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Position Paper

Supporting Europe's young people in times of crisis: the European Year of Youth and beyond





Executive summary

The 2022 European Year of Youth was proclaimed by European Commission President, Ursula von der Leyen, as "a year dedicated to empowering those who have dedicated so much to others". Yet, whilst various Commission initiatives were being rolled out to try and empower young people, for many the day-to-day realities were becoming increasingly difficult, particularly for those living in or at risk of poverty¹. Rising energy prices, unaffordable rent, soaring food costs and housing shortages have led to a very difficult, even desperate, socio-economic situation for these young people.

To ensure a stable and decent future for Europe's young people, that leaves none of them behind, the good work done so far in the EU needs to continue and be amplified, acknowledging and tackling the challenges young people face, taking their perspectives, needs and hopes into account. In light of the upcoming 2024 European Parliament elections, and based on input provided by Caritas Europa member organisations, we put forward four recommendations to be included in the individual campaigns and political group manifestos of candidate Members of European Parliament (MEPs):

Recommendation 1: Ensure the adoption of a Framework Directive on Minimum Income standards¹, including the eligibility of all people aged 18+, in order to set a binding EU-wide quality standard for social safety nets. After that, call for the full implementation of the Council Recommendation on Minimum Income to support young people across the whole of the EU, providing them sufficient income to avoid poverty

Recommendation 2: Improve access to affordable and/or social housing, especially for young people at risk of poverty. Improving the quality and in particular the energy efficiency of social and affordable housing is a must, also as part of the green transition.

Recommendation 3: Call for a Council Recommendation on quality work experience for young people, including a ban on unpaid internships, traineeships and apprenticeships after finishing studies, and on more and decent entry-level positions with access to training, social security and fair remuneration.

Recommendation 4: Call for the EU's accession of the Revised European Social Charter. All the provisions should be accepted, as well as the Additional Protocol Providing for a System of Collective Complaints.

¹ Young people living in or at risk of poverty often include NEETs (those not in employment; education or training), Roma youth, young migrants and refugees, young women and young people with disabilities. In this position paper, Caritas Europa identifies young people as those between the ages of 15-29, in line with the scope of the <u>reinforced Youth Guarantee</u>. According to the <u>European Commission</u>, persons are considered to be at risk of poverty after social transfers, if they have an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income.



Introduction

In the State of the Union address of 15 September 2021, European Commission President Ursula von der Leyen designated 2022 as the European Year of Youth, "a year dedicated to empowering those who have dedicated so much to others". This was meant to be a year to make up for the sacrifices made by, and the difficulties faced by, young people during the COVID-19 pandemic. However, the war in Ukraine has triggered massive increases in energy prices and the cost-of-living and the situation has only worsened, with rising inflation and a recession.

Despite the Commission-launched initiatives in 2022 intending to empower young people and give them a say on their future, the day-to-day realities of young people across Europe have remained difficult, and for none more so than those living in or at risk of poverty.

This position paper presents some of Caritas Europa's recommendations to the European Parliament in view of the upcoming 2024 European Parliament elections, in order to tackle some of the current challenges faced by young people living in or at risk of poverty across Europe in the context of the 2022 European Year of Youth and Agenda 2030.

Challenges for young people at risk of poverty

In 2020, 25.4%, or 18.1 million young people were at risk of poverty across the EU, facing challenges related to education, training, employment, housing, health and social protection, among others².

Some of these challenges may already have begun early on in their lives as a result of being born in situations of poverty or intergenerational cycles of poverty. A lack of affordable and appropriate housing, limited access to health care and social services and/or inadequate or poor-quality education can limit young people's future access to and participation in the labour market. This can have both short- and long-term consequences on the life and career trajectory of an individual. In our <u>2021 Poverty Report</u>, we found that a quarter of young people in Europe do not have a qualification sufficient for entering the labour market³.

Other challenges are known to affect almost all young people, such as unpaid or low-paid internships and involuntary part-time and temporary work, which are often a prerequisite for more stable employment. Furthermore, discrimination, for instance of young Roma and migrants, continues to be an obstacle that needs to be tackled. Platform work is another, more recent, precarious trend in employment common among young people, and especially those from vulnerable backgrounds⁴. For young people at risk of poverty and less able to rely on family support or influential social contacts, all such precarious positions make it extremely difficult to be able to cover basic living costs, and low wages increase the likelihood of falling into debt later in life. Better quality and fairly paid work experience, more stable entry-level positions, which interrupt the cycle of internships and training, as well as better regulated platform work are needed for young people. The proposal to improve the working conditions of platform workers should, when finally adopted at EU level, help make platform work much less precarious for young people.

²Eurostat, 2022, "Young people - social inclusion", https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Young_people_-_social_inclusion&oldid=554076, 10/10/2022.

³ Caritas Europa, 2022, 'Inclusive Labour Markets: Ensuring No One is left behind', Caritas CARES! European Report 2021, https://www.caritas.eu/wordpress/wp-content/uploads/2022/02/Caritas_EuropeanReport_FINAL.pdf, 10/09/2022.

⁴ Harald HAUBEN (ed.), Karolien LENAERTS and Willem WAYAERT, 2020, 'The platform economy and precarious work', https://www.europarl.europa.eu/RegData/etudes/STUD/2020/652734/IPOL_STU(2020)652734_EN.pdf, 12/10/2022.



When the COVID-19 pandemic emerged, it exacerbated many of these challenges due to the reduction in training opportunities, including internships and traineeships, both paid and unpaid, and the loss of typical student jobs, such as in the catering industry. Even for those graduating from university it has been a struggle to find stable employment with increased competition from all those who had been laid-off. This has hampered the objectives of the (reinforced) Youth Guarantee in supporting young people to get placements in education, training and employment⁵.

Moreover, since the beginning of 2022, rising inflation driven by soaring energy and food prices has compounded these challenges, making a stable future for young people at risk of poverty increasingly more uncertain.

For university students, and particularly those from disadvantaged backgrounds, covering their increasing accommodation costs, as well as education costs, has become even more difficult as living costs soar. In Georgia, students have been protesting at the decision to return to in-class teaching after COVID due to skyrocketing rent prices and housing shortages. Rent has increased two- or threefold due to rising living costs, and housing shortages have worsened because of the influx of Russian and Ukrainian refugees escaping the war⁶. Similar concerns are pervasive in EU countries too.

For those in employment, salaries have not necessarily made it any easier to cover living costs, as many young people often have low wages. Young workers are three times more likely to earn the minimum wage than older workers and temporary work increases the probability of earning the minimum wage by a factor of three⁷. Low-income earners are also disproportionately affected by inflation than middle or high-income earners because they have to spend a larger proportion of their household income on energy than wealthier households⁸ for example, due to poor insulation.⁹ The Adequate Minimum Wages Directive¹⁰ should help to support these young workers, though it could still be a couple of years until this legislation has a positive impact on young workers' wages across the EU.

When it comes to housing, young people are the biggest category of renters and with rent prices skyrocketing, affording a decent place to live has become more difficult, even more so for young people on low incomes. For those wanting to or saving up to buy their first apartment or house, property prices and rising interest rates as a result of inflation are making this endeavour near to impossible, as possessing larger amounts of capital is increasingly needed. These factors are resulting in more young people living longer with their parents and postponing marriage or starting families¹¹. There is likewise a high number of young refugees residing in refugee accommodation centres and young people living in segregated settlements or even on the streets for a variety of reasons. In some cases, this is more common among those born into intergenerational poverty.

⁵ Caritas Europa, 2022, 'Inclusive Labour Markets: Ensuring No One is left behind', Caritas CARES! European Report 2021, <u>https://www.caritas.eu/wordpress/wp-content/uploads/2022/02/Caritas_EuropeanReport_FINAL.pdf</u>, 10/09/2022.

⁶ Philipp Zimmermann, **2022**, "Protests at Tbilisi State University: Student Housing and Educational Equity in Georgia", Heinrich Boll Stiftung, <u>https://ge.boell.org/en/2022/07/01/protests-tbilisi-state-university-student-housing-and-educational-equity-georgia</u>, 14/10/2022.

- ⁷ Caritas Europa, 2022, "Inclusive Labour Markets: Ensuring No One is left behind", Caritas CARES! European Report 2021, <u>https://www.caritas.eu/wordpress/wp-content/uploads/2022/02/Caritas_EuropeanReport_FINAL.pdf</u>, 10/09/2022.
- ⁸ Christiane Kranz and Claire Vogt, 2022, "Energy poverty is on the rise", Caritas Germany, <u>https://www.caritas.de/neue-</u>

caritas/heftarchiv/jahrgang2022/artikel/energiearmut-nimmt-zu?searchterm=umfrage+energie, 14/10/2022. In Germany 2020, households with a monthly net income of less than 1,300 euros spent on average 9.5% of their income on energy. ⁹ Belle de Jong, 2022, "Those with lower incomes suffer most from inflation", Brussels Times,

https://www.brusselstimes.com/246779/those-with-lower-incomes-suffer-most-from-inflation, 14/10/2022.

¹⁰ The Directive establishes a framework to improve the adequacy of minimum wages and to increase the access of workers to minimum wage protection. Ensuring that workers in the Union earn adequate minimum wages is essential to guarantee adequate working and living conditions, as well as to build fair and resilient economies and societies.

¹¹ In <u>Caritas Europa's 2018 poverty report on Europe's Youth</u>, we further explored this topic and coined the term "SINKies" - Single Income, No Kids. This refers to young working couples whose wages combined still barely equate the earnings equivalent to one single "decent" income.



Many young people also face challenges related to the adequacy, accessibility, affordability and/or availability not only of social housing, but also, in many cases, of early childhood education and care services for young parents, public employment services, health care and counselling services. Given the crucial nature of these social and employment services, such barriers lead to social exclusion, including from the labour market, and are detrimental to physical and mental health.

All of these challenges combined have led to a very difficult, even desperate, socio-economic situation for young people living in or at risk of poverty, who typically also have less or no savings to rely on in times of need and are often expected to become more self-reliant as their families also usually have fewer means. Lack of supportive networks results in these young people feeling more isolated and desolate. And this naturally also affects the mental health of these young people, which plays a big role in their wellbeing, stability, and ultimate success in life and on the labour market more specifically.

Opportunities for young people at risk of poverty

Despite the many challenges young people are facing, the EU has been trying to support and empower young people one dialogue, workshop and policy proposal at a time¹².

European Year of Youth 2022

To support and empower young people after the difficulties they faced during the COVID-19 pandemic, the European Commission declared 2022 as the European Year of Youth. As part of this initiative, it launched various activities to "shine a light on the importance of European youth to build a better future – greener, more inclusive and digital"¹³. Many of these activities have given young people the space to share their views and have their voices amplified, such as the Policy Dialogues between Commissioners and young people on topics of their interest and concern, and the various workshops, forums and debates that were organised across the EU. Others have promoted youth exchanges and experiences in other countries. One of the most significant initiatives in this area is called ALMA (Aim, Learn, Master, Achieve). It aims to help NEETs (young people not in education, employment or training) find their way to the job market by offering participants a supervised stay abroad, together with coaching and counselling, to improve their skills, knowledge and experience. With a NEET rate of 13% across the EU¹⁴, ALMA is especially needed to help young people, who are often left behind.

Recent EU policies supporting young people

In addition to already existing EU policies designed to help young people, such as the European Youth Strategy and the Youth Guarantee, the European Commission has, in the last two years, put forward policy initiatives which could additionally support young people, especially those at risk of poverty. One of these is the Adequate Minimum Wages Directive (proposed in 2020 and adopted in 2022), which aims to ensure that workers on the minimum wage across the EU earn enough for a decent standard of living. Since 19% of young workers in the EU are paid at or below the minimum wage¹⁵, and the number of young workers now considered "working poor" has

¹⁴ Eurostat, 2022, 'Statistics on young people neither in employment nor in education or training', <u>https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Statistics_on_young_people_neither_in_employment_nor_in_education_or_training</u>, 14/10/2022.
¹⁵ ILO, 2021, 'Global Wage Report 2020-2021: Factsheet for the European Union', https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_793483.pdf, 12/10/2022.

¹² Several Caritas initiatives are also listed in the annex that aim to respond to some of these challenges facing youth.

¹³ European Union, 2022, 'European Year of Youth 2022', <u>https://youth.europa.eu/year-of-youth_en</u>, 12/10/2022.



increased over the last decade¹⁶, this Directive is expected to be of significant importance for improving young people's living and working conditions.

Another initiative is the proposal for a Directive on improving working conditions for platform workers (proposed in 2021 with negotiations ongoing). This proposal aims to ensure that those who are actually working as employees are classified as such and are therefore able to claim their rights as workers, such as paid leave, sick pay or unemployment benefits. Since there are many young people working precariously as platform workers with little to no social protection and no stable wage¹⁷, this proposal could be vital for helping support young people.

Another relevant initiative is the announced (in 2022) Council Recommendation on minimum income. Currently, there are still some Member States where young people in need are not eligible for minimum income. Caritas Europa hopes the recommendation will put an end to this age-based discrimination applicable in different countries¹⁸.

Since the proclamation of the European Pillar of Social Rights (EPSR) in 2017, the European Commission has proposed many EU policy initiatives (also in addition to those mentioned above) and launched many activities throughout the 2022 European Year of Youth. It has supported young people's transitions into the labour market, improved their participation in EU decision-making processes and encouraged Member States to make specific reforms in favour of young people. Yet, despite all of this, it is clear that it has not been enough. The concerns of young people across Europe need to be better heard and taken into account, especially of those living in or at risk of poverty, EU policies should be mainstreamed in all relevant areas of action, and the EU should accede to the Revised European Social Charter, referred to in the EPSR. This would be a strong sign that the EU wants to turn the principles of the EPSR into effective rights.

Caritas Latvia

ESF project - PROTI un DARI! (KNOW and DO!)

This programme, implemented by Caritas Latvia in the municipality of Riga, aims to help lower youth unemployment, under-education and limited engagement in society. It promotes activities that seek to involve young NEETs (aged 18-29 years old) in employment and education activities provided by NGOs and the State Employment Agency. By the end of August 2021, Caritas Latvia had worked with 39 young people, 15 of whom have since been hired into a formal workplace, and 10 are still active in the project. Despite the pandemic, the project continues and young people are still acquiring new knowledge and skills.

¹⁶ ETUC, 2020, 'Pay rises needed as in-work poverty rises by 12% in EU', https://www.etuc.org/en/pressrelease/pay-rises-needed-work-poverty-rises-12-eu, 10/10/2022.

¹⁷ European Youth Forum, 2022, 'Platform Work' https://www.youthforum.org/files/220420-PP_Platform-Work.pdf, 09/10/2022. ¹⁸ LU, FR, ES, DK, CY.



Caritas Serbia Your Job – "Youth Overcoming Unemployment Regionally through Job Opportunities in the Balkans"

The "Your Job" project aims at empowering young people (15-30 years of age) and increasing their competitiveness on the labour market by participating in core sessions, such as counselling and training, carried out by guidance counsellors who work in Caritas' youth incubators in Aleksinac, Zrenjanin and Ruma. One part of the activities is dedicated to the development of (social) entrepreneurship and the promotion of self-employment. The project pays particular attention to gender equality and the inclusion of persons with disabilities, as well as other groups in situations of vulnerability. "Your Job" offers a unique person-centred approach where the individual plans are designed based on the background, needs and aspirations of the young people involved. The individual counselling sessions provide guidance and constant support, following the young people's progress towards employment. It is this approach that makes the difference, especially when compared with other similar projects or public employment services.

Conclusion

Given that young people, especially those living in or at risk of poverty, have been one of the most impacted groups by the COVID-19 pandemic¹⁹, and that current inflation has worsened already existing challenges, it is clear that 2022 has not been the year that many young people or policymakers may have hoped it would be for the benefit of young people.

Ahead of the 2024 European Parliament elections, candidate MEPs and political groups should aim to continue and strengthen the work done so far across Europe to achieve a stable and decent future for Europe's young people, with a particular focus on those living in or at risk of poverty, and acknowledge and tackle the challenges they face, taking their perspectives, needs and hopes into account. A well implemented Framework Directive on Minimum Income eligible for young people as of age 18, an affordable and social housing initiative, a Council Recommendation on quality employment for young people with more decent entry-level positions, and the ratification of the revised European Social Charter are all crucial initiatives toward ensuring that the road to 2030 leaves no young person behind.

¹⁹ Caritas Europa, 2022, 'Inclusive Labour Markets: Ensuring No One is left behind', Caritas CARES! European Report 2021, <u>https://www.caritas.eu/wordpress/wp-content/uploads/2022/02/Caritas_EuropeanReport_FINAL.pdf</u>, 10/09/2022.



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About Caritas Europa

Caritas Europa is a network of 49 member organisations in 46 European countries and one of the 7 regions of Caritas Internationalis. Our members assist and provide services to millions of people in need.

Caritas Europa aims at lifting people out of poverty by empowering them and by influencing unjust structures and unfair policies that keep people trapped in positions of disempowerment.



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