

Next generation or lost generation? Children, young people and the pandemic

SUMMARY

The next generation, sometimes referred to as 'Generation Z' or 'Gen Z', includes children and young people born after 1995/1996. Also known as the 'iGeneration' they are the first digital natives: they have grown up with smartphones and tablets, and most have internet access at home. While, in the EU, they are the most diverse generation when it comes to their origins, and best educated, in terms of level of education, they are the most vulnerable, including on the labour market. They are the generation most at risk of poverty, and worst affected by the lack of intergenerational earning mobility. In addition, they have been hardest hit by the coronavirus crisis, following school closures and also job losses. The negative trends this generation was facing prior to the pandemic solidified during the outbreak and the lockdown measures. The well-being, educational success and labour market integration of this generation have a major impact on the general well-being of society, as well as on productivity growth, and thus on the entire economy now and in the future. It will, however, be another 15 years before this generation, along with the 'Millennials' (born between 1981 and 1995/1996) form the majority in the voting age population across the EU, and their views, expectations and attitudes are taken into consideration when designing policies.

In this context, policies must address Generation Z from a young age as active citizens who need to be both protected and empowered. In the von der Leyen Commission more than half the Commissioners have been entrusted with tasks that directly address challenges for this generation, ranging from access to quality education, health, housing, nutrition and labour markets to combating poverty and protecting children's and young people's rights. This is an opportunity to design comprehensive policies that cut across sectors and that address the entire generation under the age of 22/24 in a multidimensional way. It is also a way to include children and young people in the democratic process and monitor their progress across multiple indicators in relation to the United Nations sustainable development goals. Stronger pro-child and pro-youth policies can help to achieve more balanced and efficient welfare states that genuinely protect the entire population.



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Who are they?

Fewer young people in Europe than in the rest of the world

Generation Z (Gen Z) includes children and young people born after 1995 or 1996. Some estimates from the US claim that Generation Z might outnumber those known as Millennials or Generation Y (born after 1981 up to 1995/1996). In 2018, it was predicted that, by 2019, 'Gen Z-ers' would account for 2.47 billion of the 7.7 billion inhabitants of Planet Earth – that is 32 %, surpassing the 2.43 billion figure for Millennials. In the EU, the combined share of children and young people (all people aged 29 and under) in the total population of the EU-27 fell from 38.1 % in 1999 (excluding Croatia), to 34.2 % in 2009, and 31.8 % by 2019, while this generation's share of the world population was considerably higher, at 49 % in July 2019. In 2019, the three five-year age groups that together cover the aggregate for children (those aged 0-4 years, 5-9 years and 10-14 years) as well as the youngest five-year age group among young people (in other words the 15-19 age group) accounted for the smallest shares of the EU-27 population aged under 70. The relative importance of children and young people across the world is influenced, to some degree, by relatively high birth rates in Africa and some parts of Asia. In addition, there are major country differences behind these general figures in the EU, with Ireland being the most youthful Member State, with people aged under 29 accounting for nearly 4 out of every 10 inhabitants at the start of 2019. At the other end of the spectrum, the share of children and young people in the total population was lowest in Italy (28.3 %). On a regional level, the differences are even more striking with some east German, northern Italian and Spanish regions being the least youthful. Although the EU-27 total population is projected to keep growing up until 2026, reaching a peak of 449.3 million, the share of children and young people in the total population is projected to decrease from 31.8 % in 2019 to 28.6 % in 2052. From 2052, the share of children and young people is projected to increase marginally until 2080 but remain below its 2019 level.

Gen Z-ers are the best educated, and are open realists

There have been many surveys to define Gen Z's characteristics – mainly conducted in the English-speaking world, examining them at a global scale and often for commercial purposes – and they seem to concur on a number of features. This generation is described as self-aware, persistent, realist, innovative and self-reliant, in contrast to the Millennials, who have been found to be self-centred, entitled, idealist, creative and dependent. Generation Z is claimed to be the best educated proportionally, as well as liberal-minded and open to emerging social trends. Some would argue that 'searching for the truth' is at the heart of their identity. This includes understanding, connecting and expressing different individual truths. Originally, known as the iGeneration, referring to the fact that they grew up with iPhones and iPads, these are the first digital natives. In terms of their behaviour, this means: they use social media much more than previous generations to stay up to date on current affairs; they care deeply about their own health and well-being and that of the planet; they are much more influenced by digital advertising and digital financial services than older generations; when it comes to travel, they do not wish to own a vehicle and are much more interested in interactive platforms, such as webchats or smart booking platforms. Despite large differences between OECD countries, almost all 15-year-olds (95 %) have internet access at home.

Culturally diverse and socio-economically vulnerable

In the EU, this generation is the most diverse in terms of origins. In Luxembourg, for example, the share of <u>foreign-born</u> children in the 0-14 age group was the highest in the EU in 2019, with one fifth born outside the national territory (13.9 % born in another EU Member State, and 6.6 % outside the EU). There are also big variations between countries in east and west. In Ireland, some 12.0 % of all children were born in another country (no breakdown available); while in Sweden 1.6 % of children were born in another Member State and the share of children born outside the EU was 7.8 % (the highest in the EU), giving a total of 9.4 % of children being foreign-born. At the same time, in Croatia and Czechia the share of foreign-born children is 0.7 % and 1.1 % respectively. When it comes to

young adults (15-29 year olds) Luxembourg had the highest share of young people born in a foreign country in 2019 (41.9 %) followed by Cyprus, Malta, Austria and Sweden, where more than one fifth of young people were foreign born. In addition, the highest shares of non-EU born young people were found in Sweden, Spain and Luxemburg. Meanwhile, Poland, Lithuania, Slovakia, Bulgaria and Latvia had the lowest shares of foreign-born young people, at 1.4 to 2.5 % of the total age group.

In terms of their socio-economic background, the youngest generation is more affected by 'sticky floors and ceilings' than any other when it comes to <u>intergenerational earnings mobility</u>: in OECD countries since the 1990s, there has been a general trend towards a lack of mobility between the income positions at the bottom and at the top of the social ladder. Looking at the <u>UN sustainable development goals</u> (SDGs), the youngest are the most vulnerable and <u>worst affected</u> by poverty and unemployment. That said, poverty is a <u>multi-dimensional issue</u> not only related to income, and thus not only affecting children from low-income families. Based on calculations of household income, <u>close to 25 % of children are at risk of poverty</u> in the EU. However, looking across several other dimensions of poverty, including housing and social activities, about 30 % of children are affected in high-income countries. This trend has strengthened since the 2008 recession. <u>Before the 2008 crisis</u>, the under-25s were not much more at risk of poverty than the over-64s. Now they are nearly 10 percentage points more likely to be poor.

Expectations and attitudes vary according to location

Surveys carried out prior to the pandemic and then revisited in its early days, offer some policy pointers in relation to the expectations and attitudes of this generation. These include a purpose beyond profit – stakeholder capitalism as opposed to shareholder capitalism;² addressing climate change and implementing environmental sustainability programmes; more opportunities for employees to be engaged in their communities; structures to reduce income inequality and improve distribution of wealth - but not necessarily in a way of fiscal redistribution; and a greater focus on mental well-being. Yet, these surveys are very often global surveys, in which the nuances between different continents let alone within continents do not feature. However, there are differences in Gen Z views and attitudes between the United States and Europe, and also between eastern and western Europe. Four out five Gen Z Europeans, unlike their generational counterparts in the US, care for the environment, but it is not their number one priority. Most of them also believe that the private sector is better at creating jobs than the public sector. The European Generation Z have a more positive view of globalisation than do other cohorts. Attitudinal differences between east and west, and old and new Member States seem to soften in the younger generation. However, many younger people in the east still hold more conservative views when it comes to certain values, such as opposing same-sex marriage and putting more emphasis on ethnicity and religion when defining citizenship. In addition, the intensive mobility of better-educated citizens from east to west keeps eastern European countries leaning towards the right.

The impact of the pandemic on Generation Z

Multiple vulnerabilities magnified for many

Many would claim that the crisis caused by the pandemic might have the same impact on today's youngest generation as the 2008 recession had on the previous generation, the Millennials. The coronavirus crisis has disrupted their education and future job prospects enormously. Uncertainty has become the norm that, in turn, has also heavily affected their mental well-being. In addition, their safety (child sexual abuse through the internet, cybersecurity or just simple dependency) is also in danger.

All affected by disruption of educational institutions

According to estimates, 99 % of the world's 2.36 billion children have been affected by some restrictions on movement. School closures have affected 1.6 billion children globally and approximately 76.1 million in the EU; this includes early childhood services and primary school up

to lower secondary school. <u>Higher education institutions</u> have also been affected, with more than <u>25 million students</u> in the EU-27 involved – ranging from upper secondary, to short cycle tertiary, bachelor's and master's degree courses. Secondary school examinations were cancelled and higher education institutions had to find new ways to select students. In addition, in an International Labour Organization (ILO) survey, around 98 % of respondents reported complete or partial closure of <u>technical and vocational schools and training centres</u>. This created huge disruption, bringing obstacles but also opportunities.

<u>Disruptions in education</u> have placed a heavy burden not only on children and students but also on families with children. By the end of June, <u>the duration of school closures</u> ranged from 7 to 19 weeks across 46 OECD and partner countries. Many strategies were introduced to maintain learning continuity. The size of learning loss is difficult to estimate, particularly in the context of the idea of child development and skills formation where <u>skills beget skills</u>, through a multiplier process, i.e. skill attainment at one stage of the life cycle raises skill attainment at later stages of the life cycle.³ In addition, families have a very important role to play in nurturing skills formation.

Some early surveys show that the <u>majority of students</u> were unable to learn what the curriculum expected them to learn during the first phase of the pandemic. This will be particularly problematic for students from vulnerable backgrounds, including migrants, refugees, children with special needs (including children with disabilities) and low-performing struggling students who need more support with their learning. <u>Evidence suggests</u> that there is a strong correlation between educational attainment and employment rates, i.e. higher educational attainment is associated with higher employment rates. ⁴ This has consequences in the longer term for the economy too. <u>During the first phase of the crisis</u>, pupils up to the age of 18 may have lost one third of a school year of learning, potentially reduce their lifetime incomes by about 3 %, and lower a typical country's GDP by an average of 1.5 % over the remainder of the century.

In the same context, early childhood education and care services (ECEC) – the first important institutional step towards skills formation – and other services supporting families with children have a very important role to play. ECEC services across the EU reacted to the crisis in <u>different ways</u>. These services did not have the chance to go online and thus some introduced innovative ways of <u>helping families with children</u>. <u>UNICEF has estimated</u> that 43 out of 58 million five-year olds in 122 countries with available data saw their preschool life disrupted. The crisis strongly highlighted the evidence that public <u>ECEC services</u> are as important for children's well-being and development as for their parents' well-being and labour market participation.

Among the biggest losers on the labour market

When it comes to the labour market situation of young people, they seem to be among the worst victims of the outbreak and the follow-up measures. These include employment and income losses and the increased difficulty of finding a job. According to the ILO, a total of 178 million young workers around the world, more than four in ten young people employed globally, were working in hard-hit sectors when the crisis began. Almost 77 % (or 328 million) of the world's young workers were in informal jobs, compared with around 60 % of adult workers (aged 25 and above). The youth informality rate ranges from 32.9 % in Europe and Central Asia to 93.4 % in Africa. Informality, nonstandard forms of work also mean lower levels of social protection. Social protection systems are more likely to protect older workers and the elderly. Even before the crisis, more than 267 million young people were not in employment, education or training (NEET), including almost 68 million unemployed young people. As a result of the crisis, one in six young people (17 %) who were employed before the outbreak, stopped working altogether, most notably younger workers aged 18 to 24. Working hours among employed young people fell by nearly a quarter (i.e. by an average of two hours a day) and two out of five young people (42 %) reported a reduction in their income. Young people in lower-income countries have been the most exposed to reductions in working hours and a contraction in income. In April 2020, 2.776 million young persons (under 25) were unemployed in the EU, of whom 2.239 million in the euro area. In April 2020, the youth unemployment rate was 15.4 % in the EU and 15.8 % in the euro area, up from 14.6 % and 15.1 % respectively in the previous month. Compared with March 2020, youth unemployment increased by 159 000 in the EU and by 89 000 in the euro area. This increase, which includes NEETs, was four times greater than for the rest of the workforce. The <u>trend continued</u> into the second quarter of 2020. An autumn 2020 UK <u>survey</u> looking into emerging education and work inequalities showed – based both joblessness and reduced working hours – that 18.3 % of 16 to 25 year olds were out of work, compared to 11.9 % among 26 to 65 year olds. The younger generation's earning losses were also significantly higher, 58 %, compared to 43 % for older generations. <u>Research</u> also shows that young workers entering the labour market in recessions suffer a range of consequences, impacting on earnings and jobs for 10 to 15 years, and affecting other outcomes, including general health; and that periods of extended worklessness have <u>long-lasting scarring effects</u>.

Deteriorating mental health

When it comes to the mental health of the under-22/24age-group, they feel the loneliest and report the <u>lowest level of mental well-being</u>. They have also been affected by growing anxiety and depression. Young people whose education or work was either disrupted or stopped altogether are almost <u>twice as likely to have been affected by anxiety or depression</u> as those who continued to be employed or whose education stayed on track. Finally, the pandemic and the crisis also affected some of their rights, most importantly covering their basic needs, such as their access to housing.

When it comes to the under 18s, the <u>latest Report Card</u> ranks children's well-being in the rich countries according to three criteria: mental well-being, physical well-being and skills for life. It shows that even wealthy countries might not provide sufficient well-being for children. The situation has worsened with the pandemic. In addition, many households are facing the prospect of falling into poverty, owing to a drop in their incomes linked to the coronavirus crisis and their limited resources to cope with financial shocks.⁵ In <u>OECD</u> countries, more than one in three people do not have sufficient financial assets to keep their family above the poverty line for at least three months, should their income suddenly stop. The risk is especially high in households headed by people younger than 34 and people without higher education, as well as for couples with children.

These findings further highlight that there are strong interlinkages between mental well-being, educational success and labour market integration that, in turn, have a major impact on the general well-being of society (including civic participation and trust) as well as on productivity growth, and thus on the entire economy.

The sudden increase in use of digital tools risks exacerbating inequalities

Rising inequalities due to the pandemic might leave permanent scars on the youngest generation. In addition, the digital divide may become even greater. This is particularly the case because the divide is a complex issue, involving at least three levels: simple access to digital tools; levels of skills; and, in some countries with nearly universal access, offline outcomes. The latter concerns disparities in returns from internet use among users with similar usage profiles, which seems to be due to differing socio-economic backgrounds. This might imply that internet use can magnify existing inequalities, a gloomy outlook during the current digital transformation. Moreover, while on average across the OECD nine in ten students have access to digital devices and internet at home, students in advantaged schools are 15 % more likely to have access to a computer for schoolwork than their peers in disadvantaged schools. In addition, in many homes devices may need to be shared among parents and siblings, impeding many students from following lessons during school closures.

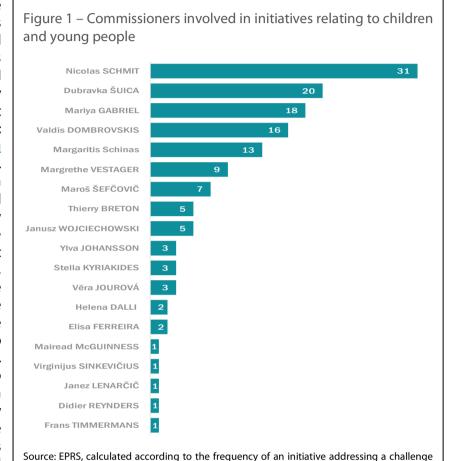
There are also positive changes

Multiple vulnerabilities relating to age, skill levels, region and socio-economic background are exposing this generation to the worst impact of the coronavirus outbreak and the ensuing crisis. At the same time, Gen Z-ers have <u>innovative ideas concerning the recovery</u>. In recent months they have

not only participated in social activism but they have also come forward with innovative ideas as young entrepreneurs for addressing financial, work or health and safety-related challenges. One <u>survey from the end of March</u> carried out among Millennials and Gen Z-ers reported on elevated feelings of empathy and gratitude due to the situation. The under 18s continued their climate activism online.

Existing EU policies

All EU policy areas impact the children and young people of this generation. More than half of all the Commissioner portfolios explicitly target children and young people, predominantly within the EU and also globally at times. There are two main thrusts: protecting and empowering children and young people. However, the initiatives are often scattered and not coordinated across portfolios. Figure 2 below groups them according to the challenges discussed above that Gen Z was already facing prior to, or is now facing as a consequence of the pandemic. It shows the interconnectedness of the measures, as one measure can help address several challenges. Grouping them by challenge also highlights that Commissioners have a particularly essential role in this matter. (Figure 1.) These are primarily Nicolas Schmit, Commissioner for Jobs and Social Rights, second, Dubravka Šuica, Vice-President Democracy and Demography, and,



under the leadership of a Commissioner. One initiative is often taken care of by several

third, Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth.

Commissioners.

First and foremost, the creation of a new portfolio of Vice-President on Democracy and Demography in the new Commission taking office at the end of 2019, shows that there is a deep understanding and concern about future demographic trends and generational divides. The first demography report of the European Commission highlights the problem of an ever-shrinking workforce in the future, with negative implications for labour markets, productivity and growth as well as for the future of social protection and the welfare state. The shrinking workforce might exacerbate regional differences, as there are regions that consistently lose population, while others grow. Trends concerning the share of young and old people who will depend on the working-age population show that today's generation of children will face an increased burden in supporting the remainder of the population as they move into work. Moreover, population stagnation and the emigration of highly educated early-career citizens that is already being observed in several southern, central and eastern European Member States will result in a smaller and less educated workforce in those countries. At the same time, a more highly educated labour force should be able to compensate for some of these demographic trends and secure sufficient productivity levels. The forthcoming long-

term vision for rural areas should address some of these concerns, including problems of connectivity, access to services and low income levels. The Vice-President is also responsible for coordinating the design of the new comprehensive strategy on children's rights. This strategy should be action-oriented and target all children globally, encompassing external and internal EU policies. It should be designed with children's participation. It should also continue to mainstream children's rights across all policy priorities.

The strategy should build on work that has been ongoing prior to 2019 across portfolios. This work was done in the context of the 1989 United Nations Convention on the Rights of the Child (UNCRC), which explicitly recognised children as human beings with innate rights. The Convention has been ratified by all EU Member States. Article 3 (3) of the Treaty on European Union (TEU) focuses, inter alia, on the protection of children's rights, as does Article 24 of the Charter of Fundamental Rights of the EU. Over the years, this focus has helped to promote a more comprehensive approach to policies concentrating on children across the EU. It has also promoted a move away from the idea of children as objects in need of protection, towards children as autonomous agents participating in society.

Together with Helena Dalli, Commissioner for Equality, the Vice-President also coordinates efforts to secure a better work-life balance, following the path of the recently adopted Work-Life Balance Directive – an attempt to adjust systems to the changing realities of families. These include a rising number of single parent families as well as childless households, same-sex couples with children, etc. The coronavirus outbreak and the lockdown measures have resulted in teleworking taking off in all Member States, with over one third of those in employment teleworking. This has consequences for work-life balance, including the right to disconnect, and the change in working time patterns. The European Parliament's Employment and Social Affairs Committee is in the process of putting forward a legislative proposal on the right to disconnect. The varying practices exercised in relation to flexible arrangements on working time may spark new discussions around revising the European Working Time Directive, as well as around regulations or guidelines on teleworking. This all falls within the portfolio of the Commissioner for Jobs and Social Rights. In addition, the Commissioner for Equality focuses on combating violence against women and children.

The Vice-President for Democracy and Demography is also responsible for focusing on investing in children and on creating a child guarantee – a long-standing request of Parliament – for the most vulnerable children, so that they get access to basic services: health, housing, nutrition, early childhood education and care, and education. She shares this responsibility with the Commissioner for Jobs and Social Rights, who will focus on it as part of a broader strategy to combat poverty. The Commissioner for Innovation, Research, Culture, Education and Youth must focus on making the European education area a reality by 2025, to allow everyone access to quality education and the opportunity to move between countries. Gabriel has already updated the digital education action plan and is raising awareness of disinformation from an early age. The action plan is also strongly supported by Margrethe Vestager, Executive Vice-President responsible for Europe fit for the Digital Age, and Margaritis Schinas, Vice-President responsible for Promoting the European Way of Life. Finally, Stella Kyriakides, Commissioner for Health and Food Safety, is working with the Commissioner for Innovation, Research, Culture, Education and Youth on education for a healthy lifestyle, including the mental health of children and adolescents.

Children and young people are mentioned among the most vulnerable groups in the <u>first Foresight Report</u> of the European Commission. This report maps the current vulnerabilities and capacities of the EU – reinforced by the pandemic – across socio-economic, geopolitical, green and digital dimensions, with a view to monitoring and strengthening resilience across the EU. It also helps to understand <u>correlations among different vulnerabilities and capacities</u>. It clearly shows the positive impact of both pro-child and pro-youth policies, such as combating youth unemployment or early school leaving, and positive family policies on the general resilience of the system.

In addition, when it comes to young adults, the Commissioner for Jobs and Social Rights will also be responsible for adjusting social protection systems to the new reality of work. Schmit has brought forward the <u>updated skills agenda</u>, and the new <u>Youth Employment Support programme</u>, including a reinforced <u>Youth Guarantee scheme</u> and specific measures supporting young entrepreneurs who often launch start-ups. He is also responsible for developing an action plan on the implementation of the <u>European Pillar of Social Rights</u>, which, along with education, fair working conditions and adequate social protection systems, also includes other principles relevant for the improvement of the lives of the youngest generation, such as access to services and to housing.

Finally, Virginijus Sinkevičius, Commissioner for Environment and Oceans is making sure that children's toys are safe and do not contain <u>endocrine disruptors</u>.

Several funding programmes are particularly important when it comes to supporting Member States in their efforts to design responsive policies and programmes for Generation Z. The most important among these have been within the European structural and investment funds: the European Social Fund, the European Regional Development Fund and the Cohesion Fund. In addition, certain programmes target children and young people specifically: Erasmus+, a programme that supports education, training, youth and sports in Europe; the Youth Employment Initiative, which mainly addresses NEETs; the Employment and Social Innovation programme, which focuses on the development of adequate social protection systems and labour markets, with particular attention to vulnerable groups and innovative financial tools, such as microfinance; and the European Fund for Strategic Investment, which targets innovation and infrastructure development. Building bridges and synergies across these programmes for targeted problem solving, i.e. addressing the above-mentioned challenges this generation faces, is of particular importance.

Several Commissioners focus on strengthening child protection, often with an external dimension particularly for children in vulnerable situations: migrants, Roma children, children with disabilities, unaccompanied minors, and children affected by crisis situations. These include Ylva Johansson, Commissioner for Home Affairs, who will continue to strengthen the rules for the protection of children. She continues to monitor very closely the application of the legal safeguards concerning migrant children, including the obligation to always take their best interests into account in full respect of the UN Convention on the Rights of the Child. She will also make sure that victims, especially child victims, are fully protected by the law. For example, child sexual abuse should be tackled through better cooperation between law enforcement agencies. This also includes efforts to combat the sexual abuse of children online more effectively.

In addition, Valdis Dombrovskis, Executive Vice-President for the Economy that Works for People, together with Janusz Wojciechowski, Commissioner for Agriculture, will combat child labour. In order to target it comprehensively, child labour needs to be defined in a clear manner. Child labour entailing harmful forms of work needs to be distinguished from other forms of child involvement with work that are acceptable and have an educational component. In the same vein, Didier Reynders, Commissioner for Justice, is continuing efforts to encourage the accession of third countries to existing civil justice conventions, such as the Hague Conventions on International Child Abduction and on the Protection of Children. It is the role of the Commissioner for Crisis Management to make sure that children in crisis situations are protected and that they go to school, even in these crisis situations.

Over the years, the European Parliament has been instrumental in putting the future of children and young people on the EU policy agenda and keeping it there. Some highlights include the 2015 promotion of the European child guarantee as a practical instrument to fight child poverty. In 2020, Parliament also called for a strengthened and binding youth guarantee instrument, including action to specifically target young people without work or education and training. Many of Parliament's proposals in relation to children and young people were put forward in the 2017 resolution on the European Pillar of Social Rights (social pillar), and currently in the draft resolution on a strong social

<u>Europe for just transitions</u> as an input to the forthcoming action plan on the social pillar. The latter for example calls for youth unemployment to be halved.

Outlook

When developing policies and programmes for Generation Z at EU level four important points need to be highlighted.

1) The experience of recent years has shown that while the youngest generation can be vulnerable (for example, in terms of poverty and intergenerational mobility) it can also be actively engaged in public policy as has been visible in recent climate marches and other pro-democracy movements. In this context the challenge is to find policies that simultaneously protect and empower, that take account of young people as active agents of their own lives and not only as passive observers. Following the work around youth between 2010 and 2018, the 2019-2027 EU youth strategy marks an important step into this direction. With the active involvement of young people, 11 goals relating to young people's lives and challenges have been agreed, ranging from inclusive societies, moving rural youth forward, quality employment for all and participation for all, to a sustainable green Europe. The strategy called for the mobilisation of EU-level policy instruments and action at national, regional and local levels by all stakeholders across all sectors.

<u>Recent research</u> looking into the changing nature of welfare states and the way forward from an intergenerational perspective shows that pro-child and pro-youth policies always help to establish a balanced welfare state. This reinforces the importance of <u>social citizenship</u> that determines the universal nature of entitlements independently from work or residence status This thinking is also in line with the <u>social investment view</u> of the welfare state, which promotes a life-cycle approach to investment and empowerment.

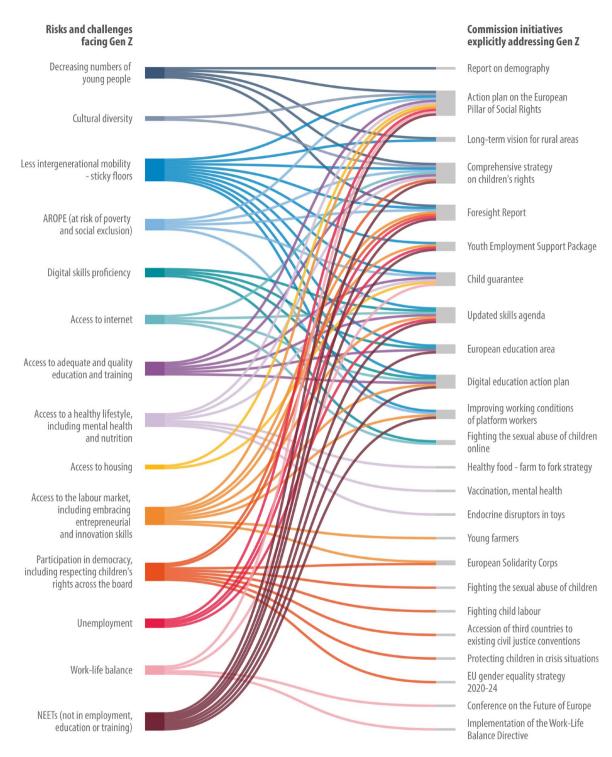
- 2) Policies need to be generation-fit, they need to reflect the youngest generation's concerns in the first place and not that of older generations' and their projections on the young. For example, there is a <u>mismatch</u> between the dream jobs of teenagers and the contemporary reality of the labour market. Having an ongoing dialogue and understanding between generations is all the more important as young people will have a greater impact in the elections of the future, although <u>the generational divide</u> is not as big as in the US. In the EU, it will be <u>another 15 years</u> before Millennials and Generation Z form a majority of the voting age population.⁷ Currently, <u>voter turnout</u> among 18 to 24 year-olds is, on average, 16 percentage points lower than among adults aged 25 to 50. This is why European politicians have been pitching at the older generation. As active members of society, children and young people can participate actively in policy-making. Bringing down the <u>voting age</u> to 16 could contribute to that process.
- 3) It is important that policies tackle all young people and children under 22 together in a comprehensive manner across portfolios and age groups, as developmentally this is the period during which people grow up and reach adulthood, both psychologically and physically. Moreover, the differences between eastern and western, or old and new(er) Member States need to be taken into account. Anticipation and foresight should be part and parcel of the EU policy-making process, The forthcoming comprehensive children's rights strategy has the potential to promote a proper vision for and coverage of all children as requested by UNICEF along with 28 child rights organisations in a joint position paper in July 2020. It could span the six priorities of the von der Leyen Commission and not only mention strategies, but also the necessary funding and monitoring and accountability tools.

However, it is important that concrete policies across portfolios present and future also be comprehensive. The recovery instrument Next Generation EU, coupled with the multiannual financial framework for 2021 to 2027, in which several of the old programmes are redesigned and new programmes added, could be a promising incentive for that. Through the Youth Employment Support programme, for example, the goal is for Member States to invest EU funding of at least €22 billion in youth employment. These financial ambitions could also be accompanied by

comprehensive policies for the next generation. One such example is the comprehensive strategy for children and youth adopted by the city of Vienna and developed with the participation of children. It contains over 190 measures cutting across sectors with the idea of participatory budgeting. Comprehensive policies could also help to put the concept of a child's union at the heart of EU policies with a focus on the early years as one of the most rewarding investments in this generation. There is innovation potential in early years provision that could positively disrupt the existing education and training system and make it more responsive to ever-growing expectations and challenges. The OECD's recently created Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE), which aims to put people at the centre of the recovery, places a particular focus on children and young people. It is proposing to put forward a comprehensive framework on child well-being in the next two years, based on five pillars: the development of good quality data for monitoring child well-being; appropriate financial resources; clear distribution of responsibilities among stakeholders; high quality provision for the most vulnerable; and political leadership and commitment for child well-being.

4) The EU can take the lead in monitoring the entire generation's socio-economic progress in a multidimensional way with good quality data. As the EU's main monitoring framework, the UN SDGs could serve as an entry point. This would be in line with the latest <u>Court of Auditors' report</u> on child poverty, for example, which calls for a more explicit and targeted approach. In addition, this monitoring mechanism could help to develop evidence-based and tailor-made policy solutions for the multiple challenges this generation faces.

Figure 2 – How the risks and challenges facing Gen Z are being addressed by Commission initiatives



The risks and challenges identified in these charts are exclusively the ones that are mentioned in the analytical part of this briefing. The initiatives are exclusively those that appeared in the mission letters or Parliamentary hearings of the Commissioners and in the Commission work programme for 2020 and 2021 and that explicitly mentioned children and/or young people under the age of 22/24.

Source: EPRS.

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ENDNOTES

- Generation Z got its name in 2018 from the <u>Pew Research Center</u>. Most research on this generation is from the US and Australia, but there is also emerging <u>European research</u>. This briefing addresses the entire under 24 age group but accepts the possibility that the youngest, aged under 10 or so, might become part of another generation that already has an emerging name '<u>Alpha</u>'.
- ² Klaus Schwab, <u>Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution</u>, World Economic Forum, December 2, 2019.
- James Heckman calls this self-productivity and emphasises the additional important principle of complementarity in human capital investment, i.e. early investments in human capital facilitate the investments in later productivity. This is why he continues there is no trade-off between equity and efficiency, and the returns on the investments in the earliest stages of life are the highest.
- However, latest data show that in more than one-third of OECD and partner countries, the employment rates for 25-34 year-olds with vocational upper secondary or post-secondary non-tertiary attainment are equal to or higher than the employment rates for those with tertiary education. Most of these countries have upper secondary or post-secondary vocational programmes with strong and integrated work-based learning or/and vocational programmes designed to offer students direct entry to the labour market.
- Around 142 million more children <u>are predicted</u> to fall into poverty by the end of 2020 as their families lose income and employment that will mean almost 725 million children will live in poverty. Nearly two-thirds of these children live in sub-Saharan Africa and South Asia.
- ⁶ Here the <u>article</u> distinguishes four levels: operational skills, information skills, social skills and creative skills.
- On average, voters aged 30 and under now make up only <u>18.6</u> % of an EU Member State's electorate. Fully 40.1 % of the EU's population is 50 or older. The <u>median age</u> in the EU has been rising, from 39.2 in 2004 to 43.1 today, and is expected to increase further to 45.4 in 2030. By comparison, the median American is 38 today a Millennial.

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