapt to current labour market needs.**
There is a sense in many European countries that the education system is failing young people because of the sharp disconnect between education and labour markets. The solution to this problem begins at secondary level, when students should be given individualised career guidance at an early stage. While it may not yield the desired effects in every country, the ‘dual system’ of secondary education, which emphasises vocational as well as more traditional theoretical education, is a common factor in those European countries with low youth unemployment rates (Germany, Switzerland, Austria, Denmark, Norway, the Netherlands). At tertiary level, institutions of education must cooperate more with business and industry, provide students with practical and relevant work experience and provide graduates with greater support as they make the transition from education to work.

5) **Policy responses must clearly address the needs of young people.**
A number of the policy responses to youth unemployment do not unambiguously serve the interests of Europe’s youth. For example, the introduction of more flexible contracts that make it easier for employers to hire and fire young people (e.g. Estonia, Italy) can only serve to increase instability and uncertainty for
young people if not combined with a strong safety net and a good level of support for jobseekers (as in Denmark’s “flexicurity” system). Another common response to the crisis (e.g. France, Ireland, Slovakia, Spain) has been to subsidise the costs of employing young people for a fixed period. These schemes are attractive to employers because they provide free or subsidised labour, but it is important that they also address the long-term needs of young people (as in the UK, where participating organisations must engage young employees in relevant training or education).

6) **Labour mobility in the EU must not become a large-scale “brain drain” from peripheral states.**
Many participants expressed concern at the level of skilled young graduates emigrating due to a lack of adequate employment opportunities. While moving abroad can be a very beneficial experience for a young person both personally and professionally, emigration becomes a problem when it occurs on a mass scale and in only one direction. Several peripheral European countries (e.g. Greece, Ireland, Spain) are experiencing a significant brain drain, which could have a long-term impact on economic development and the entire fabric of society in the sending states. The experience of Poland shows that it is very difficult to attract young migrants back to a country with few opportunities. To ensure that sending states are not losing their most dynamic and innovative generation for good, they must seek to reach out to their young diaspora and engage them in the decision-making process. Social media may facilitate this process in a way that was not possible in the past.

7) **Greater efforts should be made to promote youth entrepreneurship.**
Finding ways to tap into the innate innovativeness of young people is an area that should be given more attention. Europe’s youth are best positioned to make the most of the single market and the globalised age. Many of the young people who participated in this project noted that their generation has become more “risk-averse”. Young Europeans should be encouraged to overcome their unwillingness to take risks. Some countries have introduced policies to encourage youth entrepreneurship (Latvia, Malta, Poland, Russia, Serbia) but this should become a matter of priority across Europe.

8) **Any major policy response to youth unemployment should have the support of all relevant stakeholders.**
Denmark’s highly successful labour market reforms in the 1990s had the support and participation of all relevant stakeholders, including employers, trade unions, and political parties. The response to the current crisis requires the same level of commitment from all significant actors. Radical reforms cannot be divisive or perceived as partisan if they are to address the uncertainty and insecurity that Europe’s youth is currently experiencing.

9) **Solving Europe’s youth crisis must not come at the cost of intergenerational conflict.**
Older workers are also vulnerable and this is particularly true at a time of rapid technological advances. However, older workers bring a wealth of experience and expertise to the workplace, and this deserves to be recognised. France’s *contrats de génération* provides a good model for addressing the crisis of youth unemployment without displacing older and vulnerable workers.

The individual reports provide more detailed information on the situation for young people in each European country and the policy responses by national governments. The European Youth Guarantee and the funds made available for tackling youth unemployment in the proposed 2014–2020 Multiannual Financial Framework are welcome steps in bringing this issue onto the European agenda. Although social, employment and education policy remain largely the prerogative of Member States, the European Commission and the European Parliament have a very important role to play in raising awareness of this crisis and in encouraging European countries, inside and outside the EU, to do more for young people.
Country reports: summary

Young people constitute a blurred entity with undefined needs and preferences. The experience of the economic crisis by young people has been very different across Europe and, indeed, within individual countries. Those with higher education levels have generally escaped the worst of the crisis. However, in many countries, a university degree or a technical qualification has not been enough to spare young people from unemployment. In many countries, regional disparities have been accentuated by the economic crisis. Even countries with the lowest overall levels of unemployment, like Germany and Denmark, have significant regional differences.

An important point that emerges from the reports is that age is not the only determinant of the “lost generation”. There are very high disparities in youth unemployment according to gender, as well as social and ethnic background (some participants stressed that young Roma are in a particularly precarious position in their country). Another clear trend is that young people from a migrant background are more likely to be unemployed and disengaged from society and politics than their native counterparts.

There is also quite a striking difference between some Southern and Eastern countries, on the one hand, and Northern and Western countries on the other. In many Southern and Eastern European countries many young people interviewed expressed concerns about perceived corruption and nepotism. This perception by young people of an unfair system that rewards those with connections is enough to cause discouragement and disengagement. Another difference is that young people seem more likely to be engaged in precarious work in the informal or “black” economy among the Southern and Eastern states (e.g. Bulgaria, Poland, Romania, Serbia). Many of the authors of the country reports expressed concern that there is a risk of unemployed and disengaged young people increasingly turning to the black economy or to economically-motivated criminal activities.

Despite the many differences within and across the countries surveyed, there are also a number of significant similarities in the challenges faced by young people in Europe. One striking result of this project is the almost unanimous agreement of participants that the NEET1 level, which is becoming an increasingly important measure of youth disengagement from the labour market, is not the most significant or the only important issue. Participants point to the negative repercussions of being trapped in consecutive unpaid or underpaid internships and temporary jobs, as well as the phenomenon of young people being forced back to education because of a lack of job opportunities.

1 NEET: a young person who is not in education, employment, or training.
The NEET measure does not capture the uncertainty and anxiety that now pervade the lives of young people in Europe. Another important finding is that education systems do not deliver the skills required by the labour market.

The reports reveal the common challenges faced by young people across Europe, regardless of their country of origin or their employment status. Some of the major problems that young people have to grapple with now and in the future are:

- Greater uncertainty and economic insecurity arising from sporadic and temporary employment. This in turn makes it difficult for young people to plan their future, buy a house and start a family.

- A loss of identity and self-esteem caused by experiences of unemployment, frequent job changes and the sense that young people do not matter.

- A loss of independence and a ‘return to the family’, is a particular problem in Eastern and Southern Europe, where the family as an institution has stepped in to replace the state in protecting the young. The transition to adulthood, whereby an individual traditionally took on civic responsibilities in return for becoming a respected member of the community, is no longer valid.

- Political disconnectedness and apathy arising from a widespread sense of injustice and resentment that young people are shouldering a disproportionate burden while governments and society in general disregard their problems. For many young people, the social contract has been broken. They feel betrayed by the political and economic system.

The long-term political and social consequences of these phenomena are likely to be profound. Participants expressed concern about demography patterns, pension planning, future state revenues, and, indeed, democratic stability. Perhaps most worryingly, the rise of populist political parties and violent youth demonstrations in some European countries already indicate that young people are opting to withdraw from the existing social and political framework. The young people of today are the decision-makers of tomorrow. The long-term sustainability of democracy and social cohesion therefore demands the engagement and participation of young people in the democratic process. However, young people are experiencing a general crisis of trust and values. Failure to act now is likely to entrench the anxiety and disillusionment of many of Europe’s young people, which will be very difficult to reverse. An economic or political crisis can be overcome, and great steps have been taken at the national and European level to provide solutions to these crises. But we must go further to ensure the future of Europe’s youth.
How is the issue perceived in a country where the youth and the general unemployment rates do not differ substantially?

**GENERAL OVERVIEW**

Austria has launched a new scheme to prevent school drop-outs and combat youth unemployment. It provides each person who is registered with the public employment service with either employment, an apprenticeship or a qualification measure within six months. Reactions to the campaign were divided. It does not seem to be supported by the government as a whole and has been heavily criticised by the opposition parties and by sections of the Austrian population, who say the scheme does not reach the young people it set out to help. In Austria, it is especially women and young people with an immigrant background who are affected. Whereas the share of young people not in employment, education or training (NEETs) among young people is generally very low (7%), it is 18.8% among first generation young immigrants and 11.7% among second generation young immigrants (University of Linz & Chamber of Labour (AK), 2012). Therefore, the problem of NEETs in Austria is often classified by politicians as an ‘integration issue’.

From this school year onwards, schools in Austria are required to provide a special career and educational orientation course that is compulsory for all students in the eighth and ninth year of school. The aim is to provide them with information concerning possible career choices and to help them with the transition from school into employment or higher education. This initiative started in two federal states and will be implemented step by step in all federal states by 2014.

**IN FOCUS: Dual education system**

The education system in Austria is characterised by a dual approach which combines vocational training with an apprenticeship in a company (like in Germany and Switzerland). Interestingly, these are also the countries which have managed to keep their youth unemployment rates down, even during the crisis. They have lower NEET rates than other countries – which indicates that this system makes it easier for young people to make the transition from school into the labour market and employment. An apprenticeship in Austria takes 2.5 to 3 years. During this time, the apprentice works in a company and attends a vocational school in order to learn a trade; the company is responsible for ensuring that the apprentice gets the quality and quantity of training required for each trade. Most apprentices are offered a contract by the company with which they did their apprenticeship, and often employers prefer well-trained apprentices to university graduates.

“... the false hope to finally having one.”

“The tendency to offer only "dumping-employment" – also called internship, traineeship, etc. – seems to have become something normal, and leaves many in our generation with the false hope to find a permanent position later on. What follows from this is often to "be stuck" in some kind of job – just for the sake of finally having one.”

Lotta Schneidemesser

1.5

Percentage difference between youth and general unemployment rates

(Statistik Austria, 2012)
Overall, youth unemployment in Belgium is not perceived to be at a critical stage and is not dealt with as a priority.

**GENERAL OVERVIEW**

Societal discussions frequently touch on the issues of youth unemployment and the ageing society, but also are easily distracted by headline economic news such as the EU crisis summits. The relatively high education level of young people, their safe career choices and willingness to work abroad also add to a possibly false sense that the situation is not all that bad. The comparison with the situation of Greece, Spain and Portugal and the strong ties with Germany allow for a feeling of security. In this, there is a strong disparity between the young people and the general population. The many news items dealing with the closure of large factory plants and the consequent trades union involvement rarely touch on the aspect of the impact on youth unemployment.

Young people’s strong sense of insecurity, of being risk-averse and playing safe at every turn is specifically reflected in educational choices and the choice to work for governmental or large corporate organisations rather than smaller enterprises or starting a business themselves. It can also be seen in a relentless search for good, if unpaid, internships that could secure an impressive CV rather than spending time travelling or gaining experience that is not targeted towards a certain job. The abundance of formal educational qualifications, but lack of concrete skills also explains why many young people feel insecure about their future and become very risk-averse. Providing more training facilities and paid internships could also act as a trigger in inspiring young Europeans to become entrepreneurs and innovators within our economy.

**IN FOCUS: Underestimated brain drain?**

There is an underestimation of the brain drain that is going on in Belgium. Belgians generally have a solid knowledge of other languages and are well-travelled, which means there is a very high proportion who leave the country and take a job abroad. The economic crisis is covering this up and the potential reduction of the youth unemployment figures might even be welcomed in current circumstances. Nevertheless, the country should take more of an interest in encouraging these young people to come back and dedicate the skills they developed to support the ageing society in Belgium. At this point, Belgium is losing the young people that are best positioned to make the most of the Single Market and the globalised age. Those are exactly the people it cannot afford to lose.
The term ‘discouraged people’ is used by the Bulgarian National Statistical Institute to designate people who are economically inactive. They are people who want to work but who do not actively seek a job, because they do not believe that they will find one.

**GENERAL OVERVIEW**

Some of the most popular and effective government programmes are ‘Career start’, ‘I can’, ‘Youth entrepreneur’ and ‘Student internships and apprenticeships’, operated by the Ministry of Labour and Social Policy. The main objective of the ‘Career start’ programme is to provide unemployed young people who have completed secondary or higher education with the opportunity to gain work experience, in order to facilitate the transition between education and employment. Successful candidates have the chance to work with local or state authorities for six to nine months. There were 538 workplaces with central authorities, 56 places with regional authorities and 258 places with municipal authorities allocated for 2012.

The National Youth Forum organised a discussion series about ‘Young people in the labour market’, gathering more than 100 representatives of youth NGOs, employers, syndicates and state officials. The aim was to gather views on the role young people should play in the next programme period of the ‘Development of Human Resources’ programme and the national programme ‘Work for young people in Bulgaria’.

**IN FOCUS: Apathy among, and political marginalisation of, young people**

Participation by young citizens in society is problematic, as they are selective and totally indifferent to some events. Usually this can be explained by the fact that most young people do not believe their efforts might actually make a difference in a socio-political perspective, because of the lack of renewal among the political leadership of the country and continuous information about corruption and lobbying arising from their business ties.

Young people are not very well represented at the Bulgarian state and local authority levels and, as a result, their voice is not heard sufficiently by politicians. Although Bulgarian young people are not very active in civil society in general, at the end of February 2013 students organised themselves to raise questions about education reform and career development in the country.
Whereas there were 17.3 applicants for every vacancy among the general population, there were only 6.4 young people or graduates applying for positions open explicitly to them. This data is hard to explain.

GENERAL OVERVIEW

There are no effective government initiatives to combat youth unemployment in the Czech Republic as it is generally not perceived as the greatest threat. The focus is on the elderly and mothers with young children. Special measures aimed at young people under 20 years of age were abolished in 2012. However, reducing youth unemployment by one third is one of the goals formulated in the National Reform Policy 2012 in connection with the Europe 2020 strategy. Nevertheless, the goals are either declarative or merely call for a more flexible labour law and own initiative of the unemployed. Employers are demanding the abolition of protective labour laws and changes in the educational system to encourage a bigger orientation towards apprenticeships and vocational training. Overall, there is no consensus on how to tackle unemployment, other than to hope for renewed growth.

As for new activation tools, students can be registered as unpaid jobseekers and there is some support for enabling them to gain practical experience during the studies. Still, the initiative ‘Educate yourself for growth’, financed by the European Social Fund, does not receive much attention. One major policy change for all unemployed was the ‘public service’ – compulsory, unpaid work under the threat of expulsion from the jobseekers database. The Constitutional Court recently banned this policy on the grounds of it being against basic human rights.

An important issue is the unemployment of the Roma population, especially the young. Living mostly in socially and structurally disadvantaged regions, they do not obtain high levels of education and eventually become unemployable NEETs. There is also considerable racism towards the Roma and they are often discriminated against in the labour market. Special governmental initiatives are in place to deal with this problem, albeit without much success.

IN FOCUS: Phenomena which skew statistics

Maternity leave skews the youth unemployment statistics positively: parental leave in the Czech Republic, which is still taken almost solely by women, is one of the longest in the world. A woman can stay at home with her child for 4 years. In fact, it is necessary to stay at home because the childcare options are very limited and it is virtually impossible to place a child under three years of age into day-care. As a result, there are many graduates who stay out of the labour market after graduation.
Could stronger labour unions make Europe more competitive? And can the Danish model be a European model?

GENERAL OVERVIEW

Denmark has a relatively large young population compared to many other Western countries. At the beginning of this year a little more than 2 million people – 36 percent of the total Danish population - were below the age of 30. The global economic recession has also hit the Danish labour markets and affected the opportunities afforded to young people. However, looking at the statistics on the development of youth unemployment in the past 20 years, Danish policies for combating unemployment and marginalisation among the young can be considered quite successful.

The flexicurity reforms of the 1990s based on an active and empowering labour market can be seen as a great success. The system, which was created as part of the workfare reforms of the 1990s has two elements. On the one hand, it allows employers great flexibility to fire people and hence makes the risk of employing smaller. On the one hand, it allows employers great flexibility to fire people and hence reduces the risks involved in employing a person in the first place. It is notable that when the reforms of the Danish workfare model were introduced and the concept of flexicurity was coined, there was great support across society – politicians, officials, employers and trade unions all supported the reforms.

The Danish model of flexicurity has many advantages but also some disadvantages. One of the advantages is that it educates even young people about their rights (and duties) at an early stage. On the other hand, some think the model simultaneously poses a challenge for integration within the EU. The Danes wish to attract foreign workers, but at the same time avoid phenomena such as social dumping.

IN FOCUS: All key stakeholders on board

One lesson that should be learned from Denmark is that the successful reforms of the 1990s were only possible because all key stakeholders in Danish society – politicians, employers, labour unions, officials stood behind the united, reformed vision of a more sustainable and empowering labour market. When will the rest of Europe stand united to tackle the difficult challenges of the present day and the future?
In Estonia the problem is not just about the younger generation. The country has gone through rapid economic and social changes which it is still adapting to.

**GENERAL OVERVIEW**

There have been many changes in Estonia in a very short period of time. Society has moved from being part of the Soviet system to becoming a European Union member country, belonging to the Schengen visa space and facing somewhat the same problems as other, older EU member states. Citizens have high expectations when it comes to salaries, social benefits and living standards, yet there is also the reality of unemployment and an ageing population. The problems are similar at many levels, but the rapid transition from one economic system to another and the rapid emergence of social and economic problems puts Estonia in a different situation compared to older EU member states.

One reason for the high youth unemployment is the need for specialists which the current education system is unable to produce in sufficient numbers. The education system works on the basis that the state ‘orders’ a certain number of ‘free’ places from universities. There are also some paid places available, so in theory it is still possible for someone to study even though the fixed number of free places set for each university specialisation has been reached. In this way, the state has tried to regulate and promote curricula that fit the needs of the labour market, but often these were not the most popular or those for which competition was greatest. The current higher education reforms should bring some relief to the mismatch between what the education system supplies and what the labour market needs.

The problem has been addressed at a general level by implementing a new labour law, which is aimed at making the labour market more flexible and enabling it to adapt more quickly to the needs of employers as well as employees. General unemployment has halved in the last few years, from just under 20% to just under 10%.

**IN FOCUS: Ratio of retired to working people**

One of the biggest problems is youth emigration, which has a major impact on the current economic situation. Furthermore, it will have important consequences for the socio-economic structure of Estonia in the future, when the current workforce retires. According to statistical extrapolations, the ratio of retired people to working people will double in the next few decades.
Even one of the most highly rated education systems in the world cannot provide miracle solutions to the problem of youth unemployment.

**GENERAL OVERVIEW**

Youth unemployment is being tackled with a so-called ‘Youth Guarantee’. Since the initiative is rather recent (its most recent revision dates from this year), it is difficult to evaluate whether it has been successful or not. One guaranteed period of employment / internship / education may be too little to solve the problem of marginalisation and to guarantee better chances of getting a job later on. Some of the early responses to the initiative have been rather sceptical. Some have said the programme is too weak to be effective. To make it work, young people have to search actively for opportunities. However, in the current economic situation the numbers of uneducated young people and the number of opportunities available do not seem to match.

The media make us aware of the problem but do not explain the causes and the consequences, nor do they point the way to possible solutions. The public debate is focused on who is to blame. Some media limit the issue to a simple presentation of statistics, which tells only a fraction of the story. Since the introduction of the ‘Youth Guarantee’ scheme, the topic has appeared in the national media rather often, yet without any significant platform to discuss the solutions.

**IN FOCUS : Reaching the core of the ‘lost generation’**

Despite the fact that the Finnish education system has been ranked the highest in the world, it is not a ‘magic force’ which guarantees the wellbeing of young people. The real concern is the ‘core’ of the ‘lost generation’ – the 30,000 or so young people who do not show up in any statistics because they have not registered as unemployed. It is very difficult, often impossible, to reach them and provide help. In Finland, as in many other European countries, the post-WWII generation is reaching retirement age and the need for a replacement labour force is becoming increasingly apparent. In addition to employing workers from abroad, the contribution of our young people (including the NEETs) is fundamental to the growing needs of the labour market – especially in the health care sector.

18.8
Youth unemployment rate
(compared to 7.7 general rate)
(Statistics Finland, 2012)

Many of the young people part of this ‘lost generation’ were born to the families affected by the deep economic recession in the early 1990s. Two decades later, when they reached adulthood to become fully responsible citizens of their country, another wave of economic recession hit society. Are we just unlucky victims of the circumstances, or are the resources and will of our society really so limited to solve one of the biggest threats to our welfare state in the coming years?

I believe that the solution to youth unemployment can be found in the comprehensive reorganization of working life and mentality.
France has introduced measures designed to tackle youth unemployment and early retirement simultaneously. But the elitist education system remains a problem.

**GENERAL OVERVIEW**

The ‘emplois d’avenir’ (jobs of the future) are jobs designed for young people who encounter more problems in their labour market integration than other young people (those from rural areas or the suburbs, who stopped education after the secondary education certificate), and comprise a tripartite commitment between a young person, an employer and the government. They are full-time jobs for a limited period of 1-3 years. The company or organisation employing the young person receives state assistance ranging from 35% to 75% of the minimum wage. When the job placement ends, the young employee receives a certificate of vocational training.

The ‘contrats de génération’ (generational contracts) have been devised to fight both youth unemployment and early retirement. All companies with 300 workers or more must hire a young person during a period of 3 years and, at the same time, keep a worker of 57 or older or hire a new one aged over 55. For companies with 50 workers or less, the state provides financial assistance (€12,000 over 3 years); companies with over 300 workers are fined if they do not comply. The idea is that the older employee can teach skills to the junior one, so as to bridge the generational divide, encourage the integration of the young person into the labour market and aid the creation of lasting jobs. The forecast is that 6 million youngsters will find a job between now and 2020, whereas 5 million older workers will retire during the same period. The big question is what will become of these young employees once the government assistance ends.

**IN FOCUS: Degrees and elitism**

In France, holding a degree does not lead to a guaranteed job, but without a degree the prospect of unemployment is certain. Public universities are often seen as second-rate. As a consequence, the education system is often criticised as a barrier to employment favouring the few, rather than empowering the many.
Germany does not speak about a ‘lost generation’. This would mean that people from the same age group all experience the same problems, which is not the case.

GENERAL OVERVIEW

Models of dual education have become more popular. The German model of the combination of school education and practical training on the job in companies is perceived to be more and more effective.

The federal government’s training initiative, set up together with the private sector (Ausbildungspakt), was introduced in 2004 and has been renewed several times, most recently until 2014. This contract between companies and the state was designed to ensure that every young person is offered a vocational training placement (Ausbildungsplatz). Despite the initiative there are still about 50,000 vocational training places missing each year. That is why for over twenty years there has been a discussion to force companies which do not offer enough vocational training places to pay a fine. A draft law was introduced, but it failed to secure a majority.

The topic of the ‘lost generation’ was discussed widely in the German media, but mainly from the perspective of an outsider observing other countries’ problems. Recently, the Federal Labour Agency launched a website to attract young skilled workers from European countries with high youth unemployment rates. This initiative has led to much public debate. A European labour market without common labour regulations and social policies will lead to exploitation of workers and social dumping, many have argued.

IN FOCUS: Integration of drop-outs

School drop-outs and young people who do not finish any further education or studies have very little chance of getting back on track even if they want to. Companies, as well as public employers, disregard the CVs of those who never finished school or vocational education. People who did not conform to the system when they were young are continuously punished and humiliated for that by society, the labour market and politics. So the challenge is to find ways of offering new opportunities to integrate into the labour market at any point during one’s lifetime. The formal requirements for jobs have to become less important; motivation and social skills have to play a more important role.
Youth unemployment has more than tripled since the beginning of the financial crisis, over half of all young people are unemployed and almost a quarter of all under 30 are NEETs.

**GENERAL OVERVIEW**

The “EU-STARTER” programme, which aims to tackle youth unemployment in Europe, is funded entirely from the European Social Fund. A total of 50,000 jobs are expected to be promoted in municipalities all over the country. The duration of the initiative is one year with a possible extension of one extra year. The programme is designed for young people aged between 18 and 34 years, who are unemployed or have recently completed their education. Through the programme they obtain their first work experience. Available places are offered in municipal services, social services, childcare services and nurseries, libraries, youth centres, local museums, municipal sports centres and other similar institutions and legal entities. These young employees take on the provision of additional services and consequently help improve the quality of services without replacing the existing workforce.

**IN FOCUS: Return to the family and young voter abstention**

One consequence of the crisis faced by the ‘lost generation’ is a return to the family home. Thousands of parents are using the long-empty teenage rooms in the house to welcome back their grown-up children hit by the crisis. High rents, bills and other living costs, combined with wage cuts, lay-offs and the inability to find a job, drive young people back to the ‘Mum and Dad Foundation’. Quite often, while checking the daily news on the internet, one can bump into articles entitled “Tips for surviving the return to the family” or “Moving back to your parents’ home: a survival guide”.

In the last elections held in June 2012, the abstention rate among young voters was estimated at over 60%. The political system and the state institutions face a legitimacy crisis. Democracy only works when we make it work. And some did make use of their right to vote: the 11.5% of people aged 18-24 who voted for Golden Dawn, a far-right party. Both by abstaining and by voting for the far right, young voters are making clear their anger and disappointment. Undoubtedly, the crisis is not only economic but also political, institutional and moral. It is a crisis of values and trust. Restoring trust is something that both the political system and society as a whole ought to be concerned about.
Ireland has the youngest population in the EU. While this could be seen as a natural advantage in attracting dynamic companies, it also means that there are more young people looking for fewer jobs.

GENERAL OVERVIEW

The flagship government initiative is JobBridge, which has provided over 11,000 internships since it was launched in July 2011. The aim of the scheme is to assist in breaking the cycle where jobseekers are unable to get a job without experience. However, the scheme has been criticised from some quarters as a way of allowing big, profitable companies to source free labour.

The Momentum programme, launched in 2012, aims to provide the long-term unemployed with new skills in order to access work in sectors of the economy where there are job opportunities, such as ICT, digital media, healthcare and food processing. €4.2 million of the total spend of €20 million will allow for 1,500 new places in education and training for under-25s. The Government has also backed the European Commission’s proposal for a European Youth Guarantee and is working through the Irish Presidency of the European Union to reach agreement on the terms of this scheme.

The response from youth organisations and experts to the Government’s approach has been quite negative. There has not been sufficient political leadership on the issue and many of the initiatives are spread across three or four Government departments and state agencies. Critics also argue that jobseekers are not assessed on their individual skills and talents and are not given adequate individual assistance or guidance in searching for the right training course or the right job.

IN FOCUS: Emigration

Ireland has a long history of emigration, and about 200,000 young people have moved abroad since the economic downturn in 2008, mostly out of Europe. The perspective on the ‘lost generation’ that is most commonly dealt with in public debate and in the national media is emigration. During the Celtic Tiger years, there was a widespread belief that this had finally come to an end as Ireland became a country of net immigration. The revival of this unwanted tradition has therefore been a particularly poignant and distressing consequence of the economic downturn for Irish society, and has therefore been the focus of the public debate and the national media.

30.6

The youth unemployment rate when Ireland took over the EU presidency

30.6

The youth unemployment rate when Ireland took over the EU presidency

“Working abroad undoubtedly a good experience, but no young person should feel compelled to move to the other side of the world to find a job.”

“Those who are most resentful of the political and business elite that got Ireland into its current difficulties are therefore living outside of the country, where they cannot influence the political process to bring about change. In this respect, I believe that Ireland has ‘lost’ a generation that is no longer engaged in the Irish economy, politics or society. But I would hesitate to apply the term ‘lost generation’ to the young people who are left in Ireland.”

James Kilcourse

Young Europeans’ perspectives on the crisis - 18
Three main issues emerge from the unemployment data – a geographical issue with higher rates in the centre/Southern regions, a gender issue with the female unemployment rate being systematically higher, and a youth issue, with youth unemployment being three times the general rate.

**GENERAL OVERVIEW**

Many causes interact to create this dramatic situation: labour market regulation which protects older workers and makes it difficult for young graduates to secure positions which match their skills; an imbalance between the technical skills demanded by employers and the supply of mostly humanities skills by new graduates; the failure of the education system to provide students with practical rather than theoretical skills; the complete lack of job placement schemes which could ease their entry into the job market; the excessive duration of the university experience, leading to students graduating, on average, at the age of 26-27 years old and thus delaying entry into the job market.

The difficult situation can be attributed in part to the rigidity of the labour market. To mitigate this problem, in 1997 the Treu Reform introduced a variety of flexible contracts for atypical employment (temporary work and coordinated and continuous collaboration contracts), with the aim of facilitating the entry into the job market of young workers. Unfortunately, an instrument that could have potentially brought flexibility and dynamism to the market has mostly led to temporary forms of employment without any insurance or guarantee, thus increasing job insecurity rather than reducing it.

**IN FOCUS: Low returns of tertiary education**

While a large part of the population enrols at university, there is a very high drop-out rate (55%) due to the low returns - real and perceived - of tertiary education. Due to the difficult entry in the labour market, many young people take on jobs for which they are over-qualified, thus displacing those with lower levels of education, and with low job satisfaction and a worsening quality of life as a result. Ultimately, young people in Italy are stuck in a limbo: they are no longer students, but also not yet employed adults who can start the process of autonomous living.

"We have to develop skills and competences which were unthinkable for people our age twenty or thirty years ago; we don’t know where we will be living in the near future, if we will speak our native language for the rest of our lives, nor when we will be able to settle down and have a family. We walk blind on a road on which we struggle every day, without any idea on where it leads; but we’re also “new and improved” type of individuals, human beings 2.0 who are prepared to face pretty much every tough situation that they can encounter."

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34.6

Youth unemployment rate, as compared to the 10.7 general rate (ISTAT, 2012)

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Afrola Plaku

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Young Europeans’ perspectives on the crisis - 19
In Latvia, youth unemployment is part of the wider problems faced by a society and an economy which are still adjusting to the new system of democratic capitalism.

**GENERAL OVERVIEW**

In 2010 the Latvian government introduced micro-entrepreneurship as a way to encourage more people to become economically active. In less than three years more than 43,000 micro-enterprises were established, which together employ more than 200,000 people. There has been a huge debate lately about planned changes in the taxation of micro-entrepreneurship. The main debate concerned the government’s plan to double the tax from 9% to 20% of turnover. Business representatives said business integrity and continuity were impossible to maintain with such a drastic change, just 2 years after the micro-taxation regime had been established.

Another measure, introduced last year, but which will be put to the test for the first time in March 2013, is a system encouraging internal migration from one region of Latvia to another. This scheme aims to motivate people to move to disadvantaged regions to help strengthen the economy there. There is a fear, however, that most migration will actually be to the capital and other big cities in Latvia and the whole concept may therefore have to be abandoned.

**IN FOCUS: Reforming education**

Since 1991 Latvia has gone through a huge transformation process that is still on-going. Democracy with a capitalist economy was just the veneer. Underneath, there were major problems. One of the factors which helped create a ‘lost generation’ was irresponsible state spending on education. In 2006 Latvia had the second highest number of students per inhabitant in the world. The education system is currently being reformed - during the last year all education programmes were evaluated by the Ministry of Education and several specialisations will no longer be financed by the state. So there is now some hope that the education system will start serving the needs of local businesses and meet the expectations of policy-makers.

Reforms are also needed in the way business and government coordinate their approach to the labour market. For instance, in the last five years Latvia produced so many economics graduates it will take 10 years to absorb them in the real-world economy. There should be a transparent system in which government and business share information on how the education system can best meet the economy’s needs.

“I would improve the use of statistics, especially in Eastern Europe, because the ‘informal’ economy has a big share of the market. Of the 17% young people who are officially classified as NEET, I believe less than half really are. The others are all part of the Latvian grey economy.”

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**24**

Percentage of young Latvians who are unemployed (Eurostat, 2012)

![Mihails Kozlovs](image)
Unemployment remains stable and relatively low. Average youth unemployment was 15%, while the general unemployment rate was 6.5% (Eurostat 2012). This is explained by the continued growth of the Maltese economy, despite the eurozone-wide recession.

**GENERAL OVERVIEW**

The public Employment and Training Corporation offers advice to young jobseekers. A personal action plan is drawn up to help the young jobseeker in his/her job search. He or she is then monitored on a regular basis by an employment advisor while implementing the plan. There is also a state-funded apprenticeship scheme, which consists of a combination of on-the-job and off-the-job training. A reform of the apprenticeship system is on-going, with the aim of increasing participation. In addition, some public education institutions require their students to undertake a one-year professional placement related to their field of study in another EU country. A wage subsidy scheme is in place aimed at employers who employ people from disadvantaged groups, including young people who need to secure their first job. One programme subsidises youth employment by providing half the salary for specific groups, such as those who need a first professional experience or those who have been inactive for a certain period of time. Another approach to tackling youth unemployment has been the promotion of youth entrepreneurship.

**IN FOCUS: Tertiary education gap**

Malta has the highest percentage of early school leavers in the EU, one of the lowest percentages of citizens with a tertiary education (15.3% of persons aged 25-64) and problems in achieving the objectives of the EU2020 programme. To tackle this problem, education is free and students receive financial support. This has led to a 50% increase in the number of students pursuing tertiary education over the last eight years, but this is still less than the European average.

The elections in March 2013 stirred political debate. When it comes to young people, political parties try to win votes, not by coming up with creative labour market policies, but by promising to maintain the system of financial support for students. However, other causes of unemployment are not tackled, thus creating problems similar to those facing educated young Spaniards and Italians.
The country’s overall unemployment rate is very low by comparison to other European countries. Although youth unemployment is higher, an active labour market policy has prevented it from reaching double-digit figures.

GENERAL OVERVIEW

Unlike many other countries, Norway has pursued expansionary fiscal policies with increased public investment. The threat of high youth unemployment has been defeated mainly through increased spending on labour market programmes. Labour market policy is universal and puts little emphasis on providing tailored measures for specific groups. With the introduction of the Norwegian Labour and Welfare Service (NAV) reform in 2006, there was an even clearer shift of focus to individual, rather than group, needs as the starting-point for public policy.

Nevertheless, young people are in some degree a priority group. This is reflected for instance in the "youth guarantee" for people under 24 who have been unemployed for six consecutive months or more. In addition, NAV manages a number of programmes for young people who are not yet ready to work, but who need help to get into the labour market.

IN FOCUS: Equality versus growth

A key question is whether the strong Norwegian tradition of emphasis on equality can be maintained. The dilemma is well known; greater equality can also cause reduced efficiency. Many schemes for social justice financed through taxation lead to a loss of efficiency. Strong unions mean rigid labour markets, which in turn hampers growth. High minimum wages keep disadvantaged groups outside the labour market. Must equality therefore be sacrificed to some degree?

The right argues that a functioning economy is a necessary precondition for equality. For a while it seemed they had a point. But the small Nordic countries, with their small income differences, high taxes and big welfare programmes have fared better than most other countries in the past decade. So could it be that equality is actually a precondition for economic growth?
Although the country’s general economic indicators stood out positively in the EU, the youth employment situation has deteriorated considerably over the last year.

**GENERAL OVERVIEW**

The ‘First Job’ programme, introduced in June 2002, is intended mainly for graduates of secondary schools. Many years of operation have brought tangible results in the shape of permanent employment for several hundred thousand young people below the age of 25. Only a small proportion of young people registered as unemployed decide to start their own business. The ‘First Business’ programme was introduced to complement the “First Job” programme, aimed at making it easier for active, young unemployed persons to start their own business, while seeking to dismantle the barriers to establishing and running a business.

The ‘Come back’ programme was launched as the government’s response to the large numbers of people emigrating. Several measures were introduced to entice emigrants to return to Poland, including tax relief, easing the procedures for setting up a new business, and assistance in solving problems which returning emigrants might encounter on coming back. Unfortunately, this programme was not very successful.

**IN FOCUS: A generation lost abroad**

When talking about the lost generation in Poland it should be noted first and foremost that this generation is lost abroad. Emigration causes big problems, not just in the labour market but also in society as a whole. Many of the émigrés have not yet completed their education or received a formal qualification when they leave the country, and when they come back they lack the necessary skills to integrate into the labour market.

In addition, the relatively low wage levels in the country have led to a situation where a large part of the 25+ generation believes that the only reasonable solution seems to be to go abroad. Polish émigrés do usually take jobs far below their qualifications.

Although the country’s general economic indicators stood out positively in the EU, the youth employment situation has deteriorated considerably over the last year.
In the last decade more people have left the labour market in Romania than in any other European country. An ageing population and emigration combine to undermine the social security system and threaten prospects for sustainable development.

**GENERAL OVERVIEW**

An important part of Romania’s economy is informal and not under the control or supervision of the state. There is no data available on how many people work in the black or grey economy. During the years of economic growth, the economy progressed, not so much due to foreign investments or public policies, but mainly due to the millions of Romanians working abroad sending the remittances to their families.

Young people today are poorer than they were in previous decades. Only 35% of the unemployed receive financial help from the state, while half of high school and university graduates cannot find a job. Employers receive a one-year tax break if they recruit someone who has just graduated but, generally, there are few measures to help the young unemployed. Last year the country missed another chance to use EU funds to fight youth unemployment. Romania is the EU member state with the lowest rate of EU fund absorption and has been for many years.

**IN FOCUS: A post-communist mentality?**

Communism has left the country with scars that are still visible in today’s society. They have been passed on to younger generations through unreformed education systems, curricula and teaching staff. When asked in opinion polls if it is the job of the state to guarantee employment for everyone, most Romanian teenagers answer ‘yes’. They are rarely willing to shape their own future, waiting instead for someone else to do it for them. As soon as a chaotic form of capitalism took over Romanian society, the values system changed radically. Young people dream of getting rich quick, without having to work or by becoming stars.

“Smart, hard-working kids successfully graduate from university, only to realise, after years and years of study, that all Romania has to offer them is the lowest salaries in the EU. Frustrated by the comparison with the working conditions enjoyed by their European counterparts, lots of them decide to try their luck abroad.”

“What I learned in the last two years is that if you want access to the labour market, you have to have a network. It is the first, the basic and the most important rule I’ve learned so far.”

“In my opinion, one of the main problems Romania has faced has been the lack of visionary policy-making by all governments after the fall of the former regime in 1989.”
Politicians like to paint a rosy picture of the economic situation, saying it is back at pre-crisis levels. But official statistics do not tell the full story.

**GENERAL OVERVIEW**

At official level, little attention is being paid to youth unemployment. Some experts estimate the unemployment rate among people aged 18-25 is much higher than official figures suggest, around 27% (Mikhail Shmakov, the Head of the Federation of the Russian Independent Trade Unions). The issue is a second-rate topic in the Russian media. The high percentage of unemployed youth is explained by the prevalence of students. Because the national statistics do not take stock of NEETs separately, the problem seems to be non-existent. When reviewing media articles dealing with the topic, authors and experts are largely quite critical of the policy responses. They find them to be inadequate and say the government should be more active in solving the problem.

Some existing measures to support young people include free courses and training at employment centres and a special programme for young people to set up a business. The Ministry of Education and Science has decided to include job traineeships in education programmes to help young people get work experience and establish contacts with prospective employers.

**IN FOCUS: The fallacy of statistics**

The official statistics do not present a true picture of youth unemployment in Russia because only a small proportion of young people register with the employment service. Unemployment benefit for those without any work experience is very low, less than €30 per month, which is impossible to live on. In addition, the offices of the employment service are often quite far from where young people live, especially for those who live in the countryside. Finally, the official status of unemployed is viewed by some as humiliating.

Young people in Russia are generally very well educated. 80-90% of school leavers go on to tertiary education. However, the Russian economy does not generate sufficient jobs to accommodate all graduates. There is an oversupply of some professions, such as lawyers and economists. Freelancing has become very popular, even though legal and social safeguards are non-existent.
International agencies have been providing technical assistance to the Government of Serbia through the Joint Programme for Promotion of Youth Employment and Management of Migration.

**GENERAL OVERVIEW**

The ‘First Chance’ programme has been in force in Serbia for three years now. Young people under 30 without significant prior work experience are given the chance to enter subsidised employment for a period of 6 to 12 months. Employers must guarantee that they will not use the young apprentices to replace existing employees. They must also provide workplace training based on programmes designed specifically for this purpose.

However, the programme is only intended for young people who hold a high school or university diploma, so young people with little or no education lose out, even though they face even worse prospects in the labour market. The open question is to what extent the programme has been successful in matching supply and demand. There is a complete absence of strategy. The education system provides knowledge and skills without seeking to match them to labour market needs.

**IN FOCUS: The role of the media**

Although youth unemployment is a huge problem in Serbia, the issue is not well covered in traditional media. As for social media, which most young people use, the situation is much better. This could mean that the older part of the population is not as aware of the ‘lost generation’ problem as they should be.

Serbia’s media tend to portray young people in a negative light. Media coverage often focuses on young people’s role in conflict, violence, and other negative trends, thereby perpetuating the view of “youth as a problem”. Recent government efforts have sought to redress these negative perceptions. Increasingly, decision-makers refer to young people as a “societal resource” and promote the idea of investing in them. The development of a National Youth Strategy was an important first step in setting out and identifying the key problems and issues.
The country has experienced turbulent times, going from being considered ‘an economic miracle’ to stagnation and deteriorating socio-economic indicators. Young people aren’t considered a priority - many of them live with their parents just to make ends meet.

**GENERAL OVERVIEW**

Youth unemployment is not considered one of society’s major problems. Politicians are focused on overall unemployment, perhaps because young people are not considered interesting from an electoral point of view. Small initiatives have been implemented, such as a paid internship programme for recent graduates where government covers the employer’s costs and reimburses the graduate’s salary during the initial months. Most of the programmes supported by the government make it a precondition for beneficiaries to have been unemployed for three months, which is not a great way to motivate recent graduates to find a job.

Recent years have also witnessed a change in youth emigration. After the EU job market was opened for EU nationals, it was mostly people with low levels of education who tried to find work abroad. Today, even graduates seek work in other countries, often in basic services or the hospitality industry.

**IN FOCUS: Working poor or the middle class?**

When talking about the ‘lost generation’ in Slovakia there is one particular issue that deserves attention. This issue affects not only young people in low-paid employment, but also many who could be considered part of the middle class. Starting salaries in most cases are so low that employees cannot afford to rent their own accommodation or even to share a flat. Of all the EU countries, Slovakia has the highest percentage of people aged 25-34 living with their parents. This is twice the EU average (Eurostat, 2011). The lack of a living wage, combined with poor living conditions, has had an impact on young people’s quality of life and sense of self-esteem. It is hard to contemplate starting a family when you cannot even take care of your own needs.

"If they believe potential employers underestimate their skills they always have a chance to become independent or take a gap year abroad to gain new skills and experience without the need for further useless education."

"The problem is not in the offer, but in the demand; in students’ behaviour. I believe most of them haven’t even been on a “real interview” (not counting McDonald’s) and it’s just illogical to expect to be employed in most of the professions after graduation with no relevant experience."

"I cannot agree that the age is the only determinant as not all young people are ‘lost.’"
Spain’s soaring unemployment rates have become one of the potent symbols of the current European economic crisis. As the state pulls out of people’s lives, the family takes over: grandparents, children and grandchildren are once again sharing the same house to make the most of limited resources.

**GENERAL OVERVIEW**

Measures have been taken to try to soften the impact of mass long-term unemployment, including the decision, in January 2013, to extend the eligibility period for PREPARA benefits. This measure provides financial support to those whose ordinary unemployment benefit runs out. The extension means the unemployed are now entitled to receive PREPARA benefits indefinitely until the unemployment rates drops below 20%. The decision was well received by the Spanish people, many of whom rely on the benefit for basic subsistence. However, the remaining measures are generally perceived as insufficient and having no structural impact. The government has drastically reduced budget items earmarked for university scholarships, research and innovation, as well as mobility for educational purposes, practically obliging young citizens to emigrate or to resign themselves to becoming part of the NEET category.

Classic measures against youth unemployment, which are designed to incentivise the hiring of young people under 30, include reduced social security contributions from employers (75% less) and the promotion of internship contracts with lower wages than normal. External mobility support offers subsidies to young people moving to another EU country for work purposes.

**IN FOCUS: Social indignation**

If a state is responsible for guaranteeing the minimum living conditions of its citizens, then the Spanish state is failing in that duty. Many young Spaniards now rely on the countries to which they have emigrated, or where they are studying, to provide for those basic needs. The loss of faith in the Spanish state manifests itself in growing apathy and cynicism but also in indignation and street protests. Spanish citizens are increasingly sceptical about the willingness and ability of the political parties to deliver the reforms that are required to put the country back on track. To many, emigration seems like the only option left open to them if they want to have a future.
In Sweden, an ageing population presents a big demographic challenge. In theory young people should be welcomed with open arms by the labour market, but youth unemployment is sky-high when compared to the general unemployment rate.

GENERAL OVERVIEW

The combination of strong employment protection, high starting salaries and poor links between the education system and the job market make it hard for young people to find work. Yet these young people are often the ones who are fired first when there are cutbacks. Unemployment is a particular problem for young people who don’t have a degree. It is said that the high minimum wage stops young people from being taken on, but then it would also be counterproductive to pay them low salaries. That would only lead to a greater disengagement from society.

In order to tackle the problem, the government has reduced by half the employer’s contribution for all under 26s. It launched a ‘people’s high school’ initiative, as well as making major investments in primary and secondary education. It introduced apprenticeships to accompany vocational training and a job guarantee: all under 26s have the right to a job after six months without work.

Politicians are now calling for more flexible labour laws, lower labour costs, better matching of supply and demand, improved training, and more collaboration between schools and colleges, on the one hand, and businesses, on the other. There are frequent calls for a healthier business climate – eliminating harmful marginal effects from the tax system, introducing venture capital tax deductions, adapting the national infrastructure to business needs and reducing barriers to entrepreneurship.

IN FOCUS: Sparsely populated areas

Sweden has a low population density: only 21 inhabitants per square kilometre. The population is concentrated largely in the Southern half of the country, with around 85% of the population living in urban areas. There is a constant stream of bright, educated people moving away to the cities, leaving the uneducated behind in the sparsely populated areas. In a way, society has let the population in rural areas down, by centralising economic activity and public services in cities and closing down basic welfare services in peripheral regions.
Youth unemployment is not a major problem in Switzerland, which has a relatively well functioning labour market. With more than 80% of young people being employed one year after leaving education, the country ranks second (behind Iceland) among OECD countries.

**GENERAL OVERVIEW**

The main reason for the relatively low youth unemployment figure is the vocational education system, which combines school education with a paid apprenticeship in a company. This so-called dual system prepares young people for their entry into professional life, at the same time as catering for the needs of companies by ensuring a future supply of sufficiently specialised employees. The system can work only if companies, social partners and education authorities are fully committed to it. A functioning apprenticeship market requires the state to act as facilitator. About a third of companies in the country take part in the scheme; small and medium-sized enterprises play a bigger role than large enterprises. Also, Switzerland (along with Denmark) stands out as a country where employment protection is low.

Generally, youth unemployment is lower in the Swiss-German cantons than in the Latin ones. This is mostly due to significant differences in the importance and design of vocational training across Swiss regions. Youth unemployment is not perceived as a serious problem. In September 2010 a new law was adopted by referendum which discriminates against the young unemployed. Individuals under 25 are now penalised in terms of waiting period before unemployment benefits can be obtained, as well as in terms of the duration of these benefits.

**IN FOCUS: Skilled/unskilled and migrant/local**

Employment prospects are better for skilled young people, and registered unemployment is 2.5 times higher for unskilled young workers. Skilled young people appear to register more regularly than unskilled workers, which could be due to a better understanding of the unemployment insurance scheme. The proportion of foreigners in the unskilled group is larger. The gap between highly qualified workers and those with only intermediate or basic education has widened over the past 20 years in most developed economies, raising concerns about increasing income inequality.

The Swiss labour market is relatively kind to newcomers. As for immigration, Switzerland has an immigration policy which is adjustable in the short-run. Migrant workers make up 20% of the workforce. The work visa automatically expires if the worker is fired or laid off, and a new one must be obtained in order to renew the residence permit. Therefore, the unemployment rate among immigrants in the country remains relatively low.
Over the last months of 2012, youth unemployment in Britain reached 20.8%, almost three times the general unemployment rate (7.9%).

GENERAL OVERVIEW

In the summer of 2012, the UK government issued its “Youth Contract”. The main policy measure is targeted funding to the most disengaged group of teenagers – through a payment-by-results system. This system has been expanded to include a wider group of young people. Organisations receive an initial payment for taking young people on, but will only receive subsequent payments when they show progress, such as getting young people to engage with training programmes or undertake apprenticeships. The contracts on offer are worth up to £2,200 for every young person helped, with the full amount payable only if a young person is still in full-time education, training or work with training six months after re-engaging. Organisations involved have to compete for contracts by showing they are able to get young people back on track. In return for proving they are experts in the field, they will be given freedom to tailor and provide support for disadvantaged young people in the way they know best.

Since 2006 annual National NEET Conferences are being held in the country, bringing together leading figures from across central and local government, education, the tertiary and private sectors. They address key policy areas, targeted measures and innovative solutions to assist young people into education, employment or training and other initiatives to join forces with different actors on different levels.

Creative non-governmental initiatives focus on how to help NEETs deal with their difficult situation in order to preserve their employability through “Developing Mental Toughness”. Over the past three years, research and case studies have emerged which show that mental toughness is strongly correlated with performance, well-being, positive behaviour, aspirations, completion/drop-out (retention) and employability.

IN FOCUS: Future poor pensioners?

It remains necessary to add a sustainability dimension to the financial insecurity aspect. Youth unemployment has significant repercussions on pensions saving: they save for a shorter period of time and, due to a delayed and often low-level career start, they save lower amounts making for an inadequate pensions pot, given the state pension level in the UK is around the poverty line. In other words: today’s ‘lost generation’ is at great risk of old-age poverty in the future.

On a social level, this means that a wave of poor pensioners can be expected on the government balance sheet in 35 years’ time.
FutureLab Europe participants have been blogging about the future of Europe on the FutureLab Europe website. This chapter contains some of the highlights of the posted blogs, on themes related to the ‘lost generation’. The full text of these, as well other blog posts by the FutureLab Europe participants, can be found on the FutureLab Europe website.

Creating opportunities for young Europeans.

It’s the future, stupid!

by Juliane Sarnes

1989 – No (UHT-)milk today!

I have never experienced an economic boom. Growing up in East Germany in the 1980s, Real Socialism was part of our daily lives. While the media preached about socialist emulation and rejoiced that we had, yet again, managed to fulfil the Five-Year-Plan ahead of time, shop assistants were silently dusting empty shelves and housewives turned into modern hunter-gatherers. Of course, I didn’t know about socialist emulation back then. I simply noticed that grocery shopping was quite a time-consuming chore and that products like ketchup, long-life milk and bananas seemed to be extremely scarce.

I read my first newspapers in the early nineties, Germany had only just reunited and was struggling to digest forty years of totalitarianism and centrally planned economy in the new Eastern states. Though only marginally affected, I internalised the sentiment of continuous economic uncertainty, imminent danger of social decline and an almost defiant determination to succeed against all odds. In my small town, situated about ten kilometres northeast of Berlin, unemployment was rampant. While my own family adapted relatively smoothly and were able to embrace the changes, many classmates of mine were constantly worried about the future. What would happen to their parents’ jobs? The consolidation of the German state left many people feeling discarded and without use. Frustrated, they gave up trying to integrate into a system that overwhelmed them with its constant imperatives of competition, performance and image cultivation.

Do you really think this education will pay off in the end?

Young, naturally competitive and narcissistic enough, I was able to make myself at home in this world. Growing up in a financially stable family, I benefited from all the advantages capitalism had to offer – not least an excellent education abroad, learning languages through immersion rather than school books, effortlessly assuming the habitus commonly displayed around me. I decided to study sociology, a rather post-materialist choice, which scandalised my grandmother who, not having heard correctly, thought I wanted to study socialism. “Do you really think this education will pay off in the end?” she asked with concern. I managed to reassure her, but a little later I would ask myself that very same question.
Germany entered the mid-noughties as the “Sick Man of Europe” with zero growth – a euphemism for stagnation – and five million unemployed. In addition to the steadily falling German real incomes, the introduction of the painful-but-necessary Hartz (labour) reforms brought wage and social welfare cuts, fuelling fears of a dire future. My fellow students and I braced ourselves for careers in taxi-driving while sailing from one unpaid internship to another like corporate nomads trying to find our home in the job market. Maybe studying socialism would have paid off!

Time for Plan B, I thought, remembering the EU’s four freedoms – free movement of goods, services, capital and persons – I’ll just go where the jobs are! My heart was set on London, the economic hub of Europe, the world’s top financial centre. All the roads travelled by the ambitious and successful seemed to lead there. And this time I was going to get it right – I was going to study economics! I got accepted for a master’s programme at the LSE and so began my dreams of a smooth, perhaps even pre-graduation, recruitment into one of the leading firms who toured UK universities every year, fishing for “high potentials” on the so-called “Milk round”. And then, just a few months later, the Lehman Brothers had the audacity to pulverise my hopes for a smooth career debut once more.

2009 – No milk (round) today! Youth unemployment in the EU

London shrank faster than any other financial centre in the world – and, ironically was much harder hit than Germany. It almost felt as if I was personally being punished for having left my country when it was down! Technically, I could have gone back home. In practice the free movement of labour is not without restrictions. My beloved restriction measured 180cm and spoke French. I chose to stay in London, taking part in the merciless rat race for ever-fewer jobs. In the UK, graduate programmes more than halved their intake. Many firms stopped recruiting altogether, posting on their websites the infamous “Unsolicited applications will not be accepted.” The Milk round hit a dry spell. Initiating young people into the labour force, training them up, paying them a salary? These were now unaffordable luxuries. “We need people who hit the ground running!” “High potentials” now only included those with a first-class degree, at least three years of experience and the energy and/or resignation to work for two while being paid half. And if these weren’t available, companies would have to close up shop and move the jobs to Asia altogether. It’s the economy, stupid!

Economic crises usually go hand in hand with higher unemployment. And according to a recent study by the European Foundation for the Improvement of Living and Working Conditions (Eurofound), young people in Europe have been hit particularly hard by the recession with regard to their employment prospects. In the first quarter of 2011 the youth employment rate in Europe dropped to 32.9%, the lowest value ever recorded in the history of the European Union. Approximately five million young people were unemployed that year. Moreover, in some countries, completing tertiary education no longer lowers the risk of unemployment compared to having no qualifications. This is not only the case for a few Southern and Eastern periphery countries, but for Denmark and Finland too. If the protection effect of higher education is no longer a given, why invest all the time and money in the first place? For many well-educated youngsters the crisis is at best mass-producing “spotty résumés” showing jumps from one temporary job to another. Employers recoil in horror. But they don’t know the horror of trying to pay off a student loan on minimum wage…
As the months wore on, my patience wore thin. Again and again I had to explain why I was choosing unemployment in London over an indeterminate long-distance relationship. And sometimes at night, I had to explain it to myself, too. Was I really such a romantic fool? Was I throwing away years of education for love? But, then again, why should I have to throw away love for a job? How much of the no-strings-attached flexibility the labour market demands can a society cope with before this process of “career atomisation” finally leads to its demise? Eventually, my persistence – and good education – paid off. After six immensely troubling months, having weathered the week-long interview process and seemingly endless aptitude and motivational tests, I prevailed over 104 competitors. I had my first real job! Thousands like me were not as fortunate.

2012 – Spilt milk? Are we a “lost generation”?

It is not by chance that the cohorts of youths entering the increasingly competitive labour market during the crisis and in its aftermath have been labelled “a lost generation”. Between 2008 and 2011, the percentage of young people out of work for a year or more, as a portion of the overall work force, doubled across OECD countries, making young people one of the demographic groups most at risk of long-term unemployment. It means that young people are facing longer periods of joblessness during a very critical phase in their employment careers. This can have a “scarring effect”, jeopardizing long-term earnings and career paths, affecting them for the rest of their lives (OECD Employment Outlook 2012). While the situation is tough for everyone, it is even bleaker for those with lower levels of education and skills who are being crowded out by those with higher degrees desperate enough to take on any coffee shop job as long as it pays the bills. Particular concerning is the growing number of youths who are not in employment, education or training (NEET1). Across the OECD countries, the NEET rate rose 1 percentage point between 2008 and 2011 to 16.4 per cent. The OECD report also warns of potential skill depreciation, loss of self-worth and motivation to the point that the unemployed choose not to, or are unable to enter the workforce even after the economic recovery is complete and demand is restored. This deterioration of the labour force could lead to higher structural unemployment in the future. Flashback: East German small town after the collapse of the local economy!

Lost is only what we give up! Why not create a European Youth Employment Taskforce?

Can this scenario be a rational choice for businesses and policy makers? We cannot afford to lose a generation! For decades, Western countries’ governments (and households) were able to increase consumption because they kept building up debt, borrowing more and more money from the next generation. From those today labelled as “lost”. Are we willing to write off the future of a whole generation, the future of Europe, as a sunk cost? Are we doing enough to prevent this horrendous label from turning into a self-fulfilling prophecy? Lost is only what we give up! Many measures to re-engage young people into the labour market or into education have been introduced by the EU Member States. While these efforts are commendable, the effectiveness of these policies remains doubtful and concerted action at the European level is missing. Why not create a European Youth Employment Taskforce? Unemployed young Europeans knocked about by the crisis deserve more attention! As François Mitterand expressed it: “If young people are not always right, the society which ignores and knocks them is always wrong.” And, I think, we all know why: It’s the future, stupid!

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1 NEET: a young person who is not in education, employment, or training.
Europe beyond lost generations
by Estefanía Almenta

Posted on September 17, 2012

“No wonder why the term ‘lost generation’ has become so popular lately. I’d like to think that the modish expression is far more cruel than descriptive. However, the ugly truth is that most Spanish youngsters are stuck on standby mode, ready to work and waiting for a job opportunity which doesn’t seem to arrive. We can all agree that it is a challenge of titan proportions to create jobs when the economy is not growing, but sadly in the meanwhile the sense of despair, frustration and helplessness takes over too many young lives. In light of such a distressing scene, there has been a notable surge in emigration towards other European states, and the picture is fairly similar in some other countries such as Greece, Portugal, Italy or Ireland. But is there anything we can do to change this fate?

If there is a lack of chances for Europe’s next generations in this time of austerity and stalling economic growth, we need to set a list of priorities in order to move towards a more promising future. We, as citizens, have much to say and do if we want to ameliorate the conditions of European population. Of course it is politicians’ work to rule the countries and the Union, but it is everybody’s right and duty to think in which direction we want to progress and ask policymakers to act consequently. Civil initiative is a means to evolve, and although we might be discouraged because of the difficulties to see major changes in the short-term, history has succeeded to prove that the most significant achievements of contemporary states were stimulated by citizens’ activism.

Civil action is undoubtedly a catalyst for development; however, it might not be enough by itself. It certainly serves the purpose of raising awareness, lobbying, and pressing governments to deal urgently with an issue. But in a globalised world, civil action has to go a step further. There’s a demand for international cooperation of different social actors who gather, share ideas and support each other for a common interest.

We obviously have arguments for talking about a ‘lost generation’. But we also have the basis for working together as active democratic citizens who join forces to build a more cohesive, unprejudiced and prosperous Europe. We know it is a difficult enterprise, but we believe in the power of a joint message conveyed through the passion of civic activism. This is why we, committed citizens, also have more than enough reasons to fight for a better Europe beyond lost generations.”
Bringing Europe’s youth on board
by James Kilcourse

Posted on November 7, 2012

“When asked to support a more integrated, even federal EU in the coming years, young Europeans will ask themselves two questions. The first is: ‘What has Europe done for me?’ Unfortunately it is Europe’s youth – who played no part in the disastrous policies that contributed to this recession – that has been hit hardest by the crisis. Youth unemployment rates are soaring across Europe. Those lucky enough to move beyond internships into stable employment are likely to receive less pay and entitlements than their older colleagues did when they entered the jobs market. The highly negative consequences of youth unemployment and disaffection are well understood by national and European officials, yet the problem is not given the priority that it deserves.

The second question that Europe’s youth is likely to ask is: ‘What is the EU really for?’ It is on this question that the inter-generational divide is perhaps most profound. For older generations, the EU is the world’s most successful peace project. (…) The success of integration is such that most young Europeans simply cannot imagine the idea of two EU Member States taking up arms against each other. Therein lies the problem: the narrative of European integration is lost on Europe’s youth. If the EU is to engage with its young citizens, it must find a new narrative that justifies the continued existence of this peculiar and remarkable political entity.”

‘No country for young men’ takes on EU Presidency

Posted on January 2, 2013

“The usual figures do not take into consideration the drastic increase in emigration, which has always served as a pressure valve in times of crisis in Ireland. Almost 200,000 people aged between 15 and 29 have left Ireland since the crisis struck in 2008 and a third of Irish students now believe that they have no future in the country. Aside from the fact that this brain drain will have long-term economic repercussions, it is also affecting the fabric of Irish society and is a traumatic return to the days when Irish families raised their children only to send them abroad once they reached working age. Sadly, the current cohort of students and recent graduates in Ireland has already been labeled ‘Generation Emigration.’

(…) Nevertheless, as the country with the youngest population in the EU and one of the highest levels of youth unemployment and emigration, Ireland is well placed to understand and to attempt to tackle this problem during its Presidency. (…) However, even if Ireland is successful in obtaining consensus and building a strong framework for the Youth Guarantee during its Presidency, it is unlikely that the scheme could be up and running before 2014. For many young people, this will be far too late to make a difference.”
The EU enters into the business of redistribution – but to whose benefit?

by Leticia Díez Sánchez

Posted on January 15, 2013

“That the EU enters into the business of redistribution is not necessarily bad news. In the end, some should be compensated losing out on the internal market, and it is arguable fair that those gaining the most out of it should compensate them. Yet what the EU really lacks is the social fabric to support the noble aims. There is no feeling of solidarity among Europeans, let alone democratic credentials in the EU, for the EU to claim itself as a redistributive regime. Why should we bailout people we do not consider as part of our community, and why should we accept rules affecting the fundamental structure of our society if we have not had a say in shaping them?

The democratic deficit of the EU and the lack of European demos are looking increasingly set in stone. We all know they are problematic – but we don’t know how to resolve them. In the meantime, the EU is also lacking the imagination to look for alternatives. Europe might be doomed to be less democratic than its Member States, but perhaps it can still aspire to be more representative. For some expected that decisions at EU level could take into account the interest of those largely disempowered at domestic level: civil society, non-economic interest groups or just those citizens without the resources to become organised and influential. Supranational policy-making is clearly re-structuring wealth – we just don’t see it benefiting those who need it most.

The emergence of an EU redistributive regime calls for a bigger effort to integrate civil society in the decision-making process. While it does try to do so, it does not do enough. While it does try to do so, it does not do enough. Think-tanks and NGOs do have the experience and technical resources to provide much needed advice, but social movements and educational institutions might have a say too. The current situation also invites a re-configuration of what we understand by decision-making process. Influencing the content of EU policies should not entail going to Brussels. Perhaps it is time for the Economic and Social Committee and (particularly) the Committee of the Regions for an effective dialogue with those they are meant to represent. Lastly, the “man on the street” does not feel the crisis is hitting all equally. Some (financial) actors, while contributing to this devastating economic crisis, are not suffering its consequences to the same extent as lower sectors of society and youth.”
About this report

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They prepared the country report based on official statistics and their own research, including interviews with young people under 30, a mixture of students, jobseekers, employees and young entrepreneurs. The anonymous quotes on the individual country pages are drawn from those interviews. Zuzana Nováková, FutureLab Europe Programme Assistant at the European Policy Centre, in Brussels, compiled and edited the individual country pages based on the participants’ reports.

Please note that, as the statistical definitions used by the countries surveyed, do not always match, the figures quoted on each page cannot be compared like-for-like.

The policy manifesto and country reports summary were written by James Kilcourse and Enja Sæthren.

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About FutureLab Europe

Internal and external security, the financial crisis and austerity, social unrest, migration, demographic change and energy politics - these are only some of the areas in which Europe faces tremendous challenges in the 21st century. How can these challenges be met and how can the idea and the spirit of Europe be preserved at the same time? What kind of commitment does Europe need from its citizens and how can young Europeans become involved in the future development of Europe as a democratic space based on solidarity, unity and peace? These questions are at the core of FutureLab Europe, an initiative launched in 2011 by the European Alliance for Democratic Citizenship, coordinated by the Körber Foundation, operated by the European Policy Centre and affiliated to NEF, the Network of European Foundations.

FutureLab Europe is aimed at committed young citizens of Europe from the networks of the partner foundations that are members of the European Alliance for Democratic Citizenship. Potential applicants for FutureLab Europe have to be ready to develop their own ideas and positions on matters of European relevance and have to be willing to take responsibility and action now, in order to help build the Europe of the future. FutureLab Europe is open to young European professionals aged between 20 and 30 who, if they are selected for its programme, become members of the FutureLab Europe community and are involved in a number of different programme elements.

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