



# Policy Paper On Young People and Poverty

ADOPTED AT THE GENERAL ASSEMBLY  
KYIV, UKRAINE, 18-20 NOVEMBER 2010

## Executive summary

Europe, despite its comparative economic power, is not immune to poverty. On the contrary, too many people remain without the sufficient means to be able to lead their lives in dignity. Moreover, the worryingly large percentage of young people among the poor is a yet more striking issue. This is one of the main challenges that Europe needs to tackle urgently, and with resolve.

In its Policy Paper on Young People and Poverty the European Youth Forum addresses youth poverty not only as a matter of resources but also as a matter of lack of opportunities. Poverty prevents young people from achieving their full potential and autonomy, adversely affecting their health, inhibiting their personal development, education and their general well-being.

This Policy Paper focuses on the poverty situation in Europe and on certain especially vulnerable periods of a young person's life, which are, in particular, proven to expose her/him to the risks of poverty and social exclusion. The European Youth Forum believes that this is linked to the peculiar transitional character of youth: the transition from childhood to adulthood, from education to the labour market, from living with the family to running a household on their own. There are several key stages of the transition phase when young people are potentially the most vulnerable: in education, in transition to work, at work and in family.

Therefore the European Youth Forum hereby suggests to tackle youth poverty and social exclusion more efficiently, by investing notably more efforts and policy responses into targeting this vulnerable transition phase to an autonomous adult life.

## 1. Introduction

The specific vulnerabilities that are experienced by young people and lead them into poverty are complex and originate from a wide range of factors. Distinguishing the causes from the effects is a difficult task. The European Youth Forum looks at poverty in its wider sense, taking into account not only its monetary aspects but also social exclusion. Youth poverty is, namely, not only a matter of resources but also a lack of opportunities. Young people can be subject to inequality of access to resources, rights and opportunities, which is often linked to multiple discrimination, in particular relating to socio-economic and family background, migrant background, sexual orientation, gender identity, ethnic origin, religion, belief or disability. This can prevent them from achieving their full potential, adversely affecting their health, inhibiting their professional and personal development, education and their general well-being.

Poverty is a problem of a global scale. In many cases, it prevents people from meeting their very basic needs, such as access to drinking water, food and shelter. Without diminishing the need to eradicate global poverty and its underlying causes, this Policy Paper mostly discusses the poverty situation in Europe, where extreme poverty, although still present in certain areas, is less prevalent. However, due also to the current economic and financial downturn, the number of Europe's young people in poverty is seriously increasing.

When addressing youth poverty in Europe, it would be unfair to depict this generation as the most exposed to the risks of poverty and social exclusion, especially compared to the levels of poverty among children and older people. However, the current generation of young people is much more vulnerable to poverty than previous generations were. Thus this policy paper focuses on certain especially vulnerable periods of a young person's life, which are, in particular, proven to expose her/him to the risks of poverty and social exclusion. The European Youth Forum believes that this is linked to the peculiar transitional character of youth: the transition from childhood to adulthood, from education to the labour market, from living with the family to running a household on their own.

Therefore, in order to tackle youth poverty and social exclusion more efficiently, notably more efforts and policy responses need to target this vulnerable transition phase to an autonomous adult life. Youth organisations themselves have always played a role in improving the lives of young people, through non-formal education, skills building in volunteering, keeping governments accountable, and inclusion through active citizenship. However, youth organisations and civil society in general cannot take the sole responsibility for tackling the problem. We need specific policies that are able to structurally tackle the problem, decreasing inequalities and promoting youth autonomy through employment and social inclusion policies.

In order to implement this, the European Youth Forum urges for strong political commitments on the local, national, European and global levels, as well as an effective coordination of policies in the areas of equality, non-discrimination, employment, social inclusion, migration and youth.

## 2. The scope of youth poverty

There are different ways of defining poverty and variations in how it is measured. It is important to be aware of these differences to better understand and be able to address it.

In Europe, poverty is usually defined using the one-dimensional and relative measure that takes into account the income situation of people.<sup>1</sup> According to EU statistics, 20 % of young Europeans aged 16–24 are poor, while the same poverty rate for the total population is 17%.<sup>2</sup> It is important to note that the rates tend to be higher for countries where young people actually start an independent adult life, while those who still live in their parent households and share their income are more likely to not be recorded as poor. Asked for the main reasons of living longer with their parents, 44% of young respondents indicated that they cannot afford to move out and 28% mentioned the lack of affordable housing.<sup>3</sup>

Poverty can also be depicted by multi-dimensional indexes that, besides income, also

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<sup>1</sup> The poverty rate in EU is measured using the at-risk-of-poverty rate which is a share of persons with income below at-risk-of-poverty threshold. At-risk-of-poverty threshold is a relative income level; persons with equivalised disposable income below that level are attributed to the poor. The most commonly used threshold in EU equals 60 per cent of the median equivalised disposable income. (EUROSTAT).

<sup>2</sup> EUROSTAT (2007)

<sup>3</sup> Combating poverty and social exclusion: A statistical portrait of the European Union 2010, page 48-49

include other factors, such as poor health, lack of education, inadequate living standards, disempowerment, poor quality of work, threat of violence, energy poverty etc.<sup>4</sup> These elements are equally important for the well-being of young people, especially as poverty and social exclusion<sup>5</sup> are two intertwined phenomena that often manifest themselves together. Experiencing poverty, or being at risk of poverty, is intrinsically linked with the lack of financial means, exclusion and/or precariousness in the area of employment, and could also lead to exclusion in other areas of life. In this sense, the overall social exclusion encompasses monetary poverty as well as a wide range of disadvantageous situations and violations of fundamental rights leading to ill health, poor access to healthcare services, lack of affordable and decent housing, education, goods and services, sense of alienation from the society, lack of opportunities to participate into the public life and stigmatisation. The YFJ therefore demands a Europe-wide definition of poverty for young people, that includes a wider set of aspects.

Another crosscutting issue in this context is environmental sustainability, which is of the utmost importance for reducing poverty and for preserving economic and cultural wealth. This is especially on a global scale but also clearly affects Europe. More people are being displaced today due to environmental disasters (both natural and man-made) than by war. Young people, and especially girls and young women, are over-represented as victims of these disasters and are the most at risk of the extremely negative effects of climate change.<sup>6</sup>

In other parts of the world, especially developing countries, indicators of absolute poverty (or extreme poverty) are used to measure its scope. They are usually based on a fixed real poverty threshold and are defined by the basic needs and standards worldwide.<sup>7</sup>

The scope and level of poverty in developing countries is not comparable to regions like the European Union. Although everyone has their own benchmarks and challenges to meet, every person in the world should be able to have their basic human needs met and the frontrunners should not withhold their help. There are several measurable concrete actions that can be taken relating to poverty eradication on a global scope. An important step in reducing youth poverty will be that all the Millennium Development Goals will be reached before 2015, and they should be

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<sup>4</sup> For more information: <http://www.ophi.org.uk>

<sup>5</sup> EC definition of social exclusion: "a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education and training opportunities, as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feel powerless and unable to take control over the decisions that affect their day to day lives". Combating Poverty and Social Exclusion. A Statistical Portrait of the European Union 2010. European Commission.

<sup>6</sup> 0182-06 YFJ Policy Paper on Sustainable Development..

<sup>7</sup> One of the most widespread thresholds is the international poverty line, set by the World Bank and which was originally 1 US dollar (PPP – purchasing power parity) per day (*Proportion of population below \$1 per day* is the percentage of the population living on less than \$1.08 a day at 1993 international prices. The \$1 a day poverty line is compared to consumption or income per person and includes consumption from own production and income in kind. Because this poverty line has fixed purchasing power across countries or areas, the \$1 a day poverty line is often called an absolute poverty line. World Bank (1990)) revised in 2005 to 1,25 US dollar (PPP) per day; 2 US dollars (PPP) per day is also a measure that is often used. (Haughton, J., Khandker, S. (2009). Handbook on poverty and inequality. Chapter 3. World Bank.) Absolute poverty looks at whether the very minimum subsistence levels are assured to everyone. Today, there are almost three billion people in the world under the age of 25 and more than half a billion of them live on less than two US dollars a day. (World Youth Report (2007), UN).

connected to the World Program of Action for Youth. In order to achieve this, EU Member States must increase their financial contribution to development. It is essential that this co-operation is realised in an equal partnership for development, involving all the parties as stakeholders in the process. In this sense, poverty must also be considered relative to its social context. It is important to tackle poverty in the context of different social groups in different countries or specific regions within them. Investment in girls' and young women's education, as an example, can strongly contribute to breaking the poverty cycle. Unsustainable practices in developed countries can become a root cause of a kind of poverty, which, although quite different from poverty in developing countries, is still poverty that needs to be dealt with.<sup>8</sup>

### 3. The life-cycle approach: transition to autonomous life and poverty

The fight against poverty should be all-encompassing in a way that nobody would be exposed to its risks. Addressing poverty at early stages can bring significant improvements to life chances later on, and can help people escape the vicious circle of exclusion. Nevertheless, with the demographic, economic and educational changes in European societies during the last decades, young people are becoming more and more vulnerable to risks of poverty. The life-cycle theory claims, inter alia, that the risk of experiencing poverty varies with age. At the beginning of the 20<sup>th</sup> century, the least vulnerable were young people in the age group 15 to 30, just after they had left their parent home and just before they had children themselves.<sup>9</sup>

Life-cycle patterns are different now due to the increased participation rates in higher education and the structural changes of the labour market; when trying to enter the labour market young people may spend considerable periods of time without a job, or in low-waged or insecure employment.<sup>10</sup>

A difficult transition phase to an autonomous adult life can be considered as one of the major causes of youth poverty. Research proves that young people are more likely to be poor if they have left their parents' home. Living in one's family of origin, or living as a couple but without children, has lower prevalence of poverty, whereas living alone, or as a lone parent, tends to increase this risk.<sup>11</sup> Once they are ready to start an independent adult life, young people should be in a position to do so without experiencing the financial difficulties that prevent them from their chosen life paths and family planning.

These challenges cannot be overcome without structural change. Solidarity from other parts of society and a better redistribution of resources within the tax and benefits systems need to be in place to counteract the negative effects of disproportionate risks of poverty at different ages. Intergenerational solidarity, responsibility and fairness should inevitably feature in the debates concerning poverty and social exclusion of the younger generations, at present and in the

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<sup>8</sup> 0182-06 YFJ Policy Paper on Sustainable Development.

<sup>9</sup> Rowntree, S. (1901) *Poverty: the study of Town Life* London: Macmillan.

<sup>10</sup> Aassve, A., Iacovou, M. and Mencarini, L. (January 2005) 'Youth Poverty in Europe: what do we know?', Working Papers of the Institute for Social and Economic Research, paper 2005-2. Colchester: University of Essex.

<sup>11</sup> Aassve, A., Iacovou, M. and Mencarini, L. (January 2005) 'Youth Poverty in Europe: what do we know?', Working Papers of the Institute for Social and Economic Research, paper 2005-2. Colchester: University of Essex.

decades to come.<sup>12</sup>

There are several key stages of the transition phase when young people are potentially the most vulnerable:

### **3.1. In and out of education**

In the field of education, a key need is to provide free access to education at all levels, in addition to grants to cover living costs, so that young people can become autonomous at an earlier age and to promote equal access to education for all.<sup>13</sup> Working towards this, scholarships and other types of financial support should be available to everyone, not depend on parental means-testing and should not force young people to take up side jobs or even full-time jobs in order to make ends meet. Young people should be given a possibility to lead a decent and autonomous young adult life during their study period. Scholarships and other types of support should also include sufficient support for extra costs, such as those of educational materials, accessible housing, costs connected to practical engagements as a part of a curriculum, or travel for people from rural areas. Furthermore, financial incentives for staying in elementary education could be provided to children or their families.<sup>14</sup>

High levels of early school leaving provide evidence of the failure of education systems to include all young people. Statistics show that nearly one out of six young people does not finish secondary education and early school and university leavers are highly susceptible to social exclusion and marginalisation.<sup>15</sup> Family background turns out to be a powerful indicator of early school leaving. Studies show that students of whom the parents are low educated or have a low socio-economic status are more likely to leave school early and that one of the consequences of this can be an unemployment rate that is twice as high.<sup>16</sup> What is more, the long-term social and financial costs of educational failure are high. Schools must be prepared to welcome and support all school students, regardless of their background. Early school-leavers should be given all support and incentives to re-enter free education, either in initial formal education or through lifelong learning schemes. Addressing the early school-leaving issue would improve the quality of life of the concerned individual, but also alleviate higher costs for health, income support, child welfare and security in society.

Phenomena that are not directly related to income poverty, such as discrimination and harassment experienced at school and a lack of youth friendly healthcare services, have a definite impact on the social exclusion of young people. Early school leavers are more likely to experience violence, discrimination and ill-health<sup>17</sup>. Discrimination experienced by lesbian, gay, bisexual, transgender and intersex young people at school have often had an extremely negative impact on their health and their fundamental right to education.<sup>18</sup> Discrimination and challenges experienced by young migrants in the field of education and employment are also alarming. Indeed,

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<sup>12</sup> For more information see YFJ 0313-09 Position Paper on Solidarity Between Generations

<sup>13</sup> 0052-04 Policy Paper on Youth Autonomy

<sup>14</sup> 0052-08\_FINAL\_Early\_Education\_Leaving

<sup>15</sup> 0813-07 Policy Paper on Youth Employment

<sup>16</sup> 0052-08\_FINAL\_Early\_Education\_Leaving

<sup>17</sup> YFJ (2008). Annexes to the European Youth Forum Policy Paper on Early School Leavers. Brussels: European Youth Forum. EUROSTAT (2010). Combating poverty and social exclusion. A statistical portrait of the European Union. Statistical book 2010. Figure 2.10

<sup>18</sup> Takacs, J. (2006). Social exclusion of young LGBT people in Europe.

the educational performances of young migrants are lower than those of their native peers<sup>19</sup>, and the employment rate of migrants also averages at 3.3% lower than that of the general population.<sup>20</sup>

Although legal protection against discrimination exists to some extent, gaps within both European and national equality laws represent one of the major challenges to breaking the vicious circle of poverty and social exclusion.<sup>21</sup>

And, finally, education has to fulfill its primary tasks, of not only equipping young people for the labour market, but also of giving them skills for life. Citizenship education should be introduced in a comprehensive manner to promote active citizenship, and, with it, awareness of individual rights, and provide young people with the skills that enable them to make choices and take decisions and responsibility for their own lives.

### **3.2. When entering the labour market**

Employment is often considered as one of the main tools for combating poverty and social exclusion. However, paradoxically, the current young generation, while being the best-educated generation ever, familiar with new technologies, more mobile and open to new opportunities, faces a higher degree of vulnerability in the labour market. The youth unemployment rate has been around twice as high as the rate for the total population throughout the last decade and currently, also due to the economic downturn, only in the European Union every fifth young person (15-24) is unemployed.<sup>22</sup> The phase of entering the labour market for young adults proves to be very difficult and can lead to insufficient and irregular earnings that subsequently prevent them from starting an autonomous adult life. A smooth transition from education to the labour market is a necessity for young people to live autonomous lives. However, in Europe, it is hindered by a number of factors, which include: insufficient qualifications, a “mismatch” of skills, a lack of generic skills, precarious working conditions, economic instability, a high level of competition for jobs and discrimination. This needs to be addressed, as such a situation prevents young people from receiving regular and sufficient income, and thus outsets them to poverty. Special attention needs to be paid in active inclusion labour market policies to disadvantaged groups of young people.

Specialised labour market support measures need to be created by public authorities and social partners. They must specially target young people and help the school-to-work transition phase become faster, quality-driven and leading to longer lasting work placements. No one can afford to waste the potential of young people by keeping them away from the labour market. Special measures, like youth guarantees, early intervention and back-to-work policies have to be in place to address the unprecedentedly high youth unemployment levels and to prevent further regress in

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<sup>19</sup> Data Source OECD/PISA 2007

<sup>20</sup> Data Source EUROSTAT 2010

<sup>21</sup> EU non-discrimination law does not cover the grounds of age, sexual orientation, religion or belief and disability in any field but employment and occupation. It does not cover the ground of gender in the field of education. YFJ (2009). No to hierarchies of rights, YES to comprehensive protection against all forms of discrimination. Brussels: European Youth Forum  
[http://www.youthforum.org/index.php?option=com\\_content&view=category&layout=blog&id=57&Itemid=87&lang=en](http://www.youthforum.org/index.php?option=com_content&view=category&layout=blog&id=57&Itemid=87&lang=en)

<sup>22</sup> In July 2010 the unemployment rate (under-25s) was 19,6% in the euro area, and 20,2 in the EU27, with large disparities among Member States. For details see Eurostat, August 2010.

this area. The introduction of such measures has to be coupled with the relevant incentives, both for private and public employers, and with quality career guidance and training opportunities for young people as their counterpart. The European Social Fund should be further used and targeted for supporting such initiatives.

Internships and apprenticeships have become a reality for many young people, through which they complement their formal education and attempt to make the transition from education to work smoother. These work placements should provide quality and paid educational opportunities and should never be used as replacement for proper work by employers.<sup>23</sup> Young people are frequently exploited by organisations and companies who prefer to recruit highly skilled and low-paid young workers. Young people who seek to make the transition to the labour market are often caught in a cycle of exploitation and abuse of their working rights, in a precarious and underpaid labour market with no or little learning dimension. Besides, unpaid or extremely low-paid internships and similar work placements have a further impact on their life due to the lack of social security. To break the cycle, the defence and strengthening of the right to association is one key element to secure the working rights of young people.

### **3.3. At work**

The level of in-work poverty among young people in the EU is 10%.<sup>24</sup> The working poor young people (i.e. those in employment but with a low income that keeps them in relative poverty) work for low salaries, with scarce social protection and in precarious working conditions. This does not allow them to lift themselves above the poverty threshold. Therefore, better targeted youth employment policies need to be introduced to overcome these conditions. Europe needs to commit themselves to the raising employment levels and support measures that promote integration in the labour market. These include implementing ambitious Life Long Learning strategies, revising the flexicurity schemes, recognising the competences acquired through both formal and non-formal education as well as through vocational training, encouraging employment from an earlier stage and promoting entrepreneurship and mobility as key factors in the employability of young people.

Youth is the group which suffers the most from precarious working conditions (40% young people have a temporary contract<sup>25</sup>), and the related security balance is clearly lagging behind. This dangerous trend needs to be reversed by accordingly adapting and modernising social security systems and ensuring that young people can have a stable and autonomous life, even with short term contracts or when unemployed. Besides, there needs to be specialised youth-targeted income support for situations where the labour market has failed and young people, due to their little or inexistent labour market experience, are not entitled to the standard support.

To secure certain minimum living standards across EU, especially with regards to decent work for young people, national minimum income schemes need to be introduced and better coordinated at the European Union level. The European Commission should play its role in encouraging Member States to agree on the

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<sup>23</sup> YFJ Opinion Paper on Internships (0076-09)

<sup>24</sup> European Commission (2009). SEC (2009)549 final. Youth-Investing and empowering. EU Youth Report

<sup>25</sup> European Commission (2009). SEC (2009)549 final. Youth-Investing and empowering. EU Youth Report



development of more binding instruments whose impact can be assessed according to their effects on the different groups of young people they are attempting to support. A directive setting European guidelines on how to develop minimum income schemes would be an appropriate tool to fight the current trend towards negative competition between Member States as regards social policies, potentially leading to social dumping.<sup>26</sup>

Despite Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation, discrimination on the ground of age still manifests itself. Young people should have for instance, equal access to social protection systems and their minimum wage/benefits should not be dependent on their age<sup>27</sup>. To this aim, key provisions included in the Revised European Social Charter and relating to the right to social security and decent working conditions, include fair remuneration, and should be fully implemented<sup>28</sup>.

### **3.4. In family**

There are young people who are outside the labour market and education structures for different reasons (e.g. care for family members and children), but they need support in order to not fall into the poverty trap. Social assistance schemes and other facilities should thus be put in place to support them throughout these periods. Higher risks of poverty for young couples, and especially young parents with children, might be detrimental to the exercise of their right to decide freely upon their private and family life. Young women are still responsible for greater proportion of child-care that neither contributes to their income nor to social protection. Furthermore, the European Youth Forum calls for affordable, qualitative and flexible childcare facilities and support for young parents, especially lone parents, who should be able to successfully reconcile their work and family life. Furthermore, precarious conditions experienced in the labour market, as well as high youth unemployment rates, compromise the possibility for young people to achieve a fair balance between their professional and private lives. In addition, the lack of access to affordable housing is a decisive factor in starting one's own family and moving away from one's parents' household to start an independent life. Similarly, high transport costs restrict young people's opportunities, particularly in rural areas.

## 4. The role of youth organisations in combating poverty and social exclusion

As reflected throughout the paper, addressing poverty is a complex task, linked to various policy fields. Poverty is a social phenomenon, of which the eradication can only happen through an ambitious agenda, based on a continuous dialogue between social partners and the relevant civil society organisations and leading to tailored and long-term actions. Youth organisations have for a long time played a fundamental role in advocating and concretely acting for overcoming poverty and supporting social inclusion themselves.<sup>29</sup>

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<sup>26</sup> 0330-06 Position Paper on Active Inclusion)

<sup>27</sup> Recent ECJ case-law on discrimination on the ground of young age in the field of employment and occupation include: case C-229/08 Colin Wolf v. Stadt Frankfurt Am Main, case C-88/08 David Hütter v. Technische Universität Graz, case C-555/07 Seda Küçükdeveci v. Swedex GmbH&Co. KG,

<sup>28</sup> Council of Europe, Revised Social Charter (1997). Article 1-the right to work, article 2-the right to just conditions of work, article 4-the right to fair remuneration, article 12-the right to social security, article 13-the right to social and medical assistance, article 14-the right to benefit from social welfare services.

<sup>29</sup> Concrete examples of what Member Organisations of the European Youth Forum do to engage a wider

The European Youth Forum strongly believes that youth organisations should not only be involved in the implementation of policies, but also in their shaping, monitoring and evaluation as well as in data collection. Closer cooperation and partnership agreements are needed between various actors at all levels. While engaging in common actions, youth organisations, trade unions and employers' organisations, as well as higher education institutions, can indeed help to improve the transition from education to work and ensure decent work, notably through the establishment of efficient guidance mechanisms from an early stage, through the development of tools that enable the recognition of competencies gained through non-formal education, or through promoting youth entrepreneurship.

Unfortunately, it needs to be said that poverty and social exclusion affect active citizenship, hinder participation and set barriers for volunteering. Youth organisations, in their daily activities often, contribute to the activation and empowerment of young disadvantaged people that can eventually allow them to break away from the vicious circle of poverty. Among YFJ membership, there are organisations that pursue the involvement of vulnerable youth as their direct aim. Other youth NGOs create this added value indirectly: for example, training is a common feature of non-formal education provided by youth organisations. This, besides its direct aim, also supports promotion of human rights or work on social inclusion of disadvantaged youth, through youth work.

At the same time, there is still room for improvement: youth organisations need support in order to be able to increase their capacity to reach out to more young people living in poverty; they want to help remove the barriers to young people's participation in youth organisations' activities and help them to fight poverty and social exclusion.

## **5. Conclusion**

Europe, despite its comparative economic power, is not immune to poverty. On the contrary, too many people remain without the sufficient means to be able to lead their lives in dignity. Moreover, the worryingly large percentage of young people among the poor is a yet more striking issue. This is one of the main challenges that Europe needs to tackle urgently, and with resolve. If we are to overcome the vicious circle of poverty and related phenomena, such as social exclusion and stigmatisation, investment in young people is urgent: in their education, in enabling their autonomy, in allowing them to enter and remain in the labour market and in quality jobs, and in ensuring that they can successfully combine their professional and private lives.

Poverty goes contrary to everything the European Youth Forum and its Member Organisations strive for. Youth organisations are ready and willing to contribute to its eradication – not only with bold statements but also with concrete work. But they cannot do it alone. Making poverty history will require the entire society to join the efforts. Let us do so, now.

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range of young people, and to work for better social inclusion, are gathered in the Report on Youth NGOs reaching out to more young people and in particular, disadvantaged young people: [http://youthforum.org/en/system/files/yfj\\_public/other\\_reports/en/reaching-youth.pdf](http://youthforum.org/en/system/files/yfj_public/other_reports/en/reaching-youth.pdf)