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PART 6/7

COMMISSION STAFF WORKING DOCUMENT

Situation of young people in the European Union

Accompanying the document

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Engaging, Connecting and Empowering young people: a new EU Youth Strategy

{COM(2018) 269 final} - {SWD(2018) 168 final}

7. Social Inclusion

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7.1. INTRODUCTION

The cyclical changes or booms and busts in the economic cycle lead to rises and falls in youth unemployment rates, influencing job prospects and opportunities for young entrepreneurs (Chapter 3). In turn, these cycles impact upon young people's levels of poverty and deprivation, affect their living conditions, their health and well-being (Chapter 4), and even their levels of political and cultural participation (Chapters 5 and 9).

This chapter explores the issues of poverty and social exclusion. Given the importance of living arrangements in determining poverty levels, the chapter looks first at the average age when young people leave the parental home. Subsequently, where possible, a distinction is made between young people living independently and those living with their parents. Among indicators on poverty and social exclusion, the chapter examines first the at-risk-of-poverty or social exclusion rate and its three sub-indicators: the at-risk-of poverty rate, the severe material deprivation rate and the proportion of people living in households with low work intensity. It then turns to some of the key dimensions of poverty and social exclusion, including housing conditions, access to health care and the growing phenomenon of in-work poverty. Finally, the last section focuses on the groups most at risk of poverty and social exclusion: young people not in employment, education or training (NEETs), and young people from a migrant background.

Given that childhood poverty is a key determining factor for the likelihood of poverty later in life, for several indicators, the EU Dashboard covers both children and young people. The age breakdown used in the chapter for each of these groups reflects the available data provided by Eurostat. In most cases, the reference age groups are 0-16 for children and 16-29 for young people, although for a few indicators, slightly different age ranges are covered.

7.2. MOVING TOWARDS INDEPENDENCE: YOUNG PEOPLE LEAVING THE PARENTAL HOME

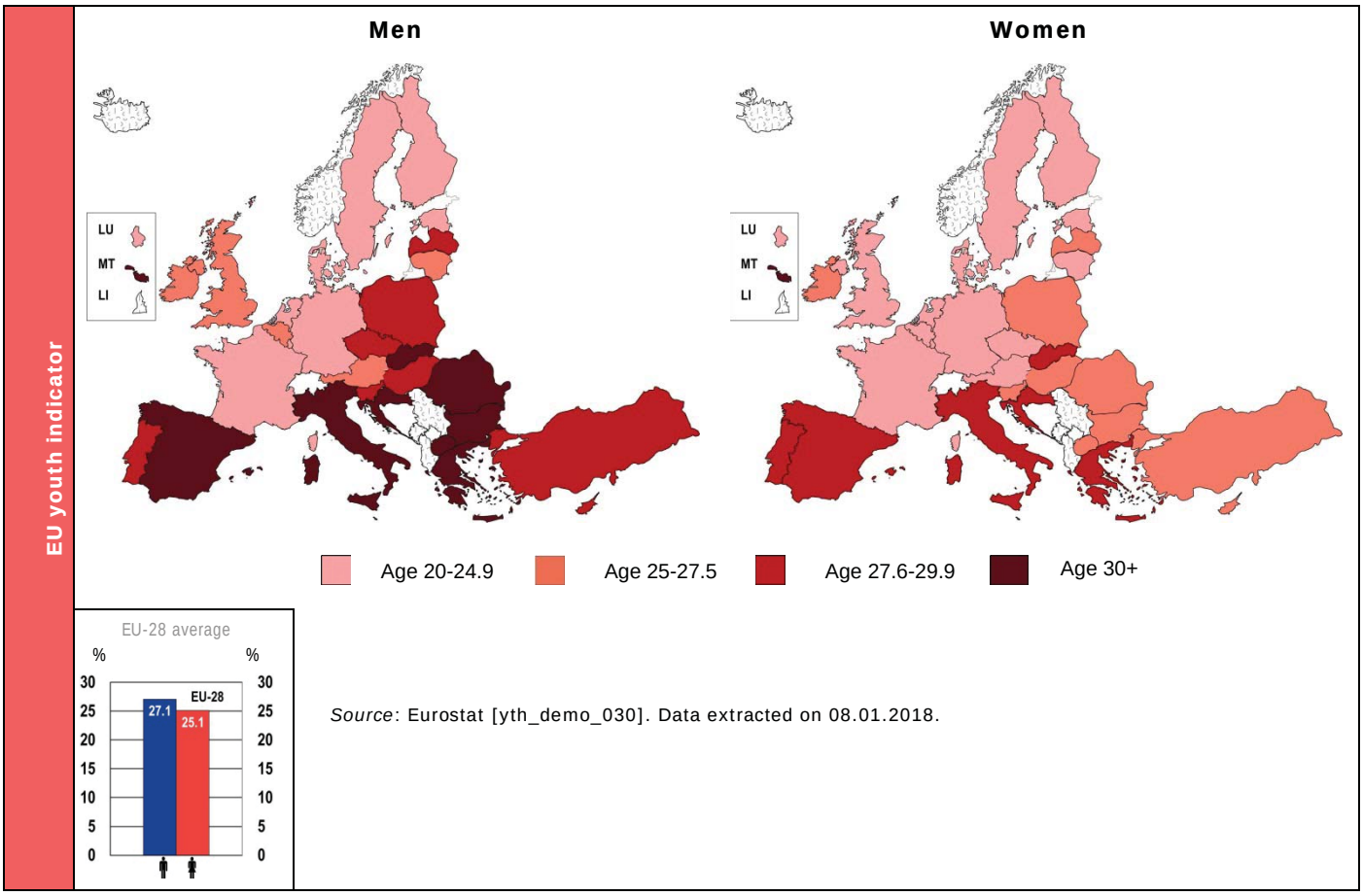
Young people's lives are characterised by phases and episodes of transition towards independence: they move from education into work, and from living with and being supported by their parents towards establishing their own household. As this report also describes, this road towards independence is often bumpy, and usually takes many turns before leading to complete financial independence. As a result, young people are particularly vulnerable to social exclusion and poverty.

The risk of becoming poor is closely linked to a crucial move: leaving the parental home. In fact, moving out of the parental household is found to be the 'strongest predictor behind youth poverty' ([1]). Though moving out of the parental home might not be definitive for many (young people often 'boomerang' back to the parental household if they cannot afford to live independently), the timing of this move differs widely in European countries, influencing poverty levels among young people.

([1]) Aassve et al. 2007, p. 331.

On average, young Europeans leave the parental home around the age of 26 ([2]), and this has stayed remarkably stable since 2010 ([3]). However, as Figure 7-A depicts, there are substantial differences across European countries, as well as between young men and women. Regarding country differences, there is a clear north-west vs. south-east divide in Europe: young people in northern and western Europe generally leave the parental household earlier than their peers from southern and eastern European countries. The average age of leaving the parental home ranges from 20.7 years in Sweden to 31.8 years in Malta ([4]). Such differences are partly cultural and partly linked to the political and economic environment ([5]). Whatever the cause, national circumstances can influence young people either to start an independent life early (e.g. through generous grants for higher education students) or to stay longer in the family home.

Figure 7-A: Average age of young people when leaving the parental household, by country and by sex, 2016



Source: Eurostat [yth_demo_030]. Data extracted on 08.01.2018.

Common to all European countries, however, is the tendency for young women to leave their parents earlier than young men, partly due to women starting to cohabit with their partners at an earlier age than men ([6]). The gender difference was two years on average in the EU-28 in 2016. Differences between men and women are

([2]) EU-28 average, 2016. Source: Eurostat [yth_demo_030]. Data extracted on 08.01.2018.
([3]) Source: Eurostat [yth_demo_030]. Data extracted on 08.01.2018.
([4]) Ibid.
([5]) Aassve et al., 2007; Iacovou, 2001.
([6]) Iacovou, 2011.

generally smaller in countries where young people tend to establish their own household earlier (there is almost no difference between men and women in Sweden, and also just over half a year in Denmark and Luxembourg), in part because leaving home is not necessarily connected to moving in with a partner. Conversely, gender differences are greater in countries where young people arrive at the critical point of establishing their own household later in their lives or where leaving the parental home coincides more with moving in with a partner ([7]): the gender gap is four-and-a-half years in Romania, close to five years in Bulgaria and Turkey, and nearly seven-and-a-half-years in the former Yugoslav Republic of Macedonia ([8]). Moreover, in some of the countries with a large gender gap, young couples often start life together in one of the parental homes ([9]).

This picture is very similar to the one shown in previous Youth Reports. Since 2010, the biggest change has been registered in Luxembourg, where the average age of leaving the parental household has fallen by almost two years (by 2.3 years for men and nearly 1.5 years for women) ([10]). Significant falls have also occurred in Lithuania (1.4 years for young women, and 1.9 years for young men) and Slovenia (1.3 years, with little difference between women and men). In addition, in Estonia, men left their parents' home considerably earlier (1.6 years on average) in 2016 than in 2010. In contrast, the average age of young people leaving the parental household has increased by 1.3 years in Ireland and Cyprus, with larger increases among women than among men ([11]). These tendencies suggest a slow narrowing of the gap between men and women, at least in some countries.

The average ages of leaving the parental household have remained remarkably stable in the EU-28 since 2010.

Differences between countries in the average age of leaving the parental home also influences the poverty rates shown in the indicators, as they usually combine the data for both independent young people and those living with their parents. Since moving out of the family home increases the risk of poverty for young people, where possible, the next section will make distinctions between these two groups when comparing levels of poverty and social exclusion.

7.3. LEVELS OF POVERTY AND SOCIAL EXCLUSION

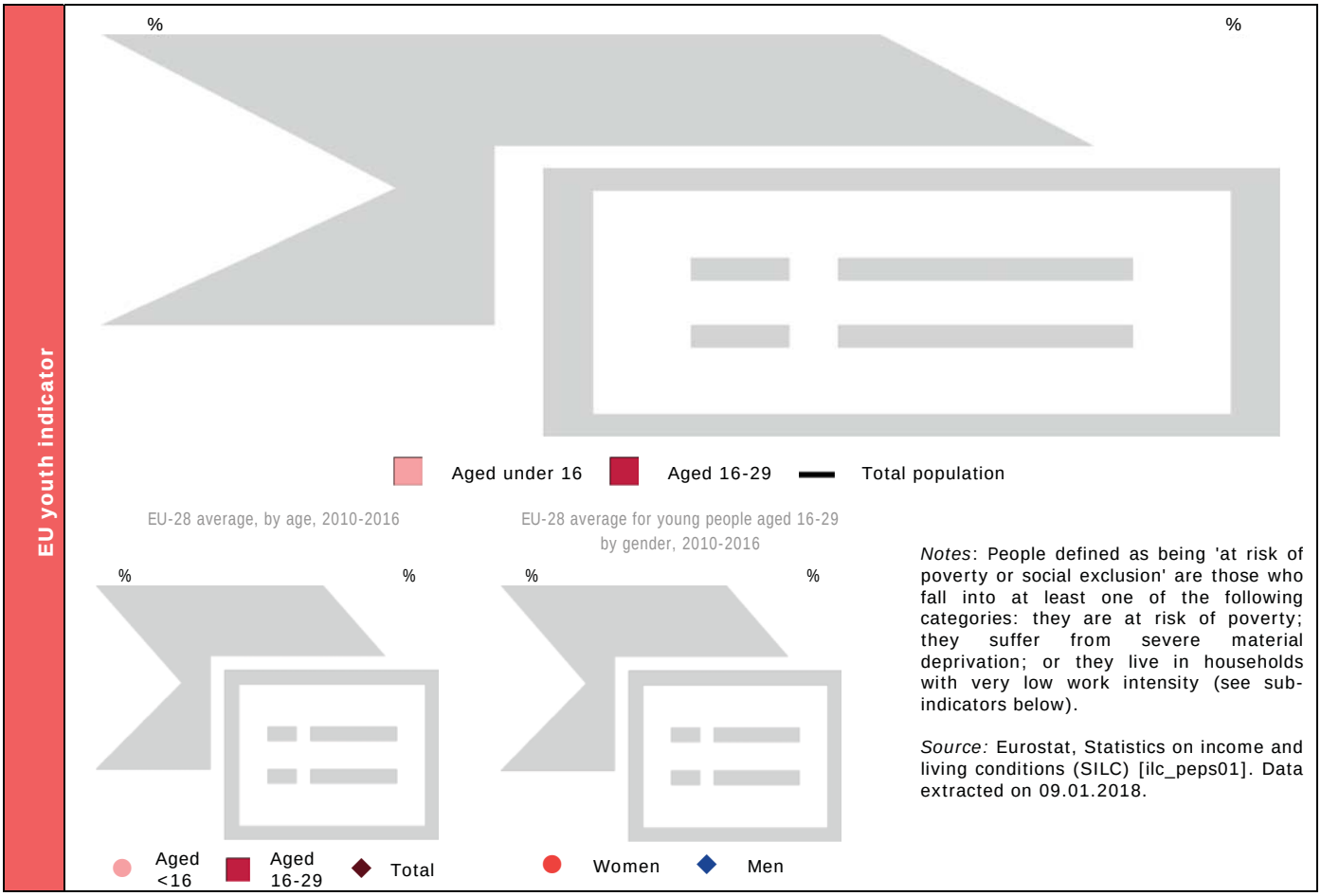
The main indicator of poverty and social exclusion is the composite indicator of 'at-risk-of-poverty or social exclusion', which is based on three sub-indicators: the at-risk-of-poverty rate; the severe material deprivation rate; and the proportion of people living in households with very low work intensity. People defined as being at risk of poverty or social exclusion are therefore those who fall into at least one of these categories. While each of these sub-indicators will be defined and illustrated in the following sections, the analysis focuses first on the composite indicator.

Figure 7-B shows the percentage of the population at risk of poverty or social exclusion in European countries by age. As the figure illustrates, in the majority of countries, children and young people are at risk of poverty or social exclusion in greater proportions than the population as a whole. Young people are especially vulnerable: in most countries, the proportion of young people at risk of poverty or social exclusion exceeds that of children

([7]) Iacovou, 2011
([8]) Source: Eurostat [yth_demo_030]. Data extracted on 08.01.2018.
([9]) Ibid.
([10]) Source: Eurostat [yth_demo_030]. Data extracted on 08.01.2018.
([11]) Ibid.

and the total population. In Denmark and Norway, the at-risk-of-poverty or social exclusion rate of young people is double the rate within the total population, mostly due to high at-risk-of-poverty rates (see next section). The countries with the highest proportions of young people (aged 16 to 29) at risk of poverty or social exclusion are Greece (47.6 %), Romania (43.7 %), Serbia (43.2 %) and Bulgaria (41.9 %); and those with the lowest are Czech Republic (13 %) and Malta (16.6 %).

Figure 7-B: Proportion of children and young people at risk of poverty or social exclusion compared to the total population, by country, 2016



In the EU-28 in 2010, on average, the at-risk-of-poverty or social exclusion rates were at similar levels for children and young people (both above the rate within the total population). However, since then, while the proportion of young people at risk of poverty or social exclusion has increased by 2 percentage points, the rate for children decreased by 1 percentage point, widening the gap between the two groups (Figure 7-B). Nevertheless, even for young people aged 16 to 29, the at-risk-of-poverty or social exclusion rates started decreasing in 2015, which could be at least partly attributed to improved employment rates (Chapter 3).

At-risk-of-poverty and social exclusion rates for children and young people have been decreasing since 2014. However, the proportion of young people at risk of poverty and social exclusion was still higher in 2016 than in 2010.

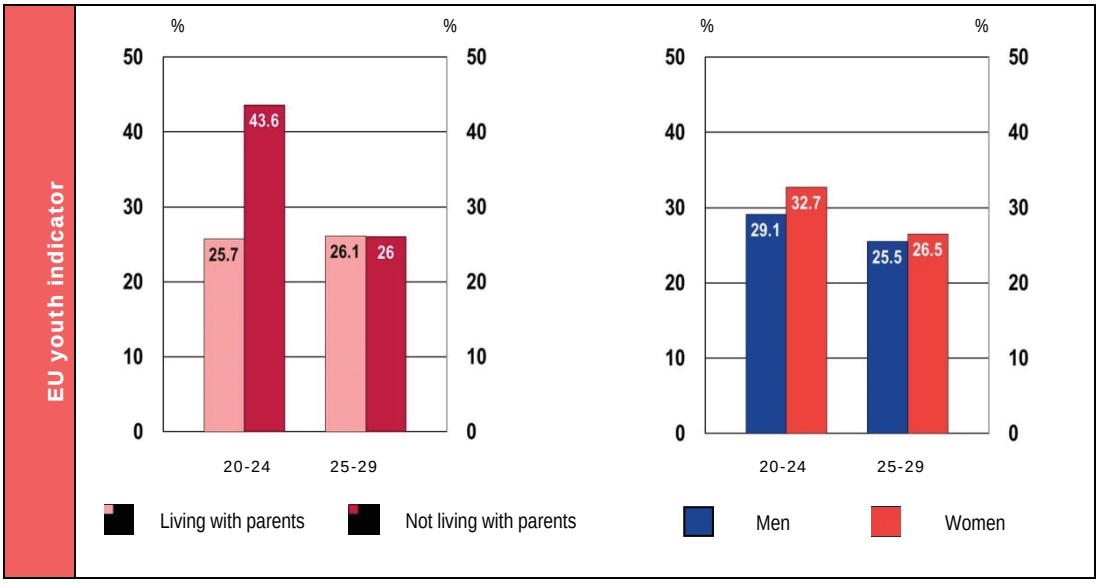
However, not all countries have been experiencing the same trends. Between 2010 and 2016, young people's at-risk-of-poverty or social exclusion rates

increased the most in Greece and Spain (by 15.6 and 9.8 percentage points respectively) ([12]). In Greece, trends for children have been similar, with an increase of 8.5 percentage points. On the other hand, the decrease in the rate for both young people and children was the largest in Latvia, at 15 and 18.3 percentage points respectively ([13]). In Latvia, this decrease followed a large increase between 2008 and 2011, among the largest increases for children and young people in the European Union (12.2 and 15.6 percentage points respectively in the two age groups) ([14]). The reversal of this extreme rise was hailed as a 'success story' of crisis management already back in 2012 (European Commission, 2012).

As Figure 7-B also illustrates, the at-risk-of-poverty or social exclusion rate is especially high for young women, partly due to them leaving the parental home earlier (Figure 7-A). In 2016, the at-risk-of-poverty or social exclusion rate was 28 % for young men aged 16 to 29, while it was 1.6 percentage points higher for young women. In addition, despite the general decreasing trend, the proportion of young women at risk of poverty and social exclusion was higher in 2016 than in 2015.

As discussed above, moving out of the family home increases the risk of poverty for young people. Indeed, as Figure 7-C illustrates, in the 20 to 24 age group, the at-risk-of-poverty or social exclusion rate is substantially higher for those living independently than for those living with their parents, with a 17.9 percentage point difference. However, these differences disappear in the older age cohort (aged 25 to 29), by which time most young people have stopped studying and have entered the labour market. In this age group, the at-risk-of-poverty or social exclusion rates of young people living independently and those living with their parents are identical. The figure also confirms that gender differences in the at-risk-of-poverty or social exclusion rates are more pronounced among 20 to 24 year-olds than among the older group, again due to women moving out of the parental home earlier.

Figure 7-C: At-risk-of-poverty or social exclusion rate for young people (aged 20-29), EU-28 average by age group, by living arrangements and by sex, 2016



Source: Eurostat, Statistics on income and living conditions (SILC), [yth_incl_030] and [ilc_peps01]. Data extracted on 07.02.2018.

([12]) Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_peps01]. Data extracted on 09.01.2018.
([13]) Ibid.
([14]) Ibid.

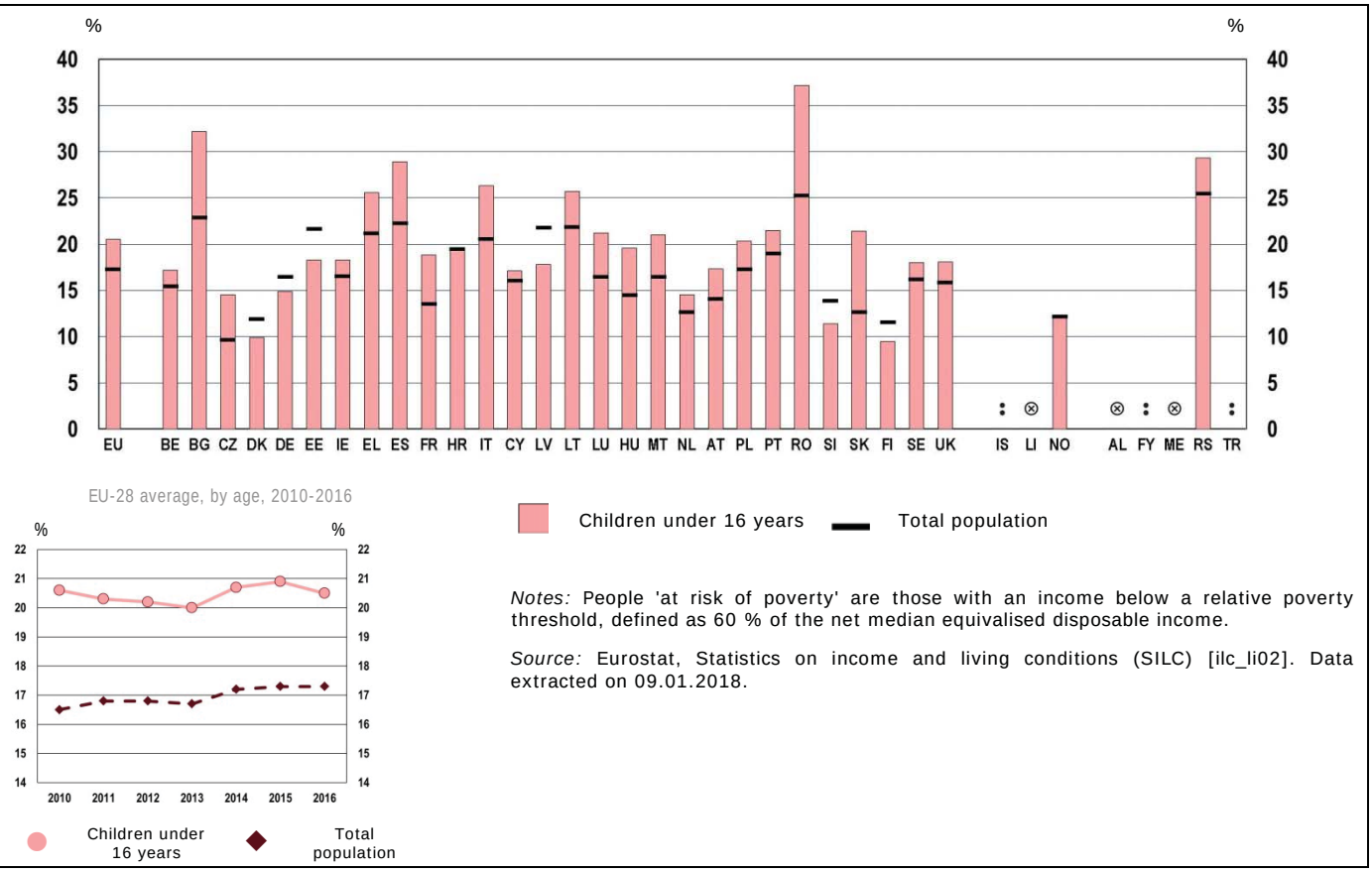
7.3.1. The at-risk-of-poverty rate

The at-risk-of-poverty rate measures poverty in relative terms: people with an income below a relative poverty threshold – defined as 60 % of the net median equivalised disposable income ([15]) – are regarded as being at risk of poverty ([16]). This is the first sub-indicator of the 'at-risk-of-poverty or social exclusion rate' discussed in the previous section. This indicator is mostly designed for understanding within-country income distribution dynamics and should be used for international comparisons with caution: a person with an income below the poverty threshold in one country might not be regarded as being at all at risk of poverty in another.

In addition, given the differences across countries in the average age when young people leave the parental home, the at-risk-of-poverty rate can be misleading if used for international comparisons of 16-29 year-olds. A large proportion of young people are still in education, especially in the younger age groups, which means that their income will be relatively low, particularly if living independently. For this reason, the EU Dashboard of Youth Indicators only considers the at-risk-of-poverty rate for children under 16 in comparison to the total population (Figure 7-D). Nevertheless, it is still useful to look at the at-risk-of-poverty rates across Europe for young people not living with their parents (Figure 7-E).

Figure 7-D: At-risk-of-poverty rate for children in comparison with the total population, by country, 2016

EU youth indicator



Notes: People 'at risk of poverty' are those with an income below a relative poverty threshold, defined as 60 % of the net median equivalised disposable income.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_li02]. Data extracted on 09.01.2018.

([15]) The equivalised disposable income is the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into equalised adults; household members are equalised or made equivalent by weighting each according to their age, using the so-called modified OECD equivalence scale (Eurostat, 2018d).

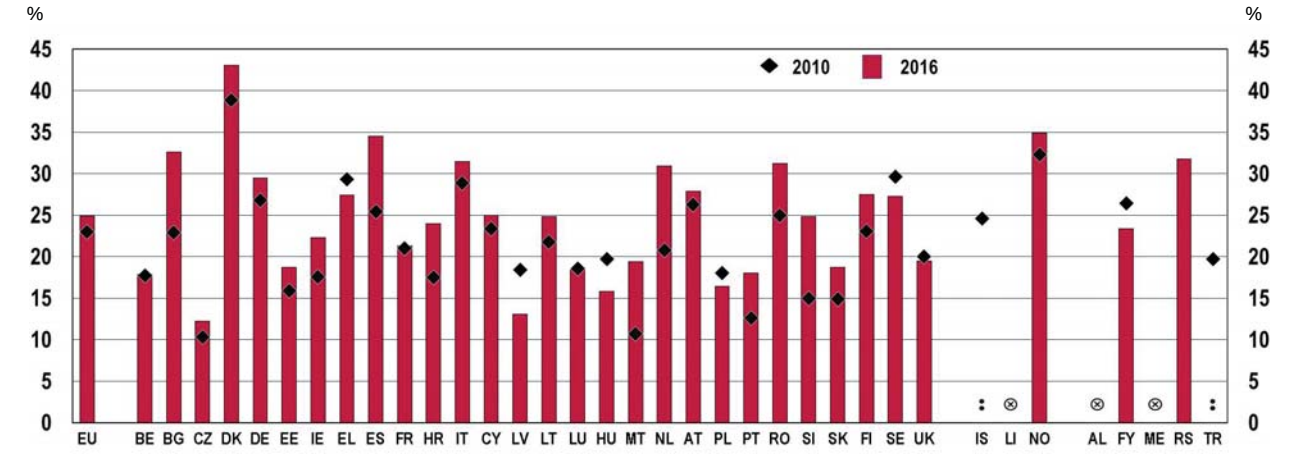
([16]) Eurostat, 2018b.

In the EU-28 on average and in the majority of European countries, the average at-risk-of-poverty rate is higher for children than for the total population (Figure 7-D). The exceptions are Denmark, Germany, Estonia, Croatia, Latvia, Slovenia and Finland, where children have a relatively lower risk of poverty. In 2016, the at-risk-of-poverty rate for children was highest in Romania (37.2 %), followed by Bulgaria (32.2 %), Serbia (29.3 %) and Spain (28.9 %); while it was lowest in Finland (9.5 %), Denmark (9.9 %) and Slovenia (11.4 %).

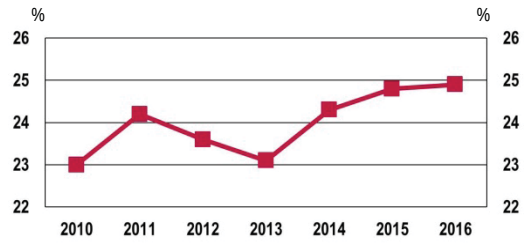
On average in the EU-28, the at-risk-of-poverty rate for children was decreasing between 2010 and 2013. It then began to increase in 2014 and 2015, before starting to decrease again in 2016 (Figure 7-D). For the total population, the increasing trend was halted between 2012 and 2013, before rising again until 2015. There was no change on average in the EU-28 between 2015 and 2016.

In assessing the risk of poverty for young people, it is useful to examine the extent of the problem for those no longer living with their parents. Figure 7-E therefore includes young people aged 20 to 29 who have moved out of the parental household. This wider age group has been chosen to take into account the differences across Europe in the average age of leaving the parental home. However, it has to be kept in mind that young people aged 20 to 24 living independently are, on average, almost twice as likely to be at risk of poverty than their older peers aged 25 to 29 ([17]).

Figure 7-E: At-risk-of-poverty rate for young people (aged 20-29) not living with parents, by country, 2010 and 2016



EU-28 average, 2010-2016



Notes: People 'at risk of poverty' are those with an income below a relative poverty threshold, defined as 60 % of the net median equivalised disposable income.

Source: Eurostat, Statistics on income and living conditions (SILC) [yth_incl_060]. Data extracted on 07.02.2018.

([17]) 2016. Source: Eurostat SILC [yth_incl_060]. Data extracted on 07.02.2018.

In 2016, the highest risk of poverty for young people aged 20 to 29 not living with their parents was found in Denmark – 43.1 %. The rate also exceeded 30 % in Bulgaria, Spain, Italy, the Netherlands, Romania, Norway and Serbia. These countries differ greatly in the average ages that young people leave the parental household, and therefore are examples of diverse realities. In Denmark and Norway, for example, young people tend to move out of the parental home earlier, because they can afford to do so thanks to available student housing and relatively generous grants for those studying at tertiary level. In addition, average income levels are much higher in these countries than in the second group. In Bulgaria, Spain, Italy and Romania, young people tend to live with their parents longer partly due to economic necessity. Nevertheless, in both groups, the at-risk-of-poverty rates for young people living independently increased in the period in question.

The at-risk-of-poverty rates for young people not living with their parents are relatively high across the EU, and continue to increase in the majority of countries.

Data show that the proportion of young people aged 20 to 29 living independently and at risk of poverty increased between 2010 and 2016 both across the EU-28 as a whole as well as in the majority of countries. The most significant increases took place in the Netherlands (10.1 percentage points), Slovenia (9.8 percentage points) and Bulgaria (9.7 percentage points).

7.3.2. Severe material deprivation

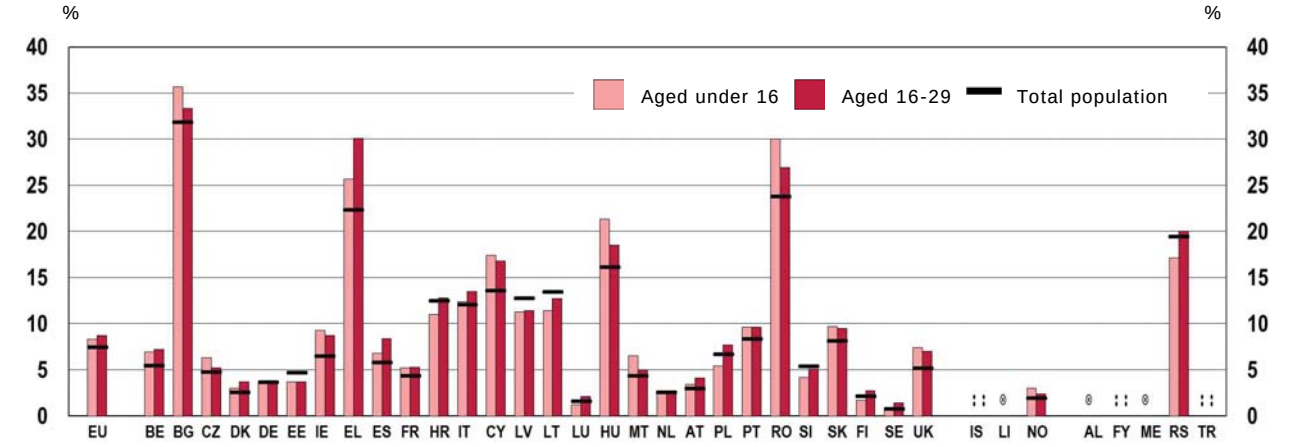
The severe material deprivation rate ([18]) complements the at-risk-of-poverty rate in two important respects. First, instead of defining a poverty threshold that varies between countries, it is based on a single European threshold. For this reason, it is a more absolute measure of poverty, and can capture the differences in living standards between countries. Second, the severe material deprivation rate takes different kinds of factors into account – such as eating habits or being able to go on a holiday, while the relative poverty indicator is based solely on current income.

As Figure 7-F illustrates, the differences are quite substantial between European countries, ranging from a material deprivation rate of 0.8 % in Sweden to 31.9 % in Bulgaria for the total population. The material deprivation of children (under-16s) and young people (16-29 years) generally mirrors that of the total population, but often at a higher level. In 2016, for both children and young people, the material deprivation rates were highest in Bulgaria (35.7 % and 33.3 % respectively), Greece (25.7 % and 30.1 %) and Romania (30.0 % and 26.9 %). Children were the more deprived group in Bulgaria and Romania while young people were more deprived in Greece. In contrast, the material deprivation rate for children and young people was the lowest in Luxembourg (1.2 % and 2.1 %), the Netherlands (2.4 % and 2.7 %), Finland (1.7 % and 2.7 %), Sweden (0.6 % and 1.4 %) and Norway (3.0 % and 2.4 %).

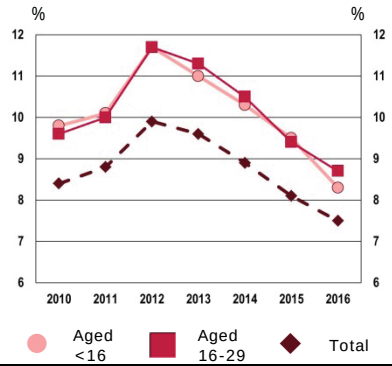
([18]) The severe material deprivation rate is defined as the percentage of the population that cannot afford at least four of the following nine pre-defined items: 1) to pay their rent, mortgage or utility bills, 2) to keep their home adequately warm, 3) to face unexpected expenses, 4) to eat meat or protein regularly, 5) to go on holiday, or to buy a: 6) TV, 7) refrigerator, 8) car, or 9) a telephone (Eurostat, 2018f).

Figure 7-F: Severe material deprivation rate, by country and by age, 2016

EU youth indicator



EU-28 average, by age, 2010-2016



Notes: The severe material deprivation rate is defined as the percentage of the population that cannot afford at least four of the following nine pre-defined items: 1) to pay their rent, mortgage or utility bills, 2) to keep their home adequately warm, 3) to face unexpected expenses, 4) to eat meat or protein regularly, 5) to go on holiday, or to buy a: 6) TV, 7) refrigerator, 8) car, or 9) a telephone.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_mddd11]. Data extracted on 09.01.2018.

In the EU-28, the severe material deprivation rates for all age groups were increasing until 2012 but have been decreasing quite considerably since, pointing towards a gradual recovery after the economic crisis (see also Chapter 3). In 2016, material deprivation rates were at a lower level than in 2010, at 8.3 % for children and 8.7 % for young people (Figure 7-F-b). The decrease between 2010 and 2016 has again been the most substantial in Latvia, with a fall of 19.3 percentage points among children under 16 years of age and 15.8 percentage points among young people aged 16 to 29 ([19]). In addition, despite material deprivation rates still being the highest in Bulgaria, this country has also seen a relatively large decrease in material deprivation – 9.6 percentage points for children and 11 percentage points for young people ([20]). In contrast, material deprivation is very high and is still increasing in Greece, indicating that the economic crisis is not yet over in this country. Between 2010 and 2016, the rates increased by 13.4 percentage points among children and 16.1 percentage points among young people ([21]).

Material deprivation rates have been decreasing since 2012 in the EU and are now at a lower level than in 2010 for all age groups. However, particular regions remain vulnerable. Most notably, material deprivation rates are still increasing in Greece.

([19]) Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_mddd11]. Data extracted on 09.01.2018.
([20]) Ibid.
([21]) Ibid.

7.3.3. Households with very low work intensity

Since unemployment influences poverty and social exclusion levels to a great extent, this section focuses on children and young people living in households with very low work intensity ([22]). This is the third sub-indicator of the main composite indicator of poverty or social exclusion. A low work-intensity household is one where working-age household members worked only 20 % or less of the total number of months they could potentially have worked within a given reference period; i.e., the work intensity of household members is equal to or below the threshold of 0.20. It is important to note that below the age of 25, students are not regarded as part of the working-age population; this means that households composed only of students aged under 25 are excluded from the indicator calculation ([23]).

For this reason, the age groups analysed in this section are different from the ones examined above. Children are defined as those under the age of 18, and young people aged 18-24 and 25-29 are looked at separately. In addition, the reference group is the prime working age population (aged 25-59) instead of the total population.

In 2016 in the EU-28, 9.3 % of children, 11.0 % of young people aged 18-24 and 12.1 % of young people aged 25-29 were living in households with very low work intensity (Figure 7-G). This average figure is lower for children and higher for young people than it is for the prime working age population. As Figure 7-G depicts, in recent years, the most vulnerable group has become the oldest age group within the youth cohort: the proportion of young people aged 25-29 living in households with very low work intensity grew by 2 percentage points between 2010 and 2016. Moreover, the increasing trend is apparent for both age groups within the youth population, which is to be contrasted with recent decreases both in this rate for children and the prime working age population and in youth unemployment rates (Chapter 3).

In contrast to general trends, the proportion of young people living in households with very low work intensity is still increasing.

When looking at cross-country differences in the percentages of young people living in households with very low work intensity, it should be kept in mind that there are differences in calculating this indicator for the different age groups. In the 18-24 age group, households comprising only students are excluded from the sample; however, these households are included for the 25-29 age group. This means that in countries where students tend to stay in higher education for a longer period of time or where many start studying at a later age, the percentages of low work intensity households will be higher.

The largest percentages of young people aged 18 to 24 living in households with very low work intensity can be found in Greece (21.9 %) and Serbia (20.5 %), while the smallest percentages are in Estonia (5.6 %), Malta (5.7 %), Poland (5.5 %) and Slovakia (5.8 %). In this age group, students do not count as being part of the working-age population, so they are only included in the sample if they still live with their parents.

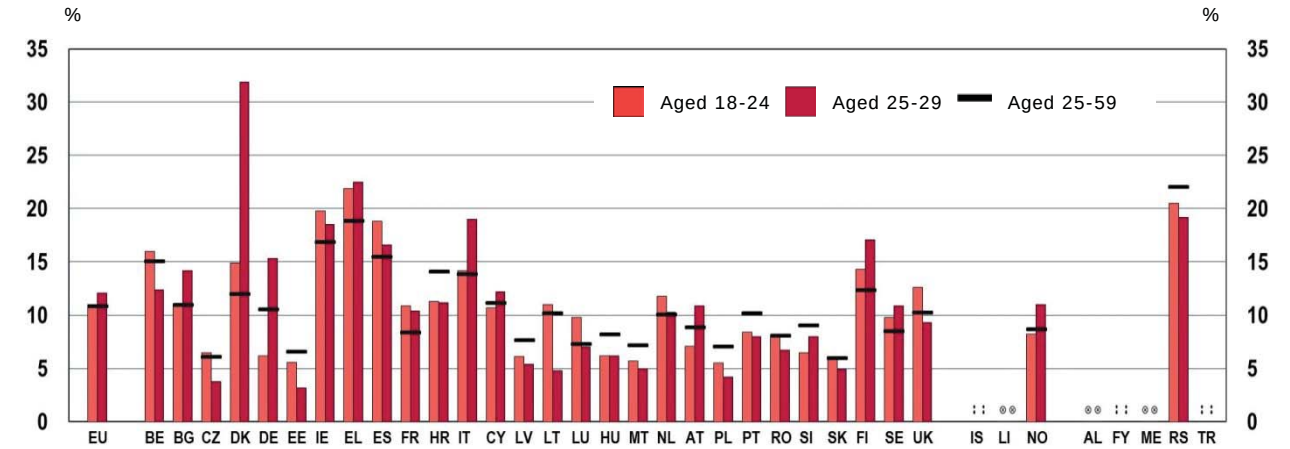
In the 25 to 29 age group, the highest proportions of young people living in households with very low work intensity can be found in Denmark (31.9 %), Greece (22.5 %), Serbia (19.2 %) and Italy (19.0 %). The lowest proportions are in Czech Republic (3.8 %) and Estonia (3.2 %).

([22]) The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period (Eurostat, 2018h).

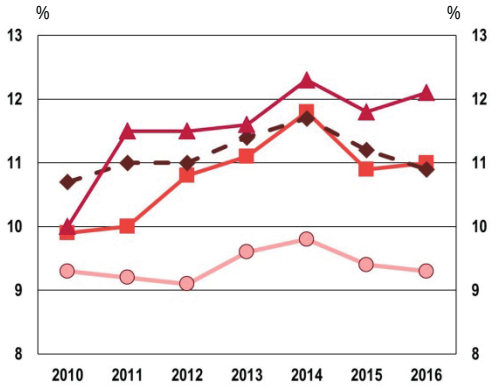
([23]) Eurostat, 2018g.

Figure 7-G: Proportion of people living in households with very low work intensity, by country and age, 2016

EU youth indicator



EU-28 average, by age, 2010-2016



Notes: A low work-intensity household is one where working-age household members worked only 20 % or less of the total number of months they could potentially have worked within a given reference period.

Proportion as percentage of the population aged under 60.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_lvhl11]. Data extracted on 09.01.2018.

Interestingly, there is no straightforward relationship between living in a household with very low work intensity and the average age of leaving the parental household: in some of the countries with high proportions of young people living in households with very low work intensity, young people become independent relatively early, while in others they are dependent on their parents for much longer. An interesting example is Denmark, where young people tend to leave the parental household relatively early, and the proportion of those aged 25-29 living in households with very low work intensity is more than the double that of the prime working age population; possibly due to the relatively high proportion of students in this age group ([24]).

Regarding changes over time, as with earlier indicators, Latvia and Greece have experienced the most extreme fluctuations. Between 2010 and 2016, Latvia was the country with the largest decrease in the proportion of young people living in households with very low work intensity (4.3 percentage points for young people aged 18-24 and 5.0 percentage points for 25-29-year-olds), while the largest increases occurred in Greece and some other countries hardest hit by the economic crisis. The largest increases were 10.7 percentage points for the 18-24 age group and 14.7 percentage points for those aged 25-29 in Greece, 8.6 percentage points for 18-24 year-olds in Spain and 9.1 percentage points for the 25-29 age group in Cyprus ([25]).

([24]) Source: Eurostat [educ_uoe_enrt02] and [educ_uoe_enrt07].

([25]) Source: Statistics on income and living conditions (SILC) [ilc_lvhl11]. Data extracted on 09.01.2018.

7.4. LIVING CONDITIONS

Poverty and social exclusion are multi-dimensional phenomena which cannot be understood solely in terms of people's income. The other dimensions that should be taken into account include access not only to basic services such as housing and healthcare, but also to good education, and good, well-paid jobs. Limited access to these basic necessities contributes to the root causes of poverty and help to explain how individuals and families become socially excluded.

Homelessness and housing exclusion represents one of the most extreme forms of poverty and deprivation. In a resolution on a European Pillar of Social Rights, the European Parliament calls on the Member States 'to deliver on the right to adequate housing by ensuring access to quality and affordable housing of adequate size for all' ([26]). Given the significance of moving out of the parental home in a young person's life, the cost and quality of housing are important contributing factors in ensuring young people's well-being.

A second important aspect of social inclusion is access to health care. Barriers to accessing care contribute to the deterioration of people's health and can have repercussions on their ability to work. The relatively high cost of medical examinations and treatments represents a barrier to individuals on low incomes and, as such, becomes an important driver of social exclusion.

Finally, when assessing poverty and social exclusion, it must be remembered that these phenomena do not only affect those who are economically inactive or unemployed. Indeed, employment does not necessarily make the risk of poverty disappear. 'In-work poverty' is poverty among employed people, often resulting from adverse employment conditions; it is particularly pertinent to young people who often work on temporary or part-time contracts (Chapter 3).

7.4.1. Housing conditions and homelessness

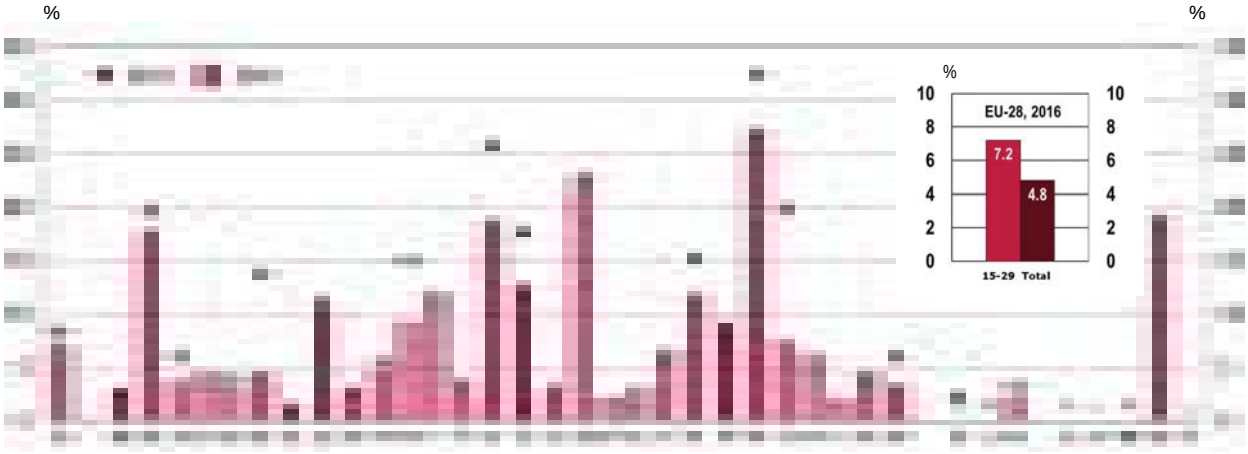
The cost and quality of housing are important for living standards and well-being. Having access to decent housing and being part of a community is crucial for people to feel they are integrated into society. However, most European countries continue to have some shortages of adequate housing. This section explores the levels of inadequate housing through indicators on 'severe housing deprivation', 'overcrowding' and the 'housing cost overburden rate'.

Severe housing deprivation is a useful indicator of inadequate housing. It is defined as living in a dwelling which, as well as being overcrowded, also has at least one of the following shortcomings: a leaking roof, no bath/shower or indoor toilet, or is considered too dark ([27]).

In the EU-28, the severe housing deprivation rate for young people is 7.2 %, which is 1.5 times higher than for the total population (Figure 7-H). The countries most seriously affected are Romania (with a 27.3 % severe housing deprivation rate for young people), Hungary (with 22.6 %), Latvia (with 18.8 %) and Bulgaria (with 17.9 %). Nevertheless, there has been a significant decrease since 2010 in the proportion of young people experiencing severe housing deprivation in three out of these four countries (Romania, Latvia and Bulgaria). Between 2010 and 2016, the severe housing deprivation rate for young people decreased the most in Slovenia (12.3 percentage points) and Estonia (9.2 percentage points).

([26]) European Parliament resolution of 19 January 2017 on a European Pillar of Social Rights (2016/2095(INI)).
([27]) Eurostat, 2018i.

Figure 7-H: Severe housing deprivation rate for young people (aged 15-29), by country, 2010 and 2016



Notes: Severe housing deprivation is defined as living in a dwelling which, as well as being overcrowded, has one of the following shortcomings: a leaking roof, no bath/shower or indoor toilet, or is considered too dark.

Bulgaria, Luxembourg and the Netherlands: break in time series (2016).

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_mdho06a]. Data extracted on 09.01.2018.

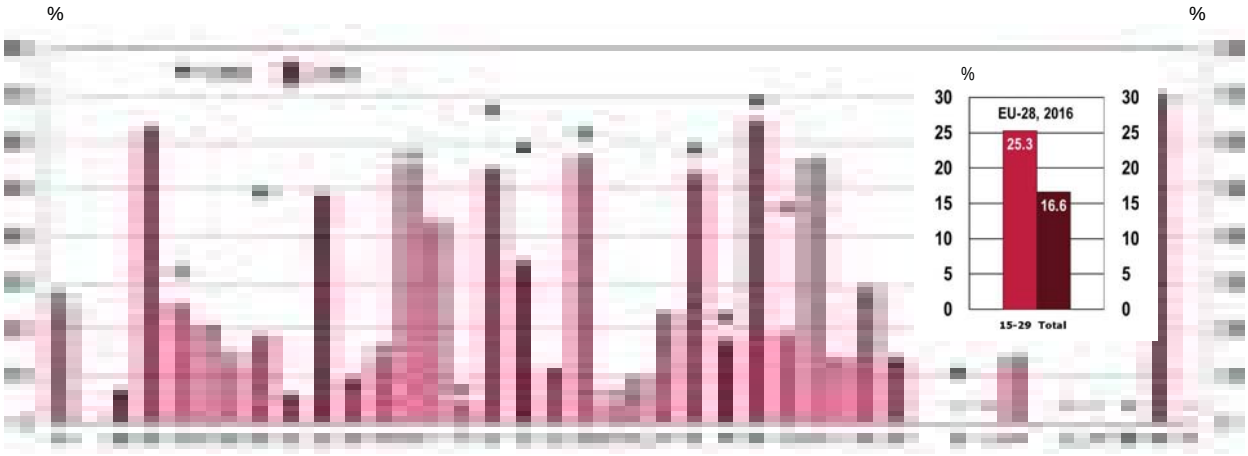
The overcrowding rate, which focuses on the availability of sufficient space in the dwelling, can shed further light on the housing conditions of young people. The overcrowding rate is based on the number of rooms available in the household, the household's size, as well as its members' ages and family situation ([28]). As Figure 7-I shows, the overcrowding rate among young people is considerably higher than for the total population. One explanation is that many young people live in a transitional phase between leaving the parental household and establishing their own home. They may be living in student housing or in accommodation shared by peers to reduce housing costs. Nevertheless, differences between countries in this respect are enormous. In eight eastern European countries with available data (Bulgaria, Croatia, Latvia, Hungary, Poland, Romania, Slovakia and Serbia) more than 50 % of young people live in overcrowded households. In contrast, in Belgium, Ireland, Spain, Cyprus and Malta, the proportion of young people living in such households is below 10 %.

While in the EU-28 there has been little change, on average, regarding young people's access to adequate housing, there have been important improvements in the quality of housing in many countries.

The overcrowding rate for young people decreased in the majority of countries between 2010 and 2016. Countries registering the most significant decreases are the Baltic States (Estonia: 30.4 percentage points, Latvia: 12.5 percentage points and Lithuania: 24.4 percentage points) and Slovenia (26.7 percentage points). In contrast, the overcrowding rate increased the most in Greece (by 9.6 percentage points).

([28]) Eurostat, 2018g.

Figure 7-I: Overcrowding rate for young people (aged 15-29), by country, 2010 and 2016



Notes: A person is considered to be living in an overcrowded household if it does not have a minimum number of rooms including: one room for the household; one room per couple in the household; one room for each single person aged 18 or more; one room per pair of single people of the same gender between 12 and 17 years of age; one room for each single person between 12 and 17 years of age not of the same gender; one room per pair of children under 12 years of age.

Bulgaria, Luxembourg and the Netherlands: break in time series (2016).

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_lvho05a]. Data extracted on 10.01.2018.

As explained in earlier sections, leaving the parental home and establishing a separate household is a crucial moment in young people's lives and has a strong influence on their risk of poverty (see section 7.3.2). In this respect, housing costs have a significant impact on young people's living conditions. Given that young people have to face many hurdles in their transition from education to work (Chapters 2 and 3), the question of affordable housing is becoming even more important.

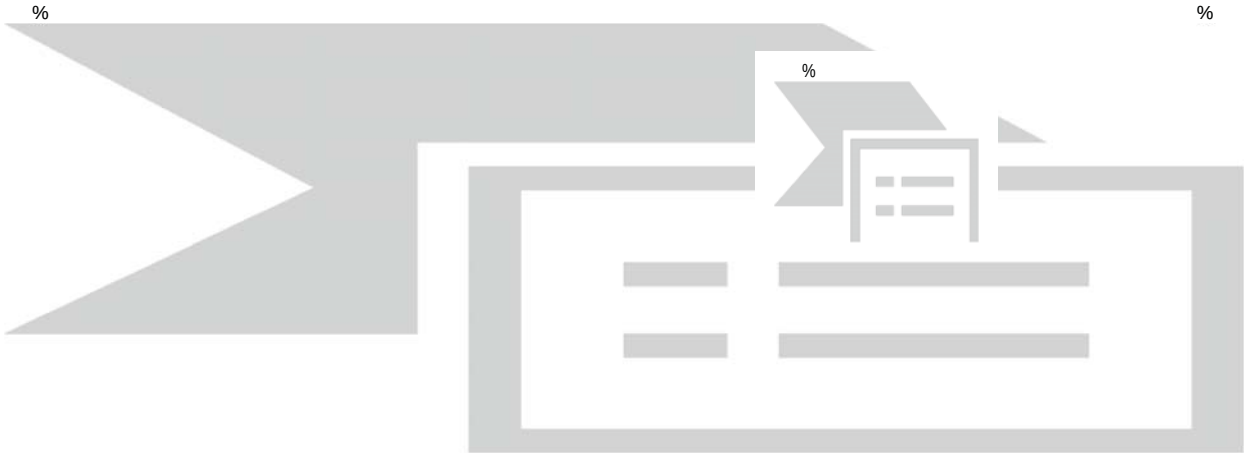
The proportion of young people facing excessive housing costs is shown in Eurostat's 'housing cost overburden rate'; it is the percentage of the population living in households where the total housing costs represent more than 40 % of disposable income ([29]). In 2016, this rate for young people aged 20-29 was 3.3 percentage points higher than for the total population (14.4 % vs. 11.1 %) (Figure 7-J).

In several Member States, young people had to spend much more on housing in 2016 than they did in 2010.

Housing costs place an excessive burden on more young people in Greece than in any other country, with almost 50 % of 20-29 year-olds having to spend more than 40 % of their disposable income on accommodation (Figure 7-J). This rate has almost doubled since 2010. The rate is also high in Denmark (39.6 %), Serbia (28.9 %), Norway (23.5 %) and the Netherlands (22.5 %). In addition, it has increased significantly in Bulgaria since 2010 (by 15.1 percentage points), but from a lower level. In contrast, young people suffer least from excessive housing costs in Malta where the proportion spending more than 40 % of their income is only 0.8 %. The rates are also low in Latvia (4.2 %), Cyprus (4.5 %) and Croatia (4.6 %).

([29]) Eurostat, 2018e.

Figure 7-J: Proportion of young people (aged 20-29) facing excessive housing costs (housing cost overburden rate), by country, 2010 and 2016



Notes: The housing cost overburden rate is the percentage of the population living in households where the total housing costs represent more than 40 % of disposable income.

Bulgaria, Luxembourg and the Netherlands: break in time series (2016). Austria: low reliability (2010).
European Union (EU-28): Estimate for 2010.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_lvho07a]. Data extracted on 10.01.2018.

7.4.2. Access to health care

Another important aspect of social inclusion for young people is their access to health care. The self-reported unmet need for a medical examination is a good indicator by which to assess this and was therefore included among the EU youth indicators. The barriers to accessing medical care are various, including the expense, the distance needed to travel to receive care and the length of the waiting list.

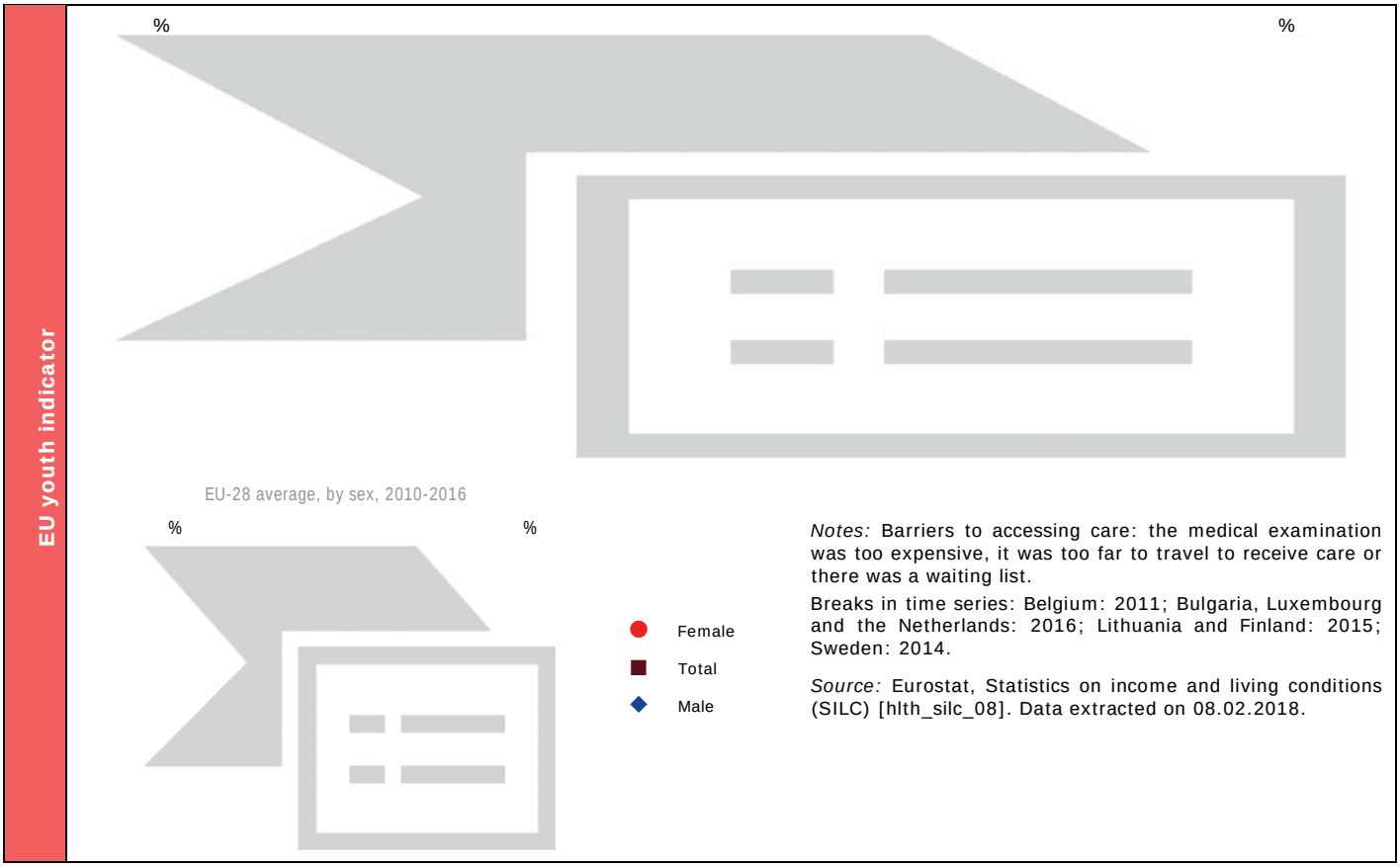
Figure 7-K depicts the proportion of young people aged 16 to 29 who reported having unmet needs for a medical examination in 2010 and 2016. In 2016, in the EU-28, on average, the proportion of young people who faced barriers to accessing medical care was relatively low, 1.4 %. In most countries with available data, the proportion of the youth population with this problem was also low – below 2 %. However, most remarkably, in Estonia and Greece, the proportion of young people who could not get medical care when needed due to these barriers was around 10 %, which is significantly above the European average.

As the figure shows, these two countries experienced a large increase in the proportion of young people reporting unmet needs for medical care between 2010 and 2016. The increase was 7.5 percentage points in Estonia and 8.1 percentage points in Greece, at a time when the proportion of young people facing such barriers was decreasing in most other countries. As Figure 7-K also illustrates, in the EU-28 on average, the proportion of young people with unmet needs for medical care had been increasing until 2013, but has been falling since 2014. The decreases have been the most significant in Bulgaria (5.7 percentage points), Latvia (4.5 percentage points) and the former Yugoslav Republic of Macedonia (3.6 percentage points). In this context, the situation of Estonia and Greece is a source of concern.

Figure 7-K also depicts gender differences in healthcare access in the EU-28 in the period between 2010 and 2016. As the figure shows, larger proportions of young women than young men report facing barriers when in

need of a medical examination. This also reflects the tendency that, in general, women seek medical care more often than men (see also Chapter 4).

Figure 7-K: Self-reported unmet needs for a medical examination due to barriers in accessing care, young people aged 16-29, by country, 2010 and 2016



7.4.3. In-work poverty

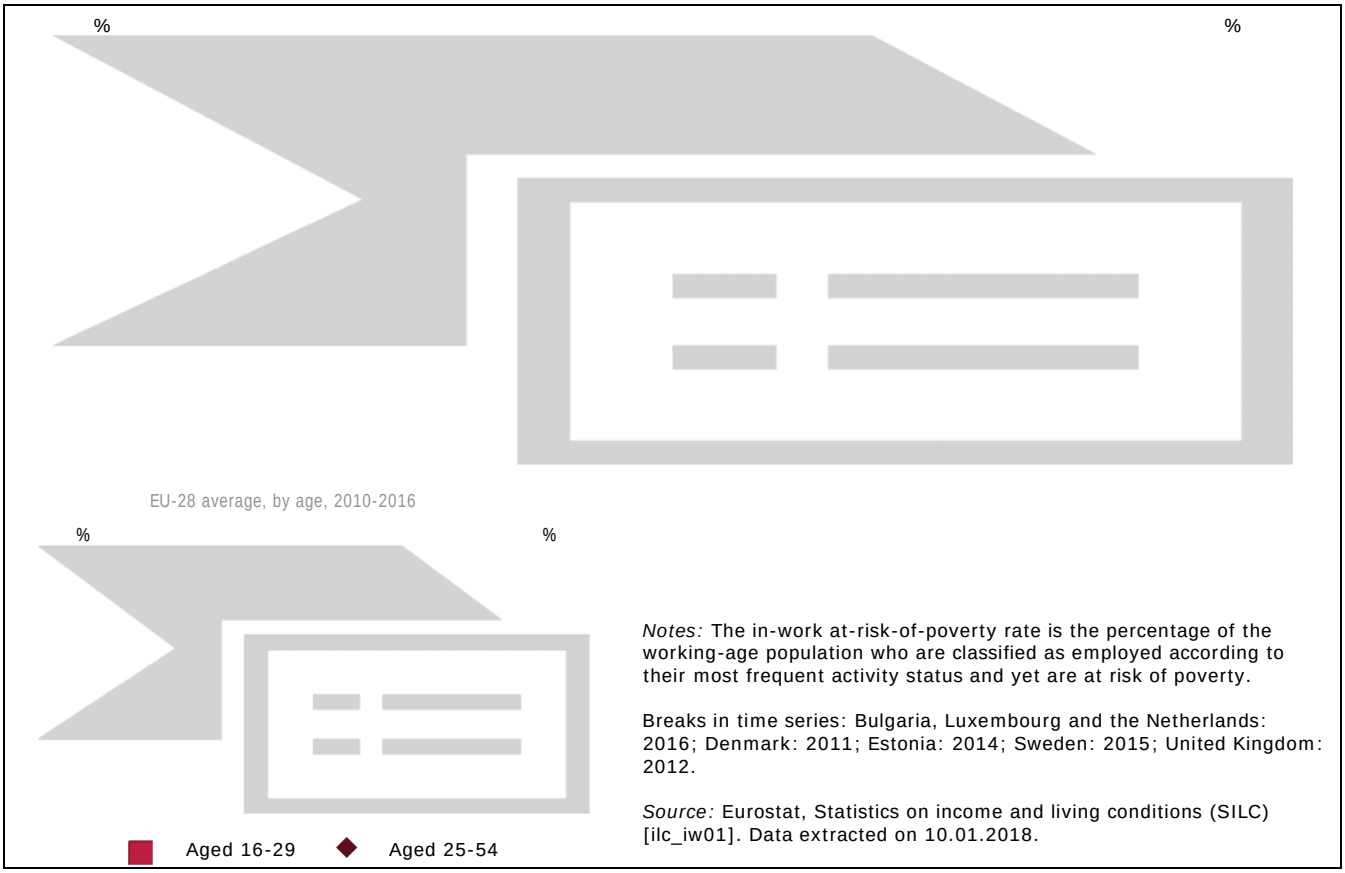
Poverty among those of working age can be rooted in either unemployment or in-work poverty. In-work poverty means being in employment, but not earning enough to make a living, for example, while working in low-paid temporary, part-time or hourly paid jobs. The in-work at-risk-of-poverty rate is the percentage of the working-age population (aged 18-64) who are classified as employed according to their most frequent activity status and yet are at risk of poverty (see also section 7.3.1). Given the difficulties that young people face in entering the labour market (Chapter 3), it is particularly important to examine the effect this transition has on their risk of poverty.

In-work poverty is a growing concern in the European Union.

In-work poverty affects 10.4 % of young people aged 16 to 29 in the European Union on average, while the rate in the prime working-age population aged 25 to 54 is 9.7 % (Figure 7-L). This type of poverty is mostly a concern in Romania, where almost 24 % of employed young people are at risk of poverty. However, between 2010 and 2016, in-work poverty rates increased in the large majority of countries with available data (both for young people and the prime working-age population), so this phenomenon is of growing concern in the European Union and beyond.

Increases of over 4 percentage points in the youth cohort took place in Bulgaria, Greece, Spain, Hungary, Portugal, Romania and Slovenia.

Figure 7-L: In-work at-risk-of-poverty rate for young people aged 16-29, by country, 2010 and 2016



Notes: The in-work at-risk-of-poverty rate is the percentage of the working-age population who are classified as employed according to their most frequent activity status and yet are at risk of poverty.

Breaks in time series: Bulgaria, Luxembourg and the Netherlands: 2016; Denmark: 2011; Estonia: 2014; Sweden: 2015; United Kingdom: 2012.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_iw01]. Data extracted on 10.01.2018.

7.5. GROUPS AT RISK OF SOCIAL EXCLUSION

After discussing the main poverty and social exclusion indicators as well as some specific dimensions of poverty and young people's living conditions, the last section of this chapter turns to specific groups of young people who are more vulnerable to poverty and social exclusion than others. Two groups of young people were selected for this section: young people who are neither in education and training nor in employment (NEETs) and young people from a migrant background.

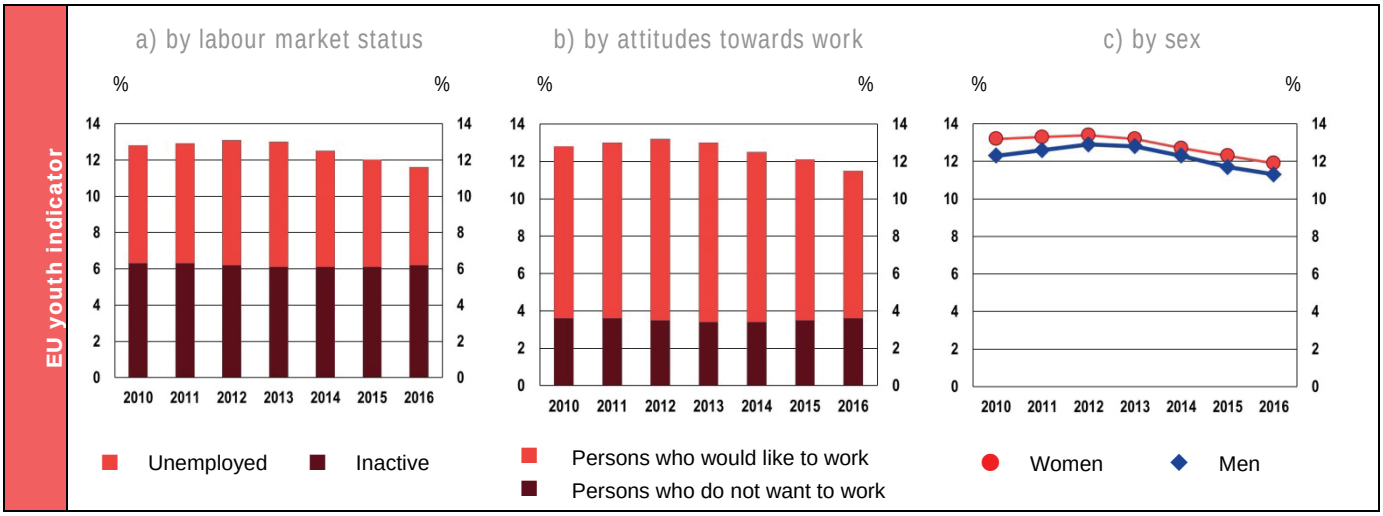
7.5.1. Young people not in employment, education or training (NEETs)

'NEETs' is the term used to describe young people who are neither in employment, nor in education and training. The indicator on NEETs aims to capture the situation of young people in transition between education and the labour market. This transition between school and work is increasingly complex and individualised for today's young people (Chapters 2 and 3). While being 'NEET' can also be just a temporary status, facing difficulties in entering and gaining a solid foothold in the labour market can lead to young people's disengagement from the world of work, making them vulnerable to social exclusion.

The NEET group includes not only the conventional unemployed job-seekers, but also those who are disengaged from both education and work and are therefore not looking for a job ([30]). Being economically inactive, nevertheless, does not always imply disengagement: NEETs also include those unavailable for work (e.g. young carers or those who are sick or disabled), the 'opportunity-seekers' (those who are waiting for better opportunities), and the 'voluntary NEETs' (those who choose to be inactive while travelling or engaging in activities such as the arts or self-directed learning) ([31]). However, attention must be drawn to the fact that if young people are not accumulating the human capital needed for work, even those in these last three subgroups may be at risk of future social exclusion ([32]).

After a steady rise in the NEET rates of 15-24 year-olds in the EU-28 from 2009 due to the economic crisis ([33]), the NEET rate reached its peak of 13.2 % in 2012 and then started to decline (Figure 7-M). In 2016, the NEET rate was 11.6 %. This rate is still above the 2008, pre-crisis level of 10.9 % ([34]), but the difference is now only 0.7 percentage points.

Figure 7-M: Proportion of young people (aged 15-24) not in employment, education or training (NEET rate), EU-28 average, 2010-2016



Notes: The first two figures depict the overall NEET rate by labour market status and by attitudes towards work.

Source: Eurostat, Labour Force Survey (LFS), [yth_empl_150]. Data extracted on 11.01.2018.

Looking at Figure 7-M-a which breaks down the NEET rates into unemployed and inactive groups, it is evident that the annual decrease of around 0.5 percentage points is due to a drop in the share of unemployed NEETs since 2014. In fact, the proportion of unemployed NEETs declined to such an extent that in 2016, for the first time since the start of the economic crisis, it was lower (at 5.4 %) than the proportion of inactive young people within this group (6.2 %). At the same time, the inactive NEET rate stayed remarkably stable in the same period.

Following increases until 2012, the NEET rate started to decrease in 2013, mainly due to the decline in the proportion of unemployed NEETs after 2013.

([30]) Eurofound 2012, p. 23.
([31]) Ibid, pp. 24-25.
([32]) Ibid.
([33]) European Commission 2012c, p. 212.
([34]) Ibid.

Figure 7-M-b shows similar patterns – a declining share of NEETs who would like to work but cannot, and a stable ratio for those who do not want to work – while revealing that around half of inactive young people would ideally like to return to the world of work.

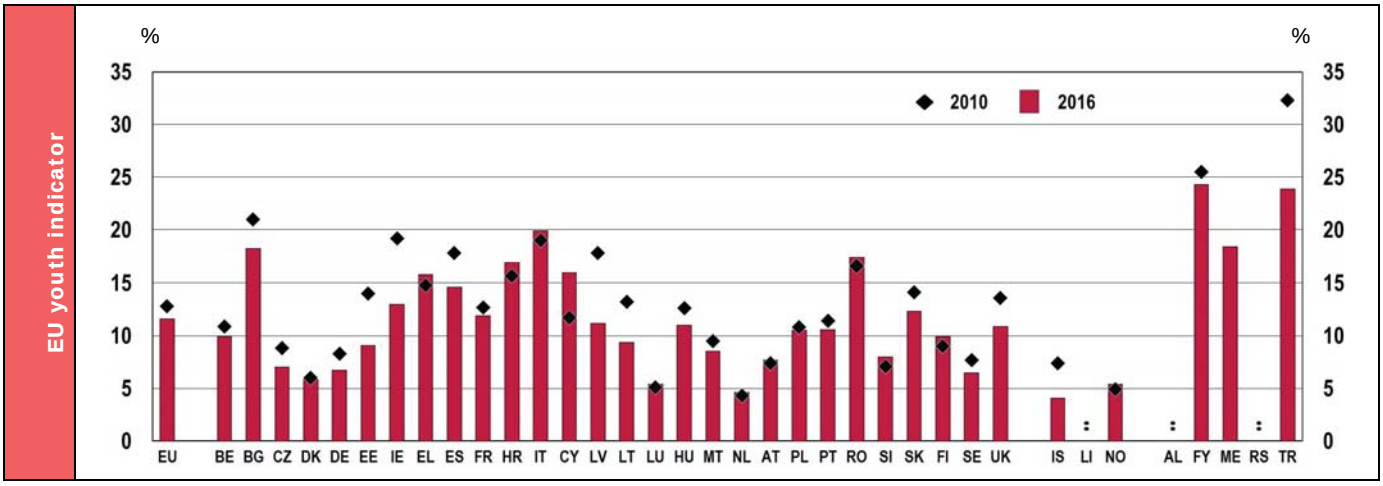
In general in the EU-28, NEET rates are higher for women than for men, though the gender gap is only 0.7 percentage points (Figure 7-M-c). However, when looking at the different sub-groups within NEETs, gender differences become more pronounced. There are almost twice as many young women as young men among the NEETs that do not want to work; and the majority of inactive NEETs are also female (most likely caring for family members full time). As a consequence, men are over-represented among the unemployed and among those who would like to work but are not necessarily searching for a job ([35]).

In addition, there are significant variations between countries with regard to gender differences: NEET rates are actually higher for men in almost half of the European countries with available data. However, differences between women and men are often larger where the female NEET rate is higher. Within the EU-28, the gender gap exceeds three percentage points in Czech Republic, Estonia, Hungary, Malta and Romania, with higher rates for women, and only in Croatia with higher rates among men ([36]). Outside the EU-28, gender differences are the largest in Turkey, where NEET rates for women are exceptionally high (33.5 %, in contrast to the 14.5 % rate for men), due to their very high inactivity rate ([37]).

([35]) Source: Eurostat LFS [yth_empl_150]. Data extracted on 16.06.2017.
([36]) Ibid.
([37]) Source: Eurostat LFS [edat_lfse_20]. Data extracted on 16.06.2017.

Regarding the differences between countries in the total NEET rate, Figure 7-N reveals that in 2016, NEET rates were the highest in Bulgaria (18.2 %), Italy (19.9 %), the former Yugoslav Republic of Macedonia (24.3 %) and Turkey (23.9 %). At the other end of the scale, the rates were below 6 % in Denmark, Luxembourg, the Netherlands, Iceland and Norway.

Figure 7-N: Proportion of young people (aged 15 to 24) not in employment, education or training (NEET rate), by country, 2010 and 2016



Notes: Break in time series: Denmark (2016).
Source: Eurostat, Labour Force Survey (LFS), [yth_empl_150]. Data extracted on 11.01.2018.

Between 2010 and 2016, many more countries registered decreases than increases in NEET rates (Figure 7-N). Decreases were most notable in Estonia (4.9 percentage points), Ireland (6.2 percentage points), Latvia (6.6 percentage points) and Turkey (8.4 percentage points). At the same time, NEET rates increased substantially in this period in Cyprus (4.3 percentage points).

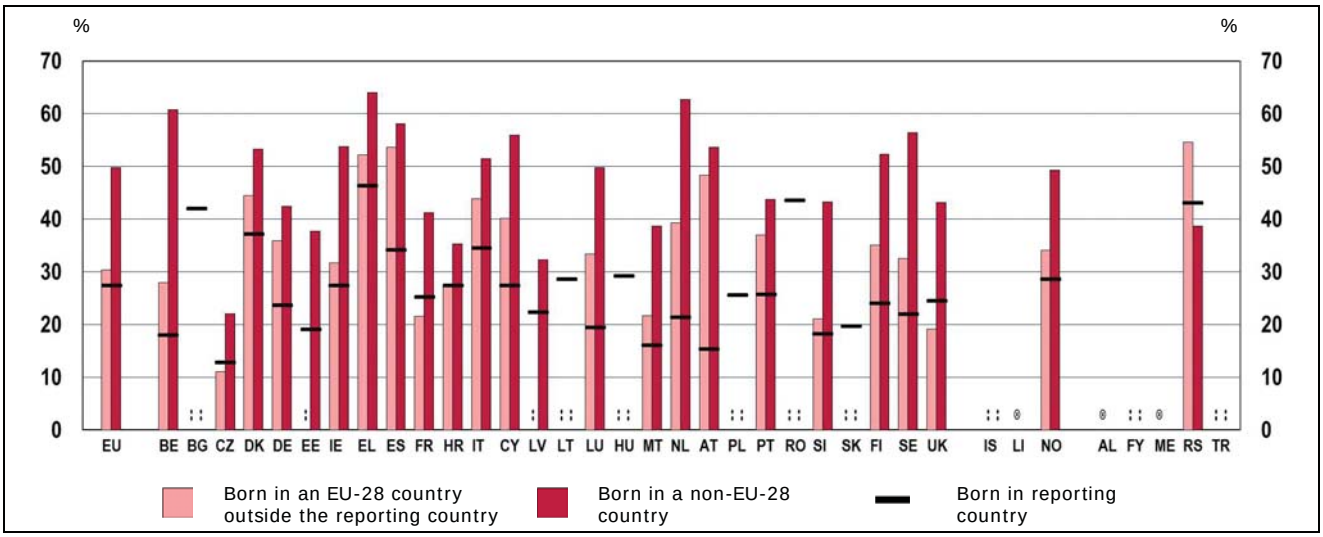
5.5.2. Young people from a migrant background

Migrants and ethnic minorities are among the groups most vulnerable to poverty and social exclusion. They usually face multiple disadvantages leading to persistent poverty and a marginalised position in society. Immigrants often lack the social capital (networks and information) needed to become fully included into society ([38]). As a result, migrants tend to be more at risk of poverty and social exclusion than the native-born population.

Figure 7-O depicts the 'at-risk-of-poverty or social exclusion' rate for young people aged 16 to 29 by place of birth. While data have low reliability for many countries, the picture presented by the figure is quite clear: young people not born in the country in which they live face a higher risk of poverty or social exclusion, especially if they come from a non-EU-28 country.

([38]) See e.g. Sime and Fox, 2014.

Figure 7-O: At-risk-of-poverty or social exclusion rate for young people (aged 16 to 29) by place of birth and by country, 2016



Notes: Born in an EU-28 country outside the reporting country: Data have low reliability for the European Union average, Czech Republic, Denmark, France, Croatia, Malta and Slovenia. Data are not reliable and not publishable for Bulgaria, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia.

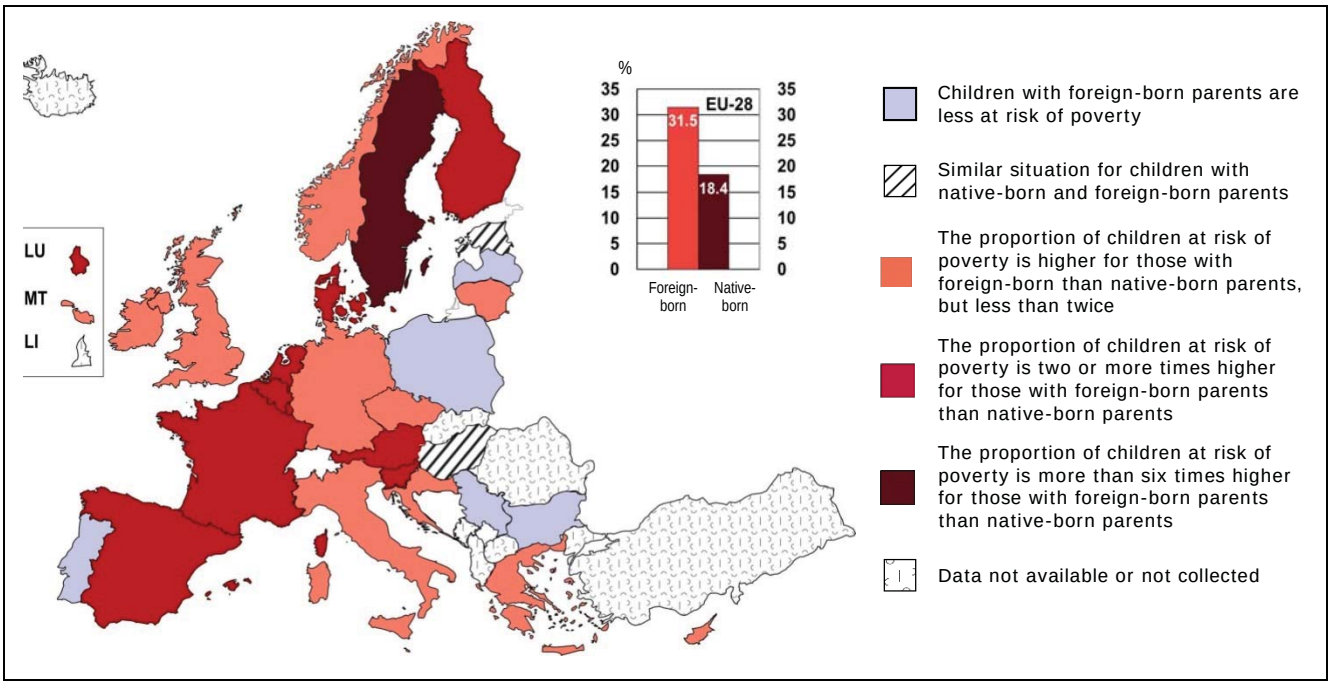
Born in a non-EU-28 country: Data have low reliability for the European Union average, Czech Republic, Estonia, Latvia, Malta and Serbia. Data are not reliable and not publishable for Bulgaria, Lithuania, Hungary, Poland, Romania and Slovakia.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_peps06]. Data extracted on 29.01.2018.

In 2016, the at-risk-of-poverty or social exclusion rate of young people born outside the European Union was above 60 % in Greece (64 %), the Netherlands (62.6 %) and Belgium (60.7 %); and above 55 % in Spain (58.1 %), Sweden (56.4 %) and Cyprus (55.9 %). This means that in these countries, the majority of young people from an immigrant background face the risk of poverty or social exclusion. Differences between the at-risk-of-poverty or social exclusion rates of the native-born and the foreign-born in general are highest in Austria (where the at-risk-of-poverty or social exclusion rate of foreign-born young people is more than three times the rate for the native-born), Belgium and the Netherlands.

The at-risk-of-poverty rates for second generation immigrants – the children of foreign-born parents (EU and non-EU) – still show a strong disparity with those of the native-born population (Figure 7-P), but the figures are less extreme. As this figure shows, the children of foreign-born parents are almost twice as likely to be at risk of poverty as the children of native-born parents in the EU-28 (31.5 % vs. 18.4 %). The relative risk of poverty for immigrant children compared to their native-born peers is greatest in Sweden, where the proportion of children from foreign-born families who are at risk of poverty is more than six times higher than children of native-born parents. Differences are also relatively substantial in Belgium, Denmark, France, Austria and Slovenia, with a foreign-born/native-born ratio above 2.8. Conversely, among the countries with reliable data, children from foreign-born families are at a similar or lower level of risk of poverty than children from native-born families in Estonia, Hungary, Latvia, Portugal and Serbia. This is the case partly because there are relatively fewer children of foreign-born parents, and partly because children in these countries have, in general, relatively higher at-risk-of-poverty rates.

Figure 7-P: At-risk-of-poverty rate for children (aged 0 to 17) by the country of birth of their parents, by country, 2016



Notes: Data on children with foreign-born parents: EU-28 average: estimate. Data are not reliable and not publishable for Romania and Slovakia. Data are not reliable for Bulgaria and Poland.

At-risk-of-poverty rates of children of native-born and foreign-born parents were regarded as similar if the foreign-born/native-born ratio was between 0.85 and 1.15.

Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_li34]. Data extracted on 11.01.2018.

The at-risk-of-poverty rates of immigrant children are the highest in Spain (50 %), Italy (40.3 %) and France (40.1 %), while they are the lowest in Latvia (8.8 %). Between 2010 and 2016, the at-risk-of-poverty rates of children of foreign-born parents increased the most in Lithuania and Sweden (with 23.1 and 13.0 percentage points respectively). At the same time, the largest decreases were registered in Germany (12.1 percentage points), Latvia (13.5 percentage points) and Finland (15 percentage points) ([39]).

Given the trans-generational transmission of poverty, children from poor families are also more likely to stay in poverty when they become adults ([40]). Immigrant children and those from poorer families are more likely to leave school early and have fewer chances of attaining higher education qualifications ([41]), leading to further disadvantages in their working lives. Therefore, special attention must be paid to the issue of educational integration for young people from immigrant families.

([39]) Source: Eurostat, Statistics on income and living conditions (SILC) [ilc_li34]. Data extracted on 11.01.2018.
([40]) See e.g. Bellani and Bia, 2013.
([41]) European Commission/EACEA/Eurydice, 2015b.

CONCLUSION

There have been many positive developments regarding the social inclusion of young people in the last three years. In the EU-28, the at-risk-of-poverty or social exclusion rates are decreasing, mostly due to significant decreases in material deprivation rates. At the European level, the material deprivation rate of young people is lower than it was in 2010, at the peak of the economic crisis. NEET rates (young people not in employment, education or training) are also falling, mostly due to declining youth unemployment rates. Regarding access to good quality housing, there has been little change across the EU-28, between 2010 and 2016 on average, but there have been important improvements in the quality of housing in many countries, most notably in the Baltic States. In addition, in most countries, fewer young people face barriers to accessing medical care.

However, several indicators still point towards an increasing risk of poverty and social exclusion for some young people in Europe. At-risk-of-poverty rates for young people living independently are still increasing. The proportions of young people living in households with very low work intensity are also growing. Furthermore, while fewer young people live in inadequate housing than in the recent past, in several Member States they had to spend relatively more on housing in 2016 than they did in 2010. And while more young people found jobs in 2016 than in 2010, the proportion of young people working and still being at risk of poverty has been increasing Europe-wide, in line with the general trends for the whole working-age population.

Moreover, certain groups of young people and those living in certain regions of Europe are more vulnerable than others. Young people born outside the country they live in, or who have parents not born in that country have significantly higher chances of being at risk of poverty or social exclusion than their native-born peers. Most poverty indicators also show higher proportions of women at risk.

In the countries most affected by the economic crisis, most notably in Greece and to a lesser extent in Spain, young people's risks of poverty or social exclusion have been increasing considerably and these trends have not yet been reversed. At-risk-of-poverty or social exclusion rates and material deprivation rates increased the most and are still increasing in Greece, together with deteriorating housing conditions and exponential growth in the proportions of young people who cannot access appropriate health care. This is certainly a source of growing inequalities between European young people.