# Will Covid-19 Leave a Permanent Scar on Young People's Futures?

**Article by William Hayward** August 30, 2021

A year and a half after the onset of the pandemic, young people in Europe are reflecting on the impact it has had on their lives and questioning what it will mean for their future prospects. William Hayward examines the evidence to uncover whether the consequences of Covid-19 are likely hold young people back in the long-term. Will young Europeans be left with a precarious future for years to come?

"I was afraid about my career before the pandemic... now it's even harder". These words, which capture some of the concerns widely felt by young people in the wake of the pandemic, come from one of the many young voices featured in a study recently published by the European Youth Forum (EYF) entitled "Beyond Lockdown: The Pandemic Scar on Young People". It examines the impact of the health crisis on young people's employment, education and mental health and considers the long-term implications.

The research was based on survey responses from 4,500 young people in Europe and focus groups in which young people shared their experiences of the pandemic. The focus groups involved 25 young people in marginalised situations across 10 European countries, including young people with disabilities, young refugees and migrants, young Roma, rural youth, and young people in precarious employment situations.

Their stories illustrate how the working lives of young people have changed dramatically during the pandemic, with many losing their jobs. "Students were the first to get fired," explained one respondent, "because the owners were more keen on firing young people than those who are in higher functions, or management.".

Not only are young people at greater risk of losing their jobs, but the labour market situation meant they often have no choice but to accept whatever conditions are offered by their employers. Another respondent said: "I have a job for 50 per cent [of my time]. My big fear is that if they want to extend my contract, I cannot say no [...] If I say no to this, I'm not sure if I can get anything else."

Many of the young people currently looking for work or finishing their studies expressed that they no longer felt they could follow their career dreams and must instead "focus on a job that will give me money to live". This left a lot of young people with the sensation of taking steps backwards in their lives. "I don't think it's fair that we have young people approaching 30 years old who have to move back with their parents," said a respondent, "this is happening a lot right now, but also before the pandemic."

# Pre-existing inequalities have been magnified

Policy-makers often tend to treat the young as a singular, homogenous group, forgetting that the experiences of young people vary strongly, often according to other personal characteristics (such as ethnic background, gender, sexual orientation, religion, etc.). Combined with a young age, these characteristics can result in additional barriers, and the pandemic has been a striking reminder of this. The short- and long-term impacts of Covid-19 will undoubtedly be much more profound and long-lasting for those young people in marginalised situations. Yet too often such nuances aren't taken into account in the analysis of the impact of the pandemic, or in the policy responses to it.

One young refugee who took part in a focus group explained how their community had been particularly affected by the impact of Covid-19: "In the refugee community [in my country] one of the problems is that people don't have enough money. So with everything switched to online, families with maybe five children or four children that are in school are hopping on your Mum's one phone [...] to be able to have access to online education. So that means these young people have to rotate. Today I go online, tomorrow you go online; for me that is not an effective way of learning."

Furthermore, young people with an immigrant background and young Roma told us that they were unaware of any government support available in their local communities and felt that those in "rich white neighbourhoods" would be much more likely to have access to government support.

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Young people in marginalised situations have borne the brunt of the employment crisis, being twice as likely as other young people to have lost their jobs during the pandemic. There is also evidence of important gender differences when it comes to the impact of Covid-19. Young women (12.9 per cent) were more likely to have stopped working than young men (9.8 per cent) and 73.2 per cent of young women reported possibly or probably having anxiety or depression compared to 54.1 per cent of young men.

The impact of the pandemic therefore seems to have magnified pre-existing inequalities and demonstrates the importance of policy-makers taking an intersectional approach to recognise the different challenges faced by different groups of young people.

# A mental health and unemployment crisis

The statements from young people show that many are seriously discouraged about what the future holds for them. When asked about their future career prospects, half viewed them with uncertainty and more than one in 10 felt fearful. EYF's research also shows that there is a clear connection between the dire labour market situation and young people's mental health, with the survey responses showing that 65 per cent of young people possibly or probably have anxiety or depression. High rates of unemployment and a lack of job security for young people in precarious work leaves them with very little stability and puts them at risk of poverty. Moreover, disruption to education and a lack of job vacancies

means many young people are reconsidering their long-term career future, including possible delays to important life milestones such as owning their own home or starting a family. This will be a significant driver of anxiety and depression among young people, and there is likely to be a circular effect with poor mental health negatively impacting young people's performance at work as well as their chances of finding a job.

This comes as no surprise when we look at the extent of the impact on young people's employment. Since the onset of the pandemic, it is estimated the youth unemployment rate in the EU has risen from 14.9 per cent to 17.1 per cent an increase three times higher than for the total working population. Some member states have seen youth unemployment rise dramatically higher than others, with Estonia, Lithuania, and Spain seeing youth unemployment rise by 10 percentage points or more between December 2019 and December 2020.

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### A deeper and more long-term impact than expected

Although alarming, the unemployment statistics may only be revealing the tip of the iceberg when it comes to the actual number of young people out of work. In the first half of 2020 there was an increase of 3.2 million to the number of people who were unemployed but not seeking work in the EU (many of which are likely to be young people). As they are classified as "inactive", these people are excluded from unemployment statistics, but they represent 86 per cent of the total decline in the employment rate in the EU. The true impact of the crisis on the labour market is therefore much deeper than suggested by the unemployment statistics.

Whether young people will be able to quickly return to the labour market once the economic recovery begins remains to be seen but, worryingly, a key ingredient for preparing young people for this is missing. Among young people who were not in education, employment, or training, 49 per cent said they were unaware of support services from the government to help them find a job according to the survey responses of our research, and less than one in four reported that they were receiving income support such as unemployment benefits.

A failure to reach out and support young people greatly increases the risk of leaving young people exposed to poverty and a longer term "pandemic scar". Previous research demonstrates that experiencing periods of unemployment during youth leads to much greater chances of future spells of unemployment, lower income, and poorer health and wellbeing.

#### An avoidable crisis?

It would be misguided, however, to expect the recovery of the economy and labour market and a return to normal to miraculously solve this potential pandemic scar. Young people already faced structural issues before the pandemic which made their transitions from

school to work difficult, with many stuck in precarious work and unable to access quality jobs that could provide them with the security to lead an independent life.

This is reflected in high rates of temporary work among young people with 47.8 per cent of young workers (age 15 – 24) in the EU employed on a temporary basis compared to 13.5 per cent for the overall workforce. Young people are also over-represented in other non-standard forms of employment such as platform work or zero-hour contracts. The crisis has exposed just how little security these types of jobs provide for young people, with young people being the first out of work.

Part of the blame for this lies with the reaction to the 2008 crisis where policy-makers implemented measures to promote "any job" for young people to reduce rates of youth unemployment. This led to young people's rights to fair pay and decent working conditions being sacrificed to boost employment rates through the promotion of precarious jobs such as unpaid internships or the introduction of lower youth minimum wage rates. This approach has clearly backfired, with precarious jobs becoming a dead-end for young people rather than a bridge to a quality job, with many stuck in cycles of low paid temporary work and unable to find a decent job.

# Making young people a priority

Have policy-makers learned from the mistakes of the 2008 crisis? Analysis of <u>national</u> <u>employment and economic policy measures</u> reveals that out of 1,283 policy measures introduced in the EU and the UK, only 12 specifically targeted young people. EYF also found that no policy responses have been introduced to support young people's mental health. Despite bearing the brunt of the social impact of the crisis, young people appear to have been largely overlooked by national policy-makers.

However, there were some examples identified of youth-focused interventions implemented at national level. In Portugal, the <u>ATIVAR programme</u> has introduced financial incentives to encourage employers to hire young people, with a focus on the creation of jobs with permanent contracts. In addition, Portugal is one of the EU member states that has been working closely with youth organisations to update their Youth Guarantee Implementation Plan and has supported a strong social dimension in their EU presidency. Its achievements included the Social Summit in Porto in May 2021, where the <u>European Pillar of Social Rights Action Plan</u> was endorsed.

In the Netherlands a €1.4 billion social package has been introduced, with significant provisions for addressing youth unemployment. A key part of the initiative is focused on preventing school leaver drop-out and providing young people with opportunities to extend their education. These measures have the potential to mitigate the disruption to education experienced during the pandemic and to support young people to gain new skills, helping them gain access to the labour market as the economy recovers.

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As for the EU level, it remains to be seen whether measures will be able to address the crisis facing young people. The <u>Reinforced Youth Guarantee</u> was adopted in 2020, providing an opportunity to scale up efforts to support youth employment. The Youth Guarantee provides a policy framework for improving support to young people out of work, with the aim of providing them an offer of employment, training, or education within four months of becoming unemployed or leaving education. Its implementation is underpinned by EU funds for national governments to scale up support services for young people.

However, over the years, the Youth Guarantee has been subject to criticism for the lack of quality jobs that it provides to young people, with many of the offers being low or unpaid temporary positions which provide no long-term route out of unemployment and instead fuel the trend of precarious work. The Youth Guarantee has also often benefited more advantaged young people, as the initiative struggled to reach those in more marginalised situations and lacked the necessary investment to properly tackle the complex challenges they face.

The Reinforced Youth Guarantee is an opportunity to address these issues but it is unclear how much progress has been made by member states so far. One key issue is that, despite the impact of the pandemic on youth employment and the potential of the Youth Guarantee to address some of these challenges, the European Commission has not asked member states to introduce new implementation plans to take into account the Reinforcement. The Commission and Council have also not acted on calls from youth organisations, trade unions, and the European Parliament to introduce binding <u>quality standards</u> for the Youth Guarantee, which would ensure that young people receive secure and well-paid jobs.

The funding available under Next Generation EU, particularly through the Recovery and Resilience Facility (RRF) is another important opportunity for supporting measures for young people, especially considering that one of the pillars of the RRF is "the next generation". However, youth organisations report that they have largely been sidelined in the creation of the national Recovery and Resilience Plans, casting doubt on the priority and effectiveness of measures for young people.

The ambition to "build back better" has been shared by many political leaders. Yet young people across Europe are still waiting for policy-makers to commit to implementing measures that genuinely tackle the structural issues which leave them trapped in precarious work and vulnerable to unemployment. An effective policy response must be based on creating quality jobs, improving access to mental health support, and developing tailored solutions for young people in marginalised situations. The price of inaction on these issues could be a scar on young people's lives that remains for decades.



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