

Abstract of advisory report:

[High expectations: Young people's opportunities and obstacles in 2019]

[(Hoge verwachtingen: Kansen en belemmeringen voor jongeren in 2019 19/11)]

The route to an independent existence is slower than it used to be, according to the report *High expectations: Young people's opportunities and obstacles in 2019*, published by the Social and Economic Council of the Netherlands.

There is a growing social divide between young people with access to more or to fewer opportunities. Those who have the right connections are more likely to find interesting work, to get help in coping with financial setbacks, and to have an easier time combining work and care duties. Anyone who does not have access to such 'social capital' in their own circle will have a much harder time of it – despite any diplomas they may have obtained.

Abstract

This study by the Council's Youth Platform examines the extent to which young people in the Netherlands are adequately equipped to grow and develop and to build an independent existence for themselves, and how they themselves experience their position. The Council's Youth Platform notes that there are many opportunities for young people in the Netherlands and that most young people are eager to take advantage of them. Dutch young people are well off compared to youngsters from less prosperous countries, they generally say they are happy, and they have high expectations for their future. At the same time, however, the Council's Youth Platform notes that they are under pressure, both economically and socially.

The Youth Platform study consists of a broad, factual analysis of the position of young people across the life cycle. Young people are making something of themselves. They work hard at it, and that is a source of justifiable pride. Too often, however, they succeed *despite* rather than because of their circumstances. Not all young people are adequately equipped to grow and develop and to build an independent existence. Those who are adequately equipped face obstacles and uncertainties that hamper their path to independence. Note, for example, that young people in the Netherlands are now achieving certain life milestones at an increasingly older age than preceding generations. In many cases, this is not because they themselves choose to postpone but rather due to the cumulative effect of trends and policies resulting in constraints and risks for certain groups of young people in particular. In addition, young people in the Netherlands feel under growing pressure to perform and increasingly suffer from stress and psychological complaints.

Society is increasingly evolving into a network society in which it is important to be 'known'. Those who have the right connections are more likely to find interesting work, to get help in coping with financial setbacks, and to have an easier time combining work and care duties. Anyone who does not have access to such 'social capital' in their own circle will have a much harder time of it – despite any diplomas they may have obtained. The Netherlands Institute for Social Research (SCP) describes a set of resources

consisting of four types of capital (economic, personal, social and cultural) that influence a person's position in society. The Council has noted in several advisory reports that it appears as if an 'invisible' wall is being erected whereby individuals on one side of the wall have more opportunities than those on the other side. Having the right network (through parents, family and friends) is becoming increasingly important, it seems, especially for young people.

Young people with adequate resources are on the 'right' side of this invisible wall and benefit the most from all the opportunities and options available to them. Young people who have fewer resources for absorbing risks are less likely to be able to seize opportunities and transcend their position in society. They are on the 'wrong' side of the wall. The risk factors for all young people aggregate across their entire life cycle.

The four sections of the study are based on three core concepts derived from the main research question being addressed ('equipped', 'grow and develop' and 'independent existence') and examine to what extent there are opportunities, constraints or obstacles for young people in the life phases studied.

Post-secondary education

Young people are enrolling in post-secondary education more often and for longer periods than previous generations. The younger generations are better educated. Students are leaving the parental home later than five years ago, however, by as much as a year. This is partly due to the introduction of a student loan system for higher education and stricter rules regarding the binding recommendation on continuation of studies (the *bindend studieadvies* or BSA). Forty percent of students living at home say they did not move out because it was financially impossible to do so.

In general, Dutch tertiary education is of good quality, accessible and reasonably affordable. Dutch students are therefore well placed to grow and develop and to lay the foundations for an independent life. There are, however, concerns about how accessible tertiary education is to certain groups and the corresponding 'opportunity gap'. Another point of concern relates to student progress within the education system with a view to developing their talent (across their entire life course) at all levels. Such progress appears to be stagnating.¹ In addition, young people are concerned about the impact of the student loan system on their financial position and its consequences later in life (e.g. when buying a house and starting a family).

Students are satisfied with the traineeships and work placements that they have undertaken because they provide practical training and improve their employability. However, many of them would have liked more help from their educational institution in finding a traineeship and during the traineeship itself. The lack of support comes in for much criticism from young people, particularly those enrolled in higher professional education.

Research has shown that students of non-western immigrant origins enrolled in vocational education and training (VET) face serious disadvantages when it comes to finding a suitable traineeship place. There is a considerable gap here between native Dutch VET students and those with a non-western immigrant background. A third (32.5 percent) of VET students of non-western immigrant origins apply at least four times or more before they find a trainee place; in the case of native Dutch students, that is only 14 percent.

The severe mental pressure on students – which health professionals say is increasing – is another cause for concern. Students feel rushed off their feet, and a significant majority experience considerable academic stress and pressure to perform, expect a lot

¹ Any form of vertical or horizontal mobility within the education system, for example from VET to an advanced VET course, or from VET to higher professional education, or from higher professional education to university.

of themselves and suffer from extreme fatigue during the day. A sizeable minority struggle with anxiety and depression, with some even at risk of suicide.

Finding a job and starting a business

The most striking structural change in the labour market is that young people in particular are employed on a temporary basis more often and for longer periods of time than before. A decade ago, the majority of 24-year-olds were in permanent employment; now that is the case for 27-year-olds, even though most young people still prefer to have an open-ended employment contract. The later age at which they are given one has implications for their life milestones. A decision to live together, get married or start a family appears to depend on their (perceived) job security (or insecurity). Low-educated young people are particularly vulnerable in this respect because they often have flexible work arrangements. The Council's Youth Platform wishes to draw attention to the position of young people in the labour market. It also wishes to explore new ways of providing young people with greater security in employment, in close collaboration with its broader partners in the Council.

Employers are keen to invest in the formal and informal training of young workers, and young people are likely to be interested as well. It is important that they can acquire further training or retrain. Fifteen per cent of young people say they do not have the right training, and flexible employment practices make lifelong learning more difficult to implement. This is one area where opportunities for young people's growth and development can be improved.

Today's young people spend a lengthier period in full-time education than previous generations; on average, they do not enter the labour market until the age of 23. As a result, they have good job prospects, but their employment is also more susceptible to economic swings than that of other groups. It should also be noted that, on average, many young people would like to work more hours than they actually do (or have the opportunity to do). In particular, young people from an immigrant background and those with a work-related disability are in a vulnerable position in the labour market.

The average age at which people start their own business is falling. Entrepreneurship is popular among young people. Although more of them are going into business and doing so at an earlier age, they also discontinue their business sooner than their older counterparts. More than half of entrepreneurs age 25 and younger closed their business within three years after starting it up, and this percentage rises as they grow older.

It is worrying that young employees feel more mental strain than older people in the workplace (with the exception of students working part-time jobs). Young people between 25 and 35 are more likely to be emotionally drained, depleted at the end of the working day, tired when they wake up, completely exhausted, nearly overstressed, and more likely to think they need to be on stand-by outside working hours. These are symptoms of a risk of burnout, caused mainly by an imbalance between heavy demands on the job and inadequate resources in the workplace.

Renting/buying for the first time

Young people today leave home later, pay higher rents, and buy their first house later than previous generations. There is evidence in the housing market that the number of young people who can and do build an independent existence for themselves is dwindling. The causes lie in poor access to public housing due to long waiting lists and strict income requirements, and the fact that first-time buyers clearly have a harder time than investors and those moving up the property ladder. One of the contributing factors is the introduction of the student loan system. This forces young people to borrow more to pay for their education, saddling them with debt that then limits the size of the mortgage they can take out. Young people are increasingly being forced to rent in the private housing sector, although the majority live in rent-controlled housing.

The situation in the housing market is forcing a growing number of young people to continue living with their parents for longer, with the introduction of the loan system

being an important factor for students. Many of them have seen their housing costs rise sharply in recent years, largely because they tend to rent much more often than buy. On average, those under 35 who rent have a housing expense ratio of 42.6 percent, whereas a ratio of 30 percent is regarded as normal and 40 percent as high-risk.

Starting a family

Young people today put off cohabitating and/or marrying longer than previous generations and have their first child later as well. The growing prevalence of flexible employment practices appears to play a role here. The majority of young workers are economically independent, although discrepancies remain between men and women and between those from immigrant and non-immigrant origins.

Young people are worried about the quality, accessibility and affordability of childcare. Not only are good childcare facilities important for the child's development, but they also help young fathers and mothers enter and remain in work. Only 10 percent of fathers cut back on their working hours after the birth of their first child.

Recommendations

Surveys and interviews with young people show that they are generally happy and expect to achieve their plans for the future. The picture that emerges is of an ambitious generation of young people who study hard, embark on business ventures, are eager to work, seek security, and are keen to look after others. Young people enjoy opportunities because of the many ways in which education and the labour market have improved and become more accessible in recent decades. Nevertheless, at every stage of life – 'post-secondary education', 'finding a job' and 'starting a business', 'renting/buying for the first time' and 'starting a family' – young people worry and encounter obstacles to growth and development and to building an independent existence for themselves. This is particularly true for vulnerable groups of young people, such as those with disabilities or a non-western immigrant background and, to a lesser extent, women.

The Council's Youth Platform would like all young people to have the opportunity to make the most of themselves. Engaging all young people in our increasingly complex society and labour market requires a consistent policy that focuses in particular on the risk groups identified. The following recommendations are particularly important in this context.

1. Introduce a generational impact assessment

The Council's Youth Platform believes that government has paid too little attention to the cumulative impact of policies on young people. Some policies can be defended as partial measures, but their cumulative effect on this cohort of young people is significant. In the future, the Government and Parliament must take a more structured approach to considering the long-term effects of policy measures on present and future generations. Coalition agreements and important social agreements (and their financial implications) should be scrutinised more closely to identify the consequences for different age cohorts, given their position at the outset (including their income position). The impact assessment should be an integral part of the policymaking process. The Council's Youth Platform calls on the Government to investigate how a 'generational impact assessment' could be introduced as part of the law-making process and when preparing political and social agreements.

2. Examine the student loan system

This study found that the impact of the student loan system on young people extends beyond the accumulation of student debt. The Council's Youth Platform considers it important to examine the implications of the student loan system for young people's financial position and subsequent life events (e.g. buying a house and starting a family), and to reflect on appropriate alternatives. The Youth Platform will also study this issue itself.

3. Consider the pressure to perform and psychological complaints

Many young people are struggling with the pressure to perform and with psychological complaints. The Council's Youth Platform wishes to draw attention to these circumstances. Many young people feel stressed, overwhelmed by all that they are required to do in the course of a single day, and unable to live up to their own expectations of themselves. They feel growing pressure to perform and are experiencing increasing psychological complaints. These feelings appear to be exacerbated by social media and life in a society in which people are expected to pull themselves up by their bootstraps. Young workers feel greater pressure to perform and are more likely to have psychological complaints and burnout-like symptoms than older workers. The Council's Youth Platform considers that the discussion about changes in the labour market (including in the Borstlap Committee) should also consider the position of young people and the impact of flexible employment practices on the pressure to perform and psychological complaints.

4. Look at the effects of flexible employment practices

Flexible employment practices are more common and protracted among young people, affecting their milestones in life. Flexible working arrangements offer young people opportunities by allowing them to organise their working lives as they see fit and to combine work, study and care. Nevertheless, the Council's Youth Platform believes it is time to take a closer look at the adverse impact of flexible employment practices on them. Because such arrangements depend heavily on the economic climate, young people have less work security, job security and income security. In addition, the rise of flexible employment practices means that young people are less likely to engage in lifelong learning, which is of paramount importance for their employability and their careers, in part because rapid advances in technology can quickly make skills and knowledge obsolete. Working on a succession of temporary employment contracts forces young people to postpone certain life milestones. The consequences of such uncertainty extend beyond the labour market.

5. Be aware of discrimination in the labour market against certain groups of young people

As noted above, there is an 'invisible wall' between groups of young people, including in the labour market. Depending on their social network and other factors, the wall appears to be even higher for young people of non-western immigrant origins and for young people with a disability. They are particularly vulnerable to exclusion, often due to prejudice or discrimination. There is a growing risk that some young people will be unable to enter the future labour market or will be excluded from it. Discrimination in employment is demotivating and adversely affects young people in their very being. The Council's Youth Platform believes that they deserve better prospects and calls on employers and society to engage with them more.

6. Study entrepreneurship among young people

The average age at which people start their own business is falling and entrepreneurship is popular among young people. However, there is little information on how they perceive entrepreneurship and whether enough is being done to develop their business skills. Alternative forms of entrepreneurship, for example on social media, are also poorly understood. Finally, young entrepreneurs are more likely to discontinue their business and to do so sooner than their older counterparts. The Council's Youth Platform would like a closer examination of this subject.

7. See that education and the labour market are better aligned

The Council's Youth Platform would like to see closer alignment between current educational programmes and labour market requirements. Current programmes still focus too much on theory and too little on the necessary skills and competences, leading to a mismatch between learning and working. Traineeships are not always the solution. The Council's Youth Platform wishes to emphasise that cooperation between educational institutions and the business community (at regional level) can improve the labour market position of young people and that more dedicated traineeships and work placements can ease the transition to full-time work. Educational programmes should devote more attention to traineeship and employment opportunities for all young

people. The Council's Youth Platform sees progress in VET in this respect, but also recognises that there is still a long way to go, particularly in higher education. It therefore calls on both educational institutions and host companies to offer students better support as they search for a traineeship and work as trainees. Young people have been critical of the guidance provided by educational institutions, especially in higher professional education. It is important for young people to continue to develop their talents over the course of their careers so that they acquire the right skills and keep them up to date. This is the case for young workers on permanent or flexible contracts as well as for young entrepreneurs.

8. Improve young people's position in the housing market

Young people are worried about their position in the housing market. Several steps can be taken to improve that position. The Council's Youth Platform is concerned about the limited opportunities to move up the housing ladder. The available housing stock for young people must increase, for example by removing certain obstacles (waiting times, income requirements) in the public housing sector. One option would be to make more use of a lottery allocation mechanism. It is also important that accumulated student loan debt is not factored disproportionately into future mortgages, as promised when the loan system was introduced. The standard practice now is to factor the original student loan into the mortgage calculation instead of the current student debt. The Council's Youth Platform recommends stipulating that mortgage lenders take only current student loan debt into account when calculating a mortgage ceiling. A further point of consideration is evidence of discrimination against young people from a non-western immigrant background in the rental sector and housing purchase market.

9. Expand childcare arrangements

Young adults who work and have young children often feel overwhelmed and have trouble juggling all their responsibilities. This is more often the case for women than for men. The Council's Youth Platform would like to draw attention to two recent Council advisory reports on combining work, study and care (*Een werkende combinatie*) and on a future system of childcare facilities (*Gelijk goed van start*). The recommendations made in these reports are aimed at making childcare more accessible (evenings, nights, weekends), smarter time management (flexibility in the workplace), and comprehensive daytime childcare arrangements (and aligning working hours and school times). The accessibility and affordability of childcare are also important issues for the Council's Youth Platform. It therefore recommends adopting the recommendations of the foregoing advisory reports.

10. Make young people's financial position clear

The Council's Youth Platform observes that many young people have financial worries that impede their growth and development. For example, unfavourable financial prospects can influence the decision to continue their education. It would be beneficial for the Ministry of Education, Culture and Science to have a better understanding of where young people stand financially. Their purchasing power, and more specifically that of students, should be analysed. In addition, specific research is needed into the financial position and obligations of those who continue their studies at every level of education and of students with a disability or chronic disorder. The student loan system clearly plays a major role in young people's financial insecurity and has a knock-on effect throughout their lives. Given these observations, the Council's Youth Platform considers it important to examine the implications of the student loan system for young people's financial position and subsequent life events (e.g. buying a house and starting a family). The Council's Youth Platform will also study this issue itself.

Work agenda

While drafting this study, the Council's Youth Platform noted that there is still too little information available on a number of issues, even though they play a role in determining which opportunities for growth and development are available to young people. It therefore recommends undertaking follow-up studies on:

1. the student loan system
2. unequal opportunities among young people

3. mental pressure among young people
4. discrimination in the housing market
5. entrepreneurship among young people
6. flexible employment practices.

The Council's Youth Platform would itself like to study many of these issues.

The Council's Youth Platform wishes to emphasise that the extent to which young people are adequately equipped, can grow and develop, and can lead an independent existence impacts the Netherlands as a whole. It is important to realise that the opportunities and obstacles that Dutch young people encounter at each milestone have consequences for society at large. These positive and negative impacts have become visible in the short term and are likely to become even clearer in the long term. The present study therefore concerns not only young people today, but also our community, economy and society in the future.