

Education and inequality in Europe: a youth perspective

Introduction

At the launch of the Lisbon Strategy, R. Atkinson and S. Davoudi (2000) commented on the way the concept of ‘social exclusion’ had gained increasing currency in the European Union discourse. While pointing out the instrumental role played by this concept in shifting the debate from mere income inequality to the incorporation of the social and cultural dimensions of exclusion, these authors stressed also that European debates on social exclusion had reached a crossroads: on the one hand, it could be that social exclusion would come to be viewed as the result of people’s deviant social behaviour which served to limit European economic growth and competitiveness; on the other hand, the concept might well gain in complexity through increased attention being paid to the manifold causes and multi-faceted nature of inequality (associated with labour market, welfare systems, family and community structures, as well as entailing a significant geographical aspect).

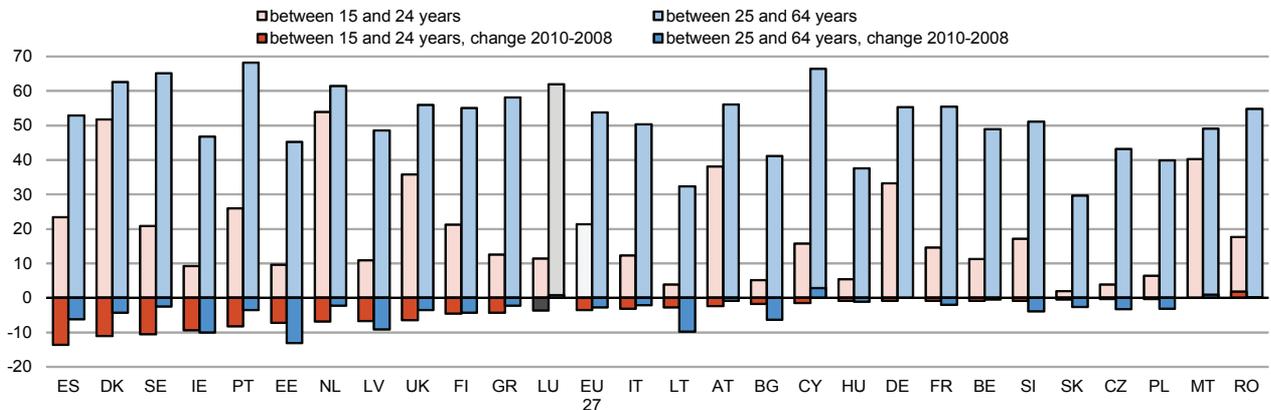
More than ten years later, Atkinson and Davoudi’s observations remain highly topical and are more relevant than ever. The Lisbon strategy – intended to substantially contribute to increased economic growth and social cohesion – failed to achieve its goals, not least the educational and social ones. At the present time, the new Europe2020 strategy will, in all probability, prove even more difficult to implement since not only do its goals appear more challenging but the existing inequalities are likely to be exacerbated still further as a result of the ongoing crisis and austerity measures (see ETUC and ETUI 2011). Strong claims have been made for the fundamental role of education in breaking the vicious circle of inequality (Nicaise 2010), not only insofar as it serves to enhance labour market opportunities (higher employment rates, better protection against unemployment and better jobs, see Chapter 2), but also because it exerts important positive ‘spillover’ effects on the social dimension, making people into healthier and more active citizens (OECD 2011b; Dee 2004). However, the current crisis has shown that education does not always provide a crisis-proof shelter, especially for fragile groups (e.g. youth and immigrants) who are paying a high toll in terms of job losses (e.g. disproportionate rise in unemployment, see also Chapter 2) and uncertain future prospects such as the risk of long-term unemployment and/or of in-work poverty.

Topics

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Labour market outcomes and educational attainment

Figure 3.1 Employment rate and changes by age and low educational attainment (ISCED 0-2), 2008-2010



Source: Eurostat (2011j).

Education or age: what is to blame?

The crisis has placed most European countries in bleak labour market situations. Other chapters (Chapters 2 and 7) provide quite extensive analysis of labour market outcomes and developments for different sub-groups (women, youths, migrant workers). Figures and data presented here aim at complementing this information with a youth- and education-based perspective. Youth employment and unemployment rates are known to be more influenced than those of adult workers by fluctuations in the economic cycle (Lefresne 2003). The role of education in reducing, preventing and better responding to changing economic needs has been discussed and translated into several European-level initiatives focused on the need to improve the overall skills level of young people (e.g. New skills for new jobs (European Commission 2009d); ET2010 and ET2020 (Council of the European Union 2002 and 2009) and the need to increase the employability of young people (European Commission 2011a); New Skills for Jobs (European Commission 2010b); Youth on the Move (European Commission 2010f) as well as the European Employment Strategy taken as a whole). Education and training should in fact help to counter

the 'age effect' resulting from young people's relative lack of work experience and disadvantaged position compared to older workers.

Figures (from 3.1 to 3.6) show how inequalities in labour market outcomes spread over two dimensions: between generations (youth vs. older workers) and within generations (low-skilled vs. medium/high skilled). Figures 3.1, 3.2 and 3.3 show two age groups (young workers 15-24/25-29 and adult workers 25-64) by level of education attained and changes of employment rate in percentages in 2008 and 2010 (downward bars). Changes in employment rate were included as they show more clearly the interesting developments which have affected not only countries most hit by the crisis (Ireland, the Baltic countries, Spain, Portugal), but also the less intuitive ones (such as Denmark).

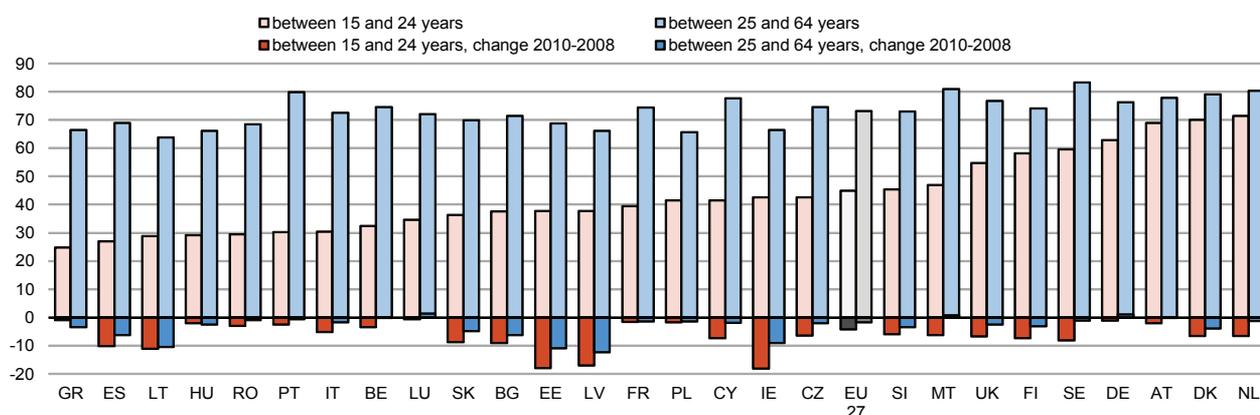
Figure 3.1 shows negative changes in employment rates for low-skilled workers (ISCED 0-2, i.e. pre-primary, primary and lower secondary education) in all EU countries and for both age groups. Only Romania, Malta, Luxembourg and Cyprus present modest increases, particularly for the adult active population. Countries particularly hit hard by the crisis, such as Spain, Latvia, Estonia, Ireland and Portugal, present very strong employment reductions for young people ranging from -9.2% in Latvia to -13.6% in Spain. Nonetheless, also in countries with overall - at least before the crisis - high employment rates, such as Denmark,

Sweden, the Netherlands and the UK, youth suffered major reductions in employment rates. In these countries rates have significantly decreased for youth with lower education while less marked reductions were recorded for adults. In Denmark, employment rates for youth fell from 62.9% in 2008 to 51.8% in 2010; a similar trend was recorded in the Netherlands where the high employment rate for youth - 60.8% in 2008 - decreased significantly to 53.9% in 2010. Despite similar employment contractions, in Sweden and in Ireland the initial rate was already significantly lower (in Sweden 31.3% in 2008 and 20.8% in 2010; in Ireland 18.6% in 2008 and 9.2% in 2010). On the EU27 average, meanwhile, the lower-educated youth employment rate decreased by 3.5% (from 24.9% to 21.4%).

For most countries, lower-educated youth experienced the worst contractions in employment, although in a few member states, including the Baltic countries, low-skilled prime-age workers were the group most affected by the crisis. Contractions in employment rates among low-skilled young workers are due to job losses in transport, warehousing, communication, but also manufacturing and construction. Some exceptions - Malta, Luxembourg, and Germany - show no reduction in employment rates for youth - or a very low one. This is in line with very low unemployment increases in these countries for both youth and prime-age workers (see Chapter 2).

Labour market outcomes and educational attainment

Figure 3.2 Employment rate and changes by age and medium educational attainment (ISCED 3-4), 2008-2010



Source: Eurostat (2011j).

Poor labour market outcomes for medium-skilled workers

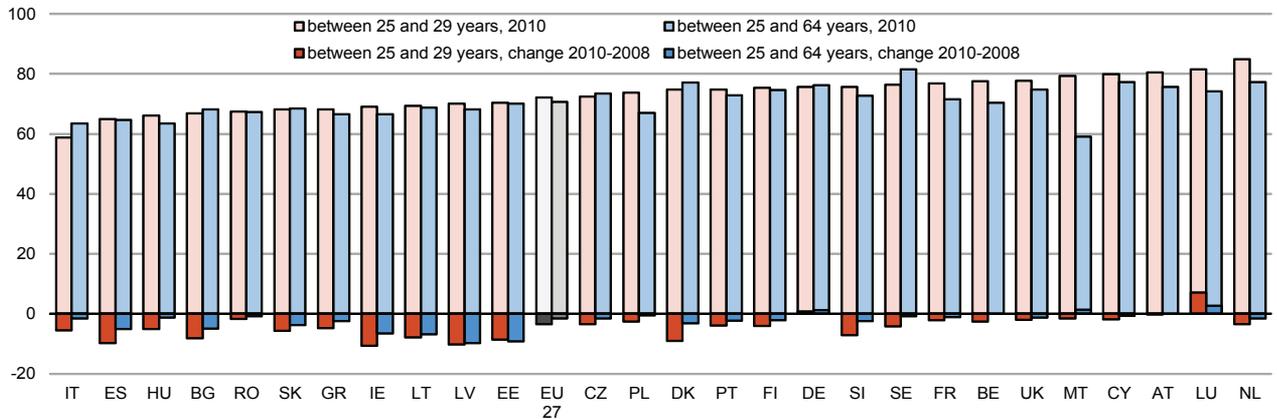
Figure 3.2 compares employment rates for 2010 for individual age groups and changes (2008-2010) in employment levels for medium-skilled youth and adult workers (i.e. those having an upper secondary and post-secondary non-tertiary educational level, ISCED 3-4). The left part of the graph shows countries with significantly deteriorating values for particular groups (Ireland, Estonia, Latvia, Lithuania, Spain), highlighting those countries which were most hit hard by the crisis. In general, significant negative changes affected younger people more than older workers. As for the previous Figure 3.1, it is important to note that rates of deterioration conceal very different starting levels. In 2010, despite decreasing employment rates, the Nordic countries (around 60% for Finland and Sweden and more than 70% for Denmark) and the Netherlands (71.5%) still had higher employment rates for medium-skilled youth. In relation to all Figures based on employment rates

provided by Eurostat, it is to be noted that they are not full-time equivalents but that the employment figures include all people who report having worked at least one hour in the week of reference investigated in the survey. This extremely broad concept of employment might explain in part why the Nordic countries and the Netherlands, but also Germany and Austria, present higher employment rates, for these are all countries in which it is customary for young persons to take up employment in conjunction with their studies.

The Nordic countries show high rates of working students with part-time contracts (in 2009 in Denmark, and also in the Netherlands, almost 50% of students aged between 18 and 24 had either full-time or part-time jobs); in Germany, meanwhile, more than 20% of students (18-24) – mainly in upper secondary education (medium skilled- ISCED 3-4) – are working under a training contract in the context of the well-known dual vocational education system that combines in-work training and classroom-based vocational education (Eurostat 2009).

Labour market outcomes and educational attainment

Figure 3.3 Employment rate and changes by age and high educational attainment (ISCED 5-6), 2008-2010



Source: Eurostat (2011j).

Higher education and employment rates

Figure 3.3 shows employment rates for highly skilled youths aged between 25 and 29 years old, compared to workers aged 25-64 (because Eurostat does not provide figures for the 30-64 age group, there is partial overlap of categories in this Figure). This older age group was chosen as representative of 'youth' because in several countries young people in the 15-24 age group are less likely to have completed their higher education and do not commonly combine studies with work, a situation that will tend to lead to underestimation of employment rates and overestimation of unemployment rates (Lefresne 2003).

This is also confirmed by differences in employment rates among countries: in spite of being significant also for the 25-29 group (at the one extreme Italy, with 58.8%, at the other The Netherlands, with 84.9%), the differential between the two extremes is smaller than for the 15-24 age group (Italy 25.3%: Finland 79% in 2010 – Figure not shown).

Compared to Figures 3.1 and 3.2 for the youngest group (15-24), the changes

in employment rates among the 25-29 age group were less dramatic when compared to older workers' rates. Again Ireland, Latvia and Spain show the highest reductions for youth (around 10%), while Austria, Germany and Luxembourg recorded either a very minimal reduction (-0.3% for Austria) or an increase (0.8% for Germany and more than 7% in Luxembourg). The employment rate for this relatively young group decreased markedly also in Denmark (-9.1%).

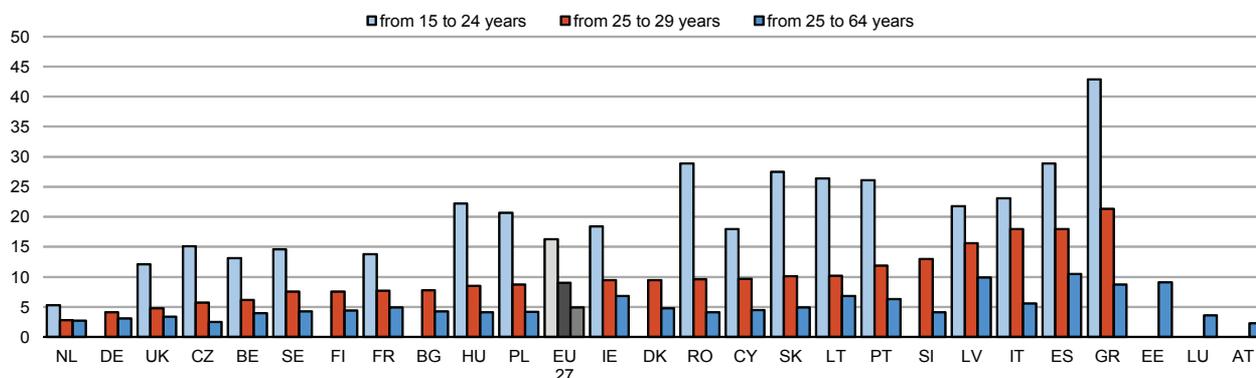
Employment rates for young persons aged 25-29 years appear to be higher than those for older workers. However, this is a distortion mainly due to low employment rates among workers aged between 55 and 64 years old (19 countries have a less than 50% employment rate for this group, see Chapter 2, Figure 2.4). If youth (25-29) are compared to prime-age (25-54) workers, differences in employment rates between youth and prime-age workers still emerge, but less markedly so than for the youngest group (15-24). Tertiary education would appear to be least valued in Italy where the employment situation of graduates is by far the worst in Europe: in 2010 only 54.2% of young people aged between 25 and 29 years old were in work (-17.5% compared with Greece which has the second lowest rate in Europe).

Age and education effects on employment (as well as unemployment) are difficult to disentangle completely

and this cannot be done only by using aggregated data; nonetheless, some conclusions can be drawn from the data presented: a) as expected, youth generally show lower employment rates compared to prime-age workers and have been shown to be more affected by adverse economic cycles; b) the lower-educated youth population have been most hard-hit by the crisis; c) there are significant differences in employment rates among member states for both young and prime-age workers; and finally d) in many member states young people, and especially the youngest age group (15-24), who had completed higher education were not protected against the crisis and were more hard-hit compared to higher educated adults.

Labour market outcomes and educational attainment

Figure 3.4 Unemployment rates by age (25-29) and high educational attainment (ISCED 5-6), 2010



Notes: data for youth 15-24 for BG, DK, DE, EE, LU, AT, SI and FI is missing. For LV data is from 2009; data for youth aged 25-29 is missing for EE, LU, AT. Data for MT is missing. Source: Eurostat (2011).

Youth on the labour market: a dire situation

As with the employment figures, age groups with a given educational level are compared for unemployment rates.

Data are structured by age group (15-24 or 25-29 for youths and 25-64 for adults) as well as by educational attainment (low skilled workers with ISCED 0-2; medium skilled workers with ISCED 3-4 and highly skilled workers with tertiary education degree ISCED 5-6).

Inequalities between age groups and level of education appear very significant.

Figure 3.4 shows the unemployment rates for 2010 of active highly educated young (15-24 and 25-29) and adult workers. From a comparison of this figure with the following Figure 3.5, it can be seen that highly educated adults have been less affected by the crisis than lower- and medium-skilled adult workers.

Despite their education, highly educated young workers have more easily lost their jobs and are less likely to find another one than are adult workers. In all member states, differences in unemployment rates between younger and older workers with tertiary

education are very pronounced. For example, in Italy, Romania, and Slovakia, young graduates are five to six times more likely to be unemployed than are adult workers. The most dramatic developments in youth unemployment have been recorded in Greece, rising from an already high level of 24.6% in 2008 to 42.9% in 2010 (data not shown). Data for highly educated youth aged between 15 and 24 are rather patchy. Moreover, it should be noted that figures for tertiary graduates among the 15-24 age group might be overestimated for some countries, as no more than a small proportion of people in this group have already completed their studies (Lefresne 2003).

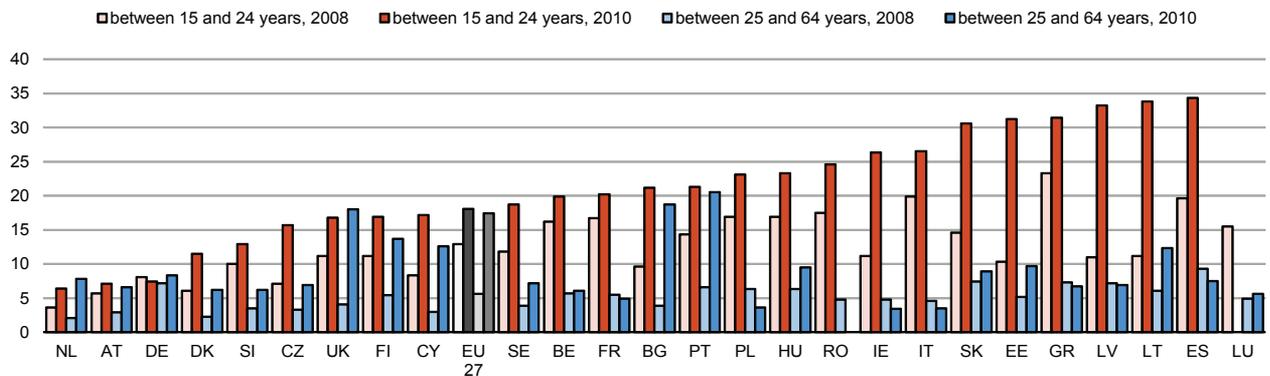
As for the unemployment rate, the rate for the 25-29 age group of highly educated persons is shown. It is assumed that most people in this group have finished their university studies and thus the unemployment indicator should be less biased by a reduced active working population as denominator.

Significantly unequal labour market outcomes compared to adults are still very present: in Italy and Greece, as well as in Spain, the rates are respectively 18%, 21.3% and 18%, thus still very high. However, other countries show markedly lower rates for this older group of young people compared to the younger ones, namely, the UK, but also, among others, Slovakia, Czech Republic and Belgium.

Data (from the Eurostat LFS, not shown) comparing low, medium and highly educated young people aged between 25 and 29 shows that high inequalities in unemployment rates within this age group were already recorded and were exacerbated by the crisis. Lower-educated youths were harshly affected by the crisis and their unemployment rates rose dramatically in Spain, Ireland, Latvia, and Lithuania, to mention but a few countries. Differentials in rates are indeed also marked in Germany, Hungary, Belgium, and Poland. Highly educated and medium-skilled adult workers generally present lower rates of unemployment compared to lower-educated and younger workers. However, their rates do not always differ substantially and in some cases highly educated adults have higher rates of unemployment. In 2010, this applied to Italy, Cyprus, Denmark, Greece, and Slovenia, indicating that higher education is not always a crisis-proof shelter even for workers with some degree of working experience that might be expected to prove an asset in their attempt to return to the labour market.

Labour market outcomes and educational attainment

Figure 3.5 Unemployment rates by age and medium educational attainment (ISCED 3-4), 2008-2010



Note: Data for MT is missing; data for youth 2010 for LU is missing; data for adults 2010 is missing for RO.
Source: Eurostat (2011j).

Increased unemployment rates also medium-skilled youth

In general, before the crisis the medium-skilled young (15-24) unemployed had higher unemployment rates than the medium-skilled older working population (Figure 3.5).

In 2010, all countries saw their unemployment rates among young people increase significantly, with the single exception of Germany where the unemployment rate for this group of young middle-skilled workers actually fell slightly (0.7%).

The Baltic countries, as well as Greece, Spain, Portugal and Slovakia, recorded the highest rates (between 30.6% for Slovakia and 34.3% for Spain), but also in Italy and Ireland (both around 26%), Portugal (21.3%) as well as in some other Eastern European countries such as Romania, Poland, Bulgaria and Hungary, youth unemployment shares are above 20%. France, Belgium and Sweden also have rates of around 20%; the increase for Belgium and France between 2008 and 2010 was around 3%, while for

Sweden the crisis has led to a significant 7% increase in unemployment among the young age group. The Czech Republic and the UK, together with Finland and Cyprus, have rates below an already high EU27 average (18.1%).

Changes from the initial rate of unemployment in 2008 are disproportionate and dramatic, in a few countries particularly so: Slovakia, for example, has doubled its initial rate in two years.

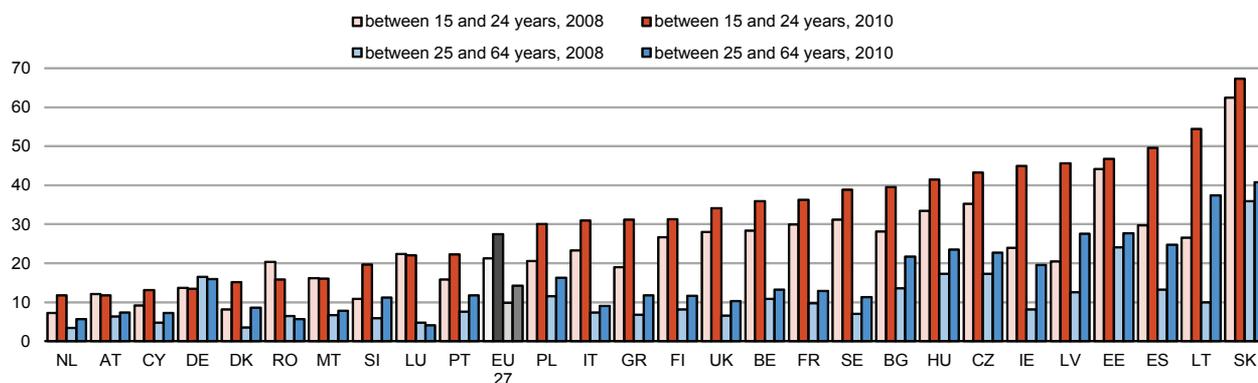
In 2010 the remaining member states had youth unemployment rates of between 6.4% (The Netherlands) and 12.9% (Slovenia). The Netherlands, Denmark, Germany, Austria and Slovenia have a quite developed vocational training system that tends to provide a very specific vocational education and thus ease the transition to often pre-determined jobs that exist in accordance with labour market requirements. Despite this well-developed link with the labour market and very low rate of unemployment for this group in 2008, the economic crisis has increased the unemployment rates among youth even in these countries: both Denmark and the Netherlands had almost doubled their figures in 2010, the former rising from 6.1% to 11.5% and the latter from a very low 3.6% to 6.4%.

It is important to emphasize that differences between age groups are still very dramatically disproportionate in most of the countries. Among the most striking examples in this respect are Italy

and Greece with an unemployment rate difference between the two age groups of 20.4% and 18.8% respectively. Most European countries have rates for young people with medium skills that are at least 10% higher than among adults (the rate differential for the EU27 is 10.3%). Moreover, the increase in the rate for adults has been significantly less pronounced than for young workers; only in the most affected countries (right-hand side of the graph) was this older age group of workers severely affected by job losses.

Labour market outcomes and educational attainment

Figure 3.6 Unemployment rates by age and low educational attainment (ISCED 0-2), 2008-2010



Notes: data for EE for youth and adult for 2008 are from 2009
Source: Eurostat (2011j).

Low-skilled workers paying the highest price

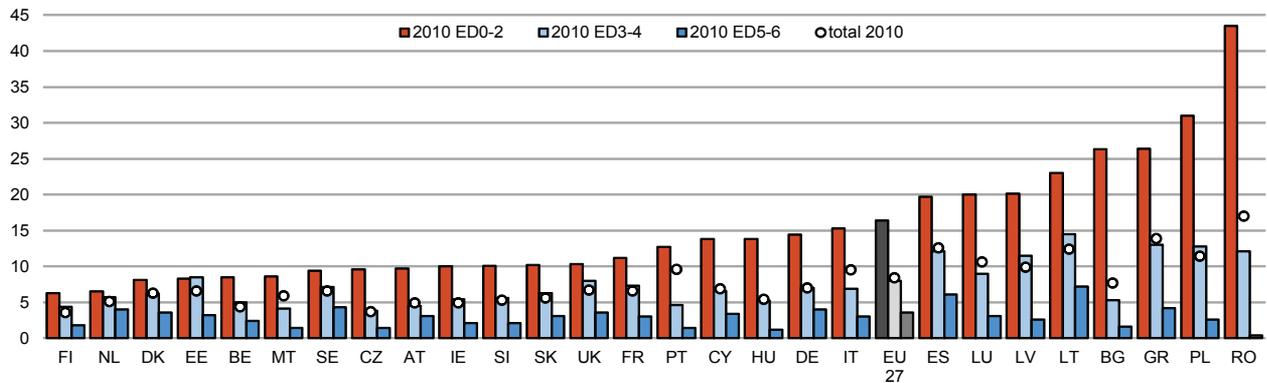
Figure 3.6 for low-skilled workers shows that this group has paid the highest toll. Both age groups (young and adult workers) were severely affected by the aftermath of the crisis. Sky-rocketing unemployment figures for youth are found in Slovakia (67.3%), in the Baltic countries, but also in Sweden and Spain, as well as Ireland where rates rose above 40%. A series of countries, meanwhile, show relatively low unemployment rates for low-skilled workers compared to many other member states: in Germany, Austria, Denmark, the Netherlands, Cyprus, Malta and Romania these rates remain below or around 15%. In these countries, rates for lower-skilled unemployed youth are equal to or lower than the average rate for this group, meaning that they present lower rates of unemployment compared to medium and high-skilled young workers. Despite relatively lower rates for youths, the scope of changes and the trend are quite important: in Denmark, for example, youth unemployment increased by almost 50% over two years. In many countries, the most

affected sectors have been construction, hotels and tourism, as well as small manufacturing industries, in which low- and medium-skilled young workers are predominantly employed. Nonetheless, a more marked increase in unemployment among highly-skilled youths might appear in the annual Labour Force Survey for 2011, as an increase in unemployment rates for the public and service sectors was recorded in that year (see Chapter 2). In most of the countries young people were more affected by crisis also because they are more likely to be employed on fixed-term contracts, especially where labour market segmentation is particularly pronounced (see Chapter 2), which usually means that they are more easily dismissed in times of economic hardship. Fixed-term contracts for youth are often found in sectors such as hotels and tourism and retail which are heavily dependent on seasonal low-skilled work. Adult workers with at most an educational level of ISCED 0-2 (pre-primary, primary and lower secondary education) saw their unemployment rate increase by between 1% (Austria) and 27% (Lithuania) between 2008 and 2010. Among younger workers, only Germany, Romania and Luxembourg present slightly falling rates for both groups between 2008 and 2010. The case of Romania is particularly interesting as here the rate of unemployment is significantly higher for medium and highly educated young workers (in 2010

24.6% for medium-skilled and 28.9% for highly skilled) than for the lower-skilled. This might be partially due to a limited active population represented by this indicator (as previously commented, Lefresne 2003), but also to the economic structure of the country where most of the job losses were found in manufacturing industry but also in the service sectors such as education and health where low salaries prompt emigration (a drop of 16.5% among young teachers was recorded in 2009 (European Foundation for the Improvement of Living and Working Condition 2011), while a small rise was recorded in agriculture (5.6%). This has been explained by the growing interest in the primary sector among young people, who find it increasingly difficult to enter the secondary and tertiary sectors (mostly involving young people with medium and higher skills). However, the fact of being employed does not preserve the young lower-educated Romanian from suffering in-work poverty. The following section and Figure 3.7 look at the social risks connected to lower education.

Social and educational inequalities

Figure 3.7 In-work at-risk-of-poverty rate by education level, 2010



Note: CY and IE data from 2009
Source: Eurostat (2011g).

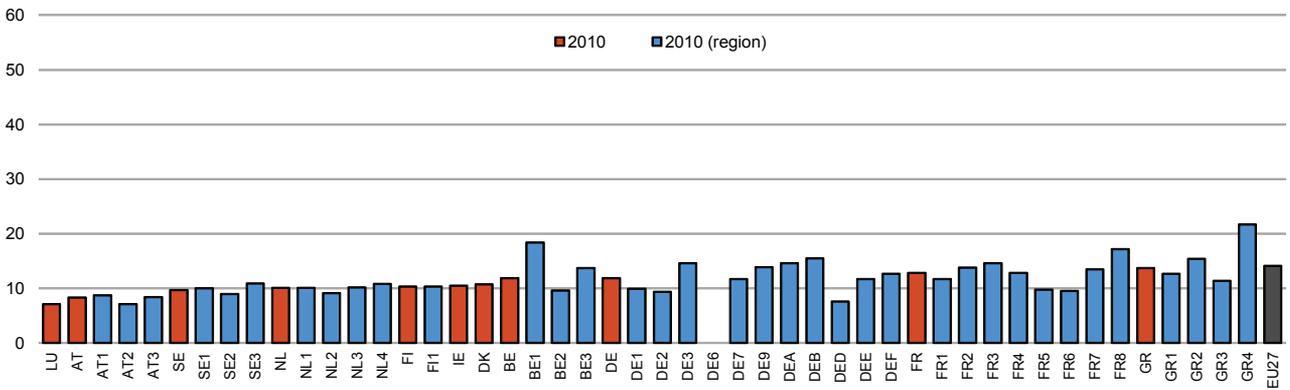
Lower education, higher social risks?

The in-work at-risk-of-poverty data from the EU-SILC database is based on household income level, meaning that the at-risk-of-poverty indicator is computed by adding together the personal income received by all household members plus income received at household level (work-related and social transfers, as well as private income from properties and transfers between households, Eurostat 2011c). In consequence, young people who decide to move out of the parental home are considered to be more at risk as they are no longer computed as benefiting from financial support of their parents or families. This indicator thus has its limits in depicting the risk of in-work poverty (see Chapter 2). However, Figure 3.7 interestingly shows how a lower level of education entails a dramatic increase in the risk of in-work poverty for the working population at large (aged between 18 and 64). Romania, Poland and Bulgaria have by far the most significant differences (in Romania lower-skilled in-work poverty is 44 times higher than for the highly skilled, while these differences are also particularly large in the southern countries (Spain, Italy, Greece, and Portugal).

Finland and the Netherlands show a fairer distribution of this risk among educational levels as well as overall lower in-work-poverty rates (respectively 3.6% and 5.1%), while Belgium, Austria, the Czech Republic, Hungary and Slovenia – despite having an in-work poverty rate of around or less than 5% – have more pronounced differences among groups with different educational attainment. Differences in in-work-poverty rates by level of education might also be compared with the relative earnings from employment by educational attainment (OECD 2011b): in countries where there are more compressed returns in earnings from education (i.e. smaller differential in relative earnings for higher- and lower-skilled workers) there seem also to be lower in-work-poverty differentials between lower- and more highly educated workers. Moreover, social transfers (see Chapter 5) play an important part in preventing low-paid workers from falling into poverty. In the southern European countries, as well as in the eastern countries, these mechanisms of social redistribution are lacking or are not so well developed as in countries to the north.

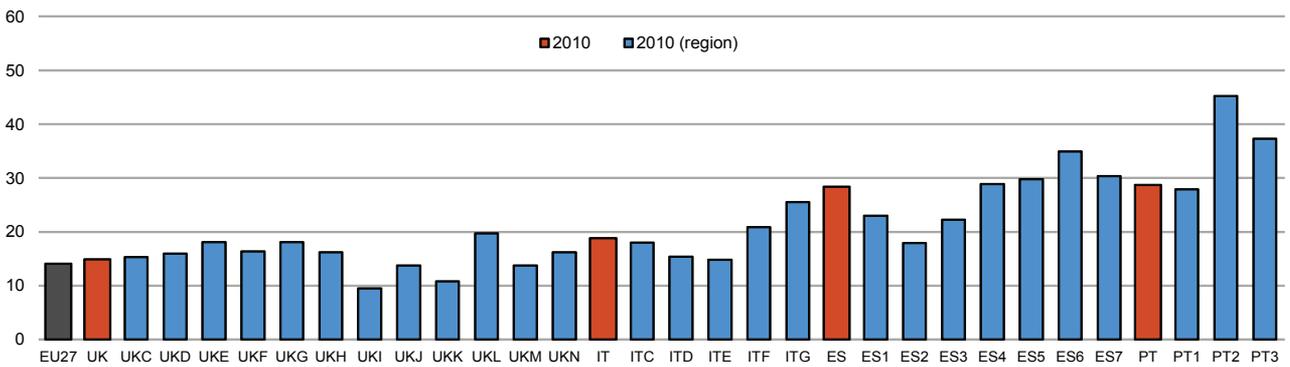
Social and educational inequalities

Figure 3.8 Early school leavers, old member states (1)



Note: Brandenburg, Bremen, Mecklenburg-Vorpommern, Saarland, Thüringen, Aland are missing
 Source: Eurostat (2011d).

Figure 3.9 Early school leavers, old member states (2)



Note: Brandenburg, Bremen, Mecklenburg-Vorpommern, Saarland, Thüringen, Aland are missing
 Source: Eurostat (2011d).

Social and educational inequalities

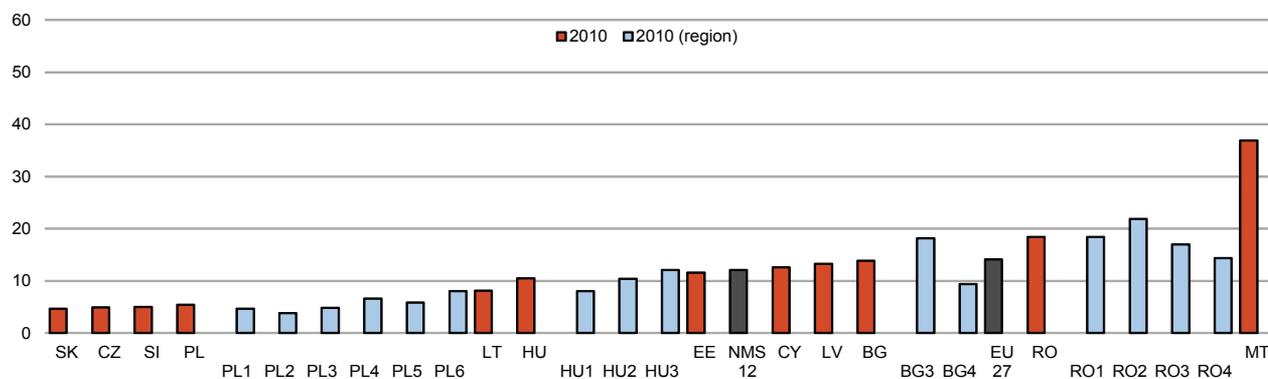
National averages conceal large regional differences

member states. Figures 3.8, 3.9 and 3.10 on ESL present both national averages and regional rates.

Two interesting indicators, presented in the following Figures (3.8, 3.9, 3.10 and 3.11, 3.12 and 3.13), can contribute to highlighting the importance of education in preventing social inequality (e.g. at-risk-of-poverty) as well as unequal labour market outcomes. These are the Early School Leavers (ESL) and NEETs (Not in Education Employment or Training) indicators. Both have been broken down at regional level (NUTS1) in order to highlight differences within countries, for the aggregate national levels of ESL and NEETs fail to capture the significance of the regional dimension. Although data do not lend themselves to the establishment of clear causal relationships, it is widely recognised that educational attainment and labour market outcomes are also dependent on the surrounding socio-economic situation (NESSE 2010). ESLs are indeed the social outcome of complex economic, social and institutional circumstances. Studies (European Commission 2011a) confirm that ESLs are more often living in socially and economically disadvantaged areas (compare Chapter 7) and in poor families. Consequently, they can rarely benefit either from the support of more highly educated parents or family members or from quality education or other extra-curricular activities. Moreover, the areas in question are often rural, with poor connections to cities and infrastructure such that young people might also be discouraged from continuing in further education given the long commuting distances. The local socio-economic environment and educational provision are crucial in preventing, reducing and tackling early school-leavers. Data confirm strong regional inequalities in almost all EU countries: pronounced differences are found in bigger countries and mostly in the southern and eastern

Social and educational inequalities

Figure 3.10 Early school leavers new member states



Source: Eurostat (2011d).

Early School Leavers: a context-related issue

Early School Leavers (young people aged between 18 and 24 with at most lower secondary education and not in education or training in the last four weeks before responding to the Labour Force Survey) have recently attracted increasing attention. Since the adoption of the Lisbon Strategy and the Open Method of Coordination on Education and Training (Council of the European Union 2009, see ETUC and ETUI 2011), ESL have been identified as a priority because of their social and economic cost (European Commission 2011a). Moreover, ESL rates are now a headline target of the Europe 2020 strategy (European Commission 2010d), and member states rates will in future be monitored by means of the National Strategy Reports. However, the headline target of reducing ESL to less than 10% for the whole 27 member states is an output average target that conceals great divergences among member states and within countries themselves.

The regions shown in Figures 3.8 to 3.13 are not defined by administrative internal boundaries, but are territorial units delimited by Eurostat (NUTS1) for statistical

purposes (for small countries there is a single region covering the whole country). Figure 3.10 shows the regional situation in the new member states (NMS), and Figures 3.9 and 3.8 in the old member ones. The NMS show on average lower rates compared to old member states, except for Malta (more than 35%) and Romania (21%). Despite a national average close to the EU27 average, Bulgaria displays significant regional differences, similarly to Hungary. Even Poland, with one of the lowest ESL rates, shows higher percentages in its northern areas, where per capita GDP is lower compared to the other regions of the country.

The old member states show higher rates of ESL and Spain, Portugal and Italy are among the worst performers in this respect. Within the 15 old member states, differences in ESL are even stronger, meaning that older member states seem more heterogeneous in terms of educational attainment of the population as well as in terms of employment opportunities and socio-economic structures. This is the case of Italy where in the southern part and the two main islands of Sardinia and Sicily rates are at least 10% higher than the lowest rate in the country (in the north-eastern area). The same analysis can be carried out for Portugal and Spain, where young people living in areas with strongly tourism-based economies (such as the islands) are much more likely to leave school earlier. Despite being a small country, Belgium shows marked differences and young people in

the Brussels region, mainly due to a high rate of immigration and a poor urban context, are twice as likely to become ESL than are the inhabitants of Flanders.

A reverse pattern is recorded in the United Kingdom where the lowest rate of ESL is in the City of London, and the most likely to drop out of education live in Wales (19.7%) or in Yorkshire or the West Midlands (18.1%). The specificity of the socio-economic situation as well as the characteristics of the population considered are important factors to be taken into account (e.g. the presence of declining industries – like the mining sector).

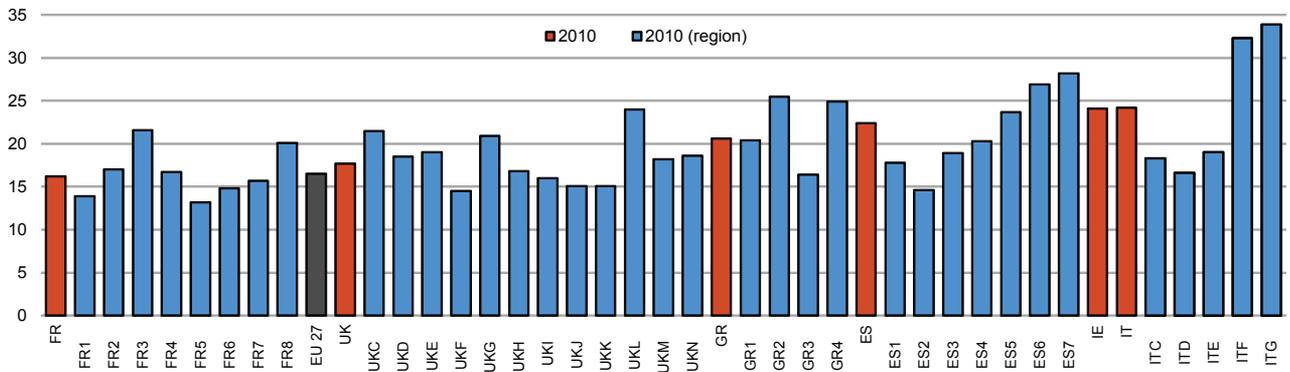
From a time perspective (data from Eurostat not shown) ESL rates have evolved before and since the crisis. Since 2007 there have been small decreases in most European countries, in line with a generally decreasing trend within Europe.

The most significant reductions were recorded in Spain and in Portugal and apply to virtually the whole of these countries. In Portugal a 7% reduction of the national average was recorded between 2008 and 2010; while in the same period in Spain this record has decreased by between 3 and 4%.

Reductions (figure not shown) in early school-leavers in these countries seem to have speeded up slightly after the impact of the crisis (2008-2010). This might be explained by the fact that young people opt to stay longer in education rather than to enter the labour market under very uncertain conditions.

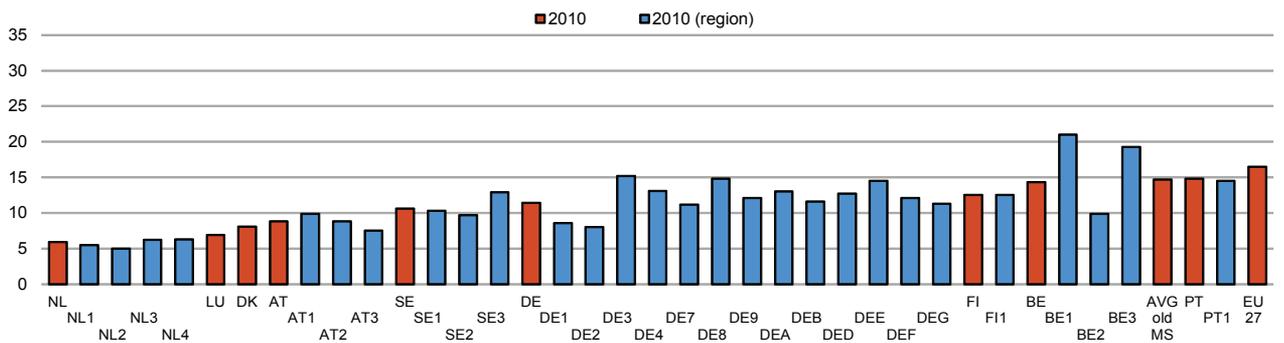
Social and educational inequalities

Figure 3.11 Young people not in employment, education or training by NUTS 1 region (NEET rates), old member states (1)



Source: Eurostat (2011d).

Figure 3.12 Young people not in employment, education or training by NUTS 1 region (NEET rates), old member states (2)



Source: Eurostat (2011d).

NEETs rates: strong differences within and between EU countries

The other indicator – NEETs – shows the rate of young people who are not in Employment Education or Training at regional level (NUTS 1).

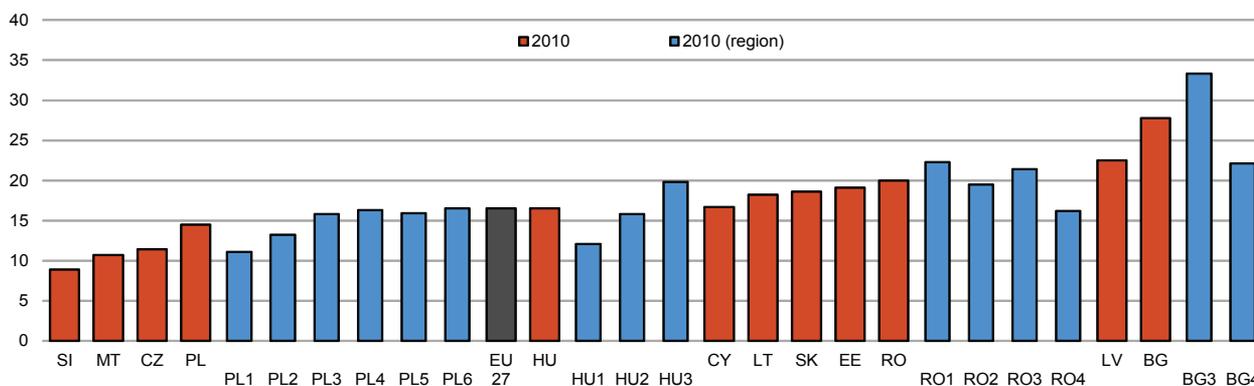
In fact, compared to other age groups, young people are particularly likely to drop out of the labour force and become inactive when jobs are hard to find (Eurofound 2011). While NEETs theoretically covers all levels of education, most persons in this category tend to have low educational attainment. In this chapter young people aged between 15 and 24 years old were considered.

The term NEETs appeared in the 1980s in the English-speaking countries and particularly the UK to define a group that may face serious difficulties in finding work or drop out of the

labour force altogether because of disaffection or for other unspecified reasons (as opposed to those who are inactive because of family commitments, military service, travel or leisure). Studies, mostly conducted in the UK (Furlong 2006; Sachdev et al. 2006), have shown that there are marked regional differences within the country (for example Wales has 24%, almost 10% more than the East Midlands with 14.5%). In all the UK regions there has been an increase in the NEETs rates from 2008 (data not shown) with a disproportionate increase in Wales.

Social and educational inequalities

Figure 3.13 Young people not in employment, education or training by NUTS 1 region (NEET rates), new member states



Source: Eurostat (2011d).

The vicious circle of NEETs, poverty and social exclusion

Huge disparities in NEETs rates are found also within Italy (North-East 16.6%; Sicily and Sardinia 33.9%); Spain (North-East 14.6%; the Canary Islands 28.2%); Belgium (Brussels 21%; Flanders 9.9%); Germany (Bavaria 8%; Mecklenburg-Vorpommern 14.8%); but also France (13.9% in the Paris region; 21.6% in the Northern region), and Greece (16.4% in Attica; 25.5% in Kentriki Ellada in central Greece). Disparities within Austria are also recorded, even though the highest rate in this country is below 10%, compared to a EU27 average of 16.5% in 2010

As expected, the NEETs rates (which include people who are not employed, i.e. covering both inactive and unemployed) rose significantly from 2008 to 2010 (from Eurostat – LSF, data not shown), especially in those countries which were most affected by the crisis and where youth unemployment rose significantly (Ireland, Spain, Italy, Greece). The breakdown by region reveals also that in countries like France and the UK where the overall rate of NEETs did not rise from 2008 to 2010

as much as in other countries (respectively 2.7% and 2.3%), the reality of the youth situation concealed by an aggregate figure is more complex, with marked disparities among regions.

The situation within New Member States is rather similar to that in the old ones. Huge differences among regions are found in Bulgaria (from 22.1% up to 33.3% BG3 in the graph); but also in Hungary (ranging between 12.1% and 19.8%). All the NMS have seen a significant increase in their NEETs rates since 2008 (data not shown), and this is as much as 10% in the North-Western Region of Romania (RO1). Major increases are recorded also in the Baltic countries, whose rates have reached almost 18% and, in the case of Latvia, more than 20%. This is also confirmed by the skyrocketing unemployment rates among youth and changes in unemployment rates for the population as a whole (see Chapters 7 and 2).

While a brief spell of NEETs status is quite normal during the period of transition from education to the labour market, it is important to investigate developments over time, i.e. for how long and how many times young persons experience this status. What is worrying are the results of a study (Quintini et al. 2007) showing that there exists, in several European countries, a hard-core group of youth who retain NEETs status over a 5-year period: this group is particularly large in Italy (about 30%), as well as in Greece (around 20%),

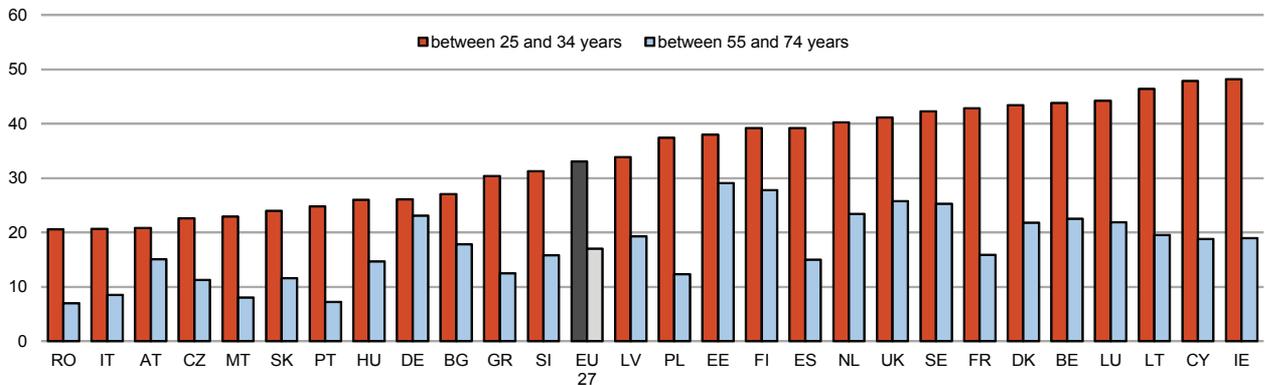
but in several other countries too – including France, Germany, Ireland, the Netherlands and Spain – it exceeds 10%.

Even if for young people aged between 25 and 29 the share of NEETs is definitely smaller than for people aged between 15 and 24, there are still countries where this share represents more than 20% of young people (i.e. young people who are unemployed, inactive, whether willing or unwilling to work (European Commission 2009a)).

Despite the obvious heterogeneity among the NEETs population, available evidence provided by literature suggests some common characteristics: low levels of aspiration, no educational qualifications, truancy and/or expulsion from school, low-skill occupation of parents, living in a household where neither parent works full-time, having a child at an early age, living outside family home, having health problem or disability, as well as having parents living in rented accommodation (Robson 2008). This indicates that preventive measures are required to ensure that young people do not drop out of education once and for all (Maguire and Rennison 2005). In times of rising unemployment and bleak job prospects, the problem of NEETs needs to be urgently addressed. Strong coordination among educational, social and labour market policies seems imperative, as partial solutions tackling only one aspect of the disadvantage will not efficiently prevent youth from slipping into a vicious cycle of poverty or poor social integration.

Social and educational inequalities

Figure 3.14 Tertiary educational attainment by age, 2010



Source: Eurostat (2011d).

Massification without democratisation?

Current trends in employment and unemployment, as well as those of early school-leavers and NEETs appear in contrast with an increasing level of educational attainment among the youngest generations. Indeed, the trend of education expansion during the post-war period is often described as a 'massification of education' (Altbach and Peterson 1999).

Figure 3.14 shows higher educational attainment for two age groups. In 2010 young people aged between 25 and 34 are more likely to have a higher education degree compared to the previous generation (aged between 55 and 74 years old).

On the left side of the spectrum are southern European (Italy, Portugal), but also eastern European countries (Romania, the Czech Republic and Hungary), as well as Malta, Germany and Austria with the lowest rates (less than 30% for youths).

Both Germany and Austria have strongly institutionalised vocational educational and training systems, which might explain the low rate of tertiary

graduates among the younger generation as well as only a moderate increase in percentage compared to the older generation.

On the right side of the spectrum are most of the old member states, which, despite not having higher rates for the older generation, proved able to expand participation in tertiary education quite significantly.

Among the old member states, France, Denmark, Ireland and Belgium present both significant differences between the two generations and have some of the highest shares of graduates among the youth population. Other old member states, such as Italy and Austria, have a lower rate of tertiary graduates, despite the fact that Italy displays a difference of around 12% between generations.

Among New Member States, two groups can be identified: some NMS with relatively high rates for the older generation (Estonia, Latvia and Lithuania) have increased their rates to above 45% (for Lithuania) and already reached the Europe2020 target (40% of people aged 30-34 with a tertiary degree). Other NMS show low rates for the older generation (between 10 and 20%) and significantly higher rates for the younger generation, especially Poland and Slovenia.

However this strong increase in educational attainment – the so-called 'massification of higher education' – should not be confused with an increased democratisation of educational attainment.

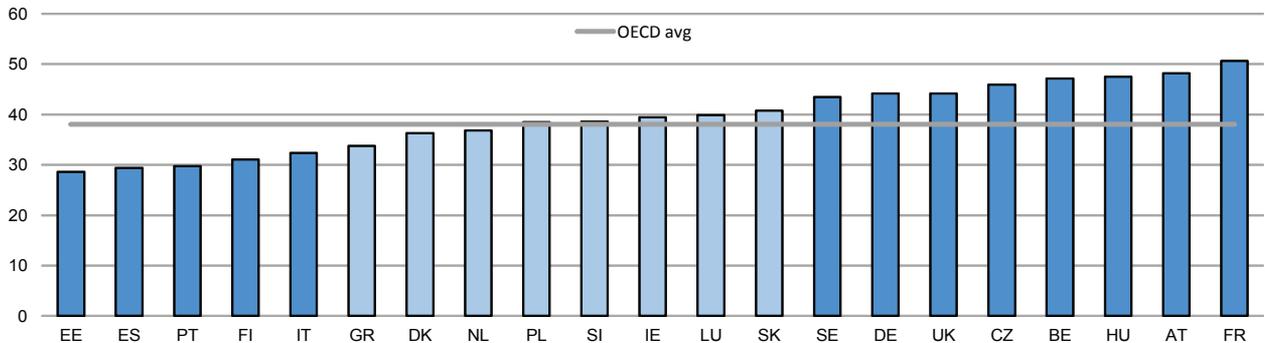
Firstly, increased rates of young people accessing higher education do not automatically mean increased access for more disadvantaged youth. Secondly, the 'massification of education' does not entail a more equal distribution of opportunities for young students when it comes to opportunities to enter the labour market.

Several self-reinforcing factors may reduce the positive impact of even a well performing education system: poor social environment (e.g. family, community, personal difficulties) leading to poor educational outcomes, low employment opportunities, and consequently low incomes, poor chances of further lifelong learning and, again, low social opportunities.

A life-course approach to education and training has been supported by the EU in the last 20 years in order to tackle this vicious cycle, and is well integrated in a long-term perspective for the development of European cohesion (for example the target for adult participation in further learning of 12.5% in the Lisbon Strategy – or the increasing attention to early childhood education – European Council 2009). More recently Europe2020 has set two headline targets concerning education aimed at increasing the overall level of education of the population (decreasing early school-leavers rate to less than 10% and increasing the tertiary educational attainments of people aged between 30 and 34 to at least 40%), (ETUC and ETUI 2011).

Social and educational inequalities

Figure 3.15 Score point difference in reading performance with one unit increase in the PISA index of ESCS



Source: OECD (2011b).

A self-fuelling system of inequalities

An indubitable aspect of the importance of higher and better education is that it has been shown to enhance, in general, opportunities for better social and labour market performance. Educational attainment is highly dependent on previous social and economic situation. However, despite an increased proportion of population with higher educational levels (see Figure 3.14), studies have demonstrated that education does not always serve as a tool for breaking the poverty cycle.

The latest available data which deal with unequal educational performance are provided by the OECD annual publications *Education at a Glance 2011* (OECD 2011b) and *Pisa 2009* (OECD 2010a). Figure 3.15 shows how reading performance changes with an additional unit of the Socio-economic and cultural index (OECD 2010a), which takes into account not only the parents' socio-economic position, but also the cultural resources available at home. The OECD average score is 38. Countries ranging between Estonia and Italy are considered to have a positive effect in 'levelling the

playground' and reducing the influence of personal background thanks to the structure of the education systems, and thus of the policies adopted. Their positive impact, however, says nothing about their capacity to provide quality education or to increase the overall performance of the students. Greece, Denmark, the Netherlands, Poland, Slovenia, Ireland, Luxembourg and the Slovak Republic are regarded as 'neutral' since the score difference is not statistically significantly different from the OECD average slope (OECD 2011b: 88). Countries with rates above the average include Germany and Austria, but also the United Kingdom, Belgium and the Czech Republic. The impact of socio-economic background is thus not efficiently mitigated by these countries' educational systems.

Studies have confirmed these trends as they have found that in Western Europe inequalities in educational attainment are still marked in spite of the significant expansion of post-compulsory education. Machin (2004) found that in the UK an increase in social immobility has occurred at the same time as the rapid expansion of post-compulsory education, meaning that mostly children from richer families have benefited from this expansion. This change in the education system has increased rather than alleviated inequality across generations, reinforcing and exacerbating already existing intergenerational inequalities.

For Germany, Reamer and Pollak (2009) argue that vertical and horizontal inequalities persist in spite of increased participation in education, since social background still has a strong impact in gaining access to tertiary education.

Another example is provided by Heath et al. (2008) who compared the educational attainment of the second generation of immigrants in France, the UK, Belgium, Sweden, Austria, Denmark, Norway, Switzerland and the Netherlands. They found that young students with an immigrant background tend to perform worse than native fellow pupils and the explanatory variables include the socio-economic and minority backgrounds, language skills, lack of aspirations and family encouragement, as well as discrimination and reduced access to citizenship. Oppesidano and Turati (2011) also found that, for France, Germany, Italy, Greece Norway, Portugal, Spain, Sweden and the UK, lower education results are associated with both school effect *and* social background. The same phenomenon was identified more than ten years ago for Belgium (Vanderberghe 2000).

Conclusions

Rising inequalities, increased responsibilities

This chapter set out to describe, on the one hand, how unequal educational attainment impacts on labour market (employment and unemployment, NEETs) and social outcomes (in-work poverty); and, on the other hand, how regional and socio-economic background affect educational attainment (reading score and socio-economic and cultural background and early school-leavers), especially among youth.

Data have highlighted strong inequalities in labour market outcomes *within* generations depending on different educational levels, as well as *between* generations: youth have been significantly more affected by the crisis, and this impact is even stronger for lower-skilled youth. It is thus confirmed that education indeed represents an important long-term personal and social investment. However, the crisis has acted as a stress test and highlighted the urgent need for multidimensional policies and action to combat inequality. Inequality is also likely to be exacerbated by the multiplicity of forms of labour contract, which contributes to segmentation of the labour market (see Chapter 2), and makes social partner intervention more fragmented and less incisive. This applies particularly to young people who are known to have weak attachment to the labour market due to precarious or temporary work contracts (e.g. increased use of badly paid/unpaid internships often not even protected by social security).

It is important to stress that access to quality education might be hindered by institutions and socio-economic factors as well as by personal characteristics. Education systems promoting meritocracy or equal opportunities have shown their limits: while the first denies the influence of the non-personal and socio-economic context, the latter aims at providing the

same opportunities regardless of whether or not pupils and their families have the necessary tools to convert these opportunities into achievements.

Because of this complexity and the extent to which labour market and social policies overlap, comprehensive action on education and training is badly needed. At the European level, coordination among employment policies, social intervention and education and training programmes needs to be enhanced. For example, stressing the importance of tertiary education is indeed a sound approach, but insufficiently far-reaching if not enough attention is focused on real opportunities for people from diverse backgrounds. Thus, for instance, Youth on the Move (European Commission 2010f), or the Communication on the Modernisation of Higher Education (European Commission 2011d), should have placed more emphasis on a commitment to broaden access to higher education, rather than focusing principally on the economic potential of tertiary education.

The concept of social exclusion should thus evolve towards a more positive idea of favourable social integration, meaning – for example – that labour market participation should always be seen to reduce the risk of poverty, while education should be promoted through recognition of its invaluable contribution to society and an awareness that its role goes beyond the human capital idea of investment for private economic return.

Finally, it needs to be acknowledged that, in a precarious economic and social situation, the individual willingness to engage in forward-looking investment (such as education) is inevitably reduced if and when their attention is demanded by more urgent matters linked to daily challenges. That is why social investments by public institutions and private companies to stimulate formal and non-formal (e.g. on-the-job training) education for youth and the unemployed should be seen as a major and urgent responsibility to be achieved, and all the more so in a context of widespread austerity measures which frequently target social spending and support for the unemployed (Leschke et al. 2011).