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Investing in youth: an empowerment strategy

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Contributions

In drafting the report, the authors received inputs and comments from the Group of Societal Policy Analysis (GSPA), made up of top European experts in the social sciences. GSPA discussed the topic 'Investing in youth' on September 8th 2006 (see the minutes on http://ec.europa.eu/dgs/policy_advisers/experts_groups/gspa_en.htm). A request was then made to BEPA to write a report on this issue. This report follows up on a shorter paper published in October. A draft of this report was discussed during a second meeting on December the 7th 2006 (minutes on website as above). An overall discussion on a Youth empowerment strategy within the context of new social realities in Europe took place on April 3rd. All along this process, Commission services, notably DG Education and Culture, DG Employment, DG Regional policy, DG SANCO and CRELL helped us with very useful inputs, detailed comments and references. The European Youth Forum reacted on the first (short) version of the paper. BEPA also benefited from the co-operation of individual members of the GSPA, in particular Gösta Esping-Andersen, Maurizio Ferrera, Julian Le Grand and Frans van Vught. Jane Jenson also contributed with helpful comments and references. Remaining errors are the sole responsibility of the authors.

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Executive Summary

The youth is the future, and timely and effective investment in youth is the key to making that future prosperous, both **economically and socially**. Child poverty and high youth unemployment levels attest to European countries' failure to meet the criteria of successful investment in its youth. An encompassing youth strategy is needed to adequately equip the younger generation for the future; a future that is characterized by rapid changes, the complexities of globalisation, the development of the knowledge society and an ageing population. Demographic trends make the need more pressing: the pressures of supporting a growing elderly population will fall upon a declining number of workers, implying on the one hand the increased importance of their productivity and on the other hand the need to better balance the intergenerational contracts.

The key for successful youth policies is to ensure that people can make the most of the **opportunities** they have. Individual **responsibilities and incentives** are important not only to cater for individual taste and capabilities but also to prevent life style diseases and inadequate formation of human capital or costly waste of social capital. The role of the authorities is to stimulate and empower people to take these responsibilities, to facilitate change and to ensure the most efficient use is made of resources. In addition, government policies are needed to cater for risks that cannot be insured against, for safety net arrangements and to favour second chances.

Empowering the individual is not simply a matter of providing the right incentives for personal investment and guaranteeing returns; it also means providing the individual with the means to effectively adapt to change. An education curriculum that insists on cognitive and social skills enables the individuals to handle a broad range of issues; likewise mental health programmes that focus on providing individuals with the ability to cope when issues arise are an example of this. 'Partnership for Children' is one such programme, aiming at reinforcing the mental and emotional health of six to seven year-olds. Another programme is 'Shape Up', which is an interactive programme designed to encourage decision-making and taking responsibility with regard to eating habits. At school, through cultural, sports and other participative community programmes, children and students need to develop social and cognitive skills in order to acquire the ability to cope with change and become involved and efficient citizens. Learning to communicate through language at the earliest age is the first and most crucial skill to acquire.

The call for youth policies is not new. Most Member States already have a youth policy. What this paper calls for is to create a momentum for a **renewed investment strategy**. The word investment needs to be taken broadly as investments in **human and social capital**, which imply a **combined investment** by the young themselves, their parents, local communities, schools, sport clubs, various layers of government and other stakeholders. At the policy creation level, youth investments imply **shared responsibilities for the EU and the Member States**, with the largest share to be done at the Member State or even local level. Due to the high incidence of shared EU/Member State competence, this paper aims to provide a strategic overview of the situation in five main youth policy fields (child well-being, health, education, employment and citizenship) and provides policy recommendations, largely without distinction of competence. Specific attention is nevertheless paid to EU fields of action where relevant. The EU focus is important to (i) raise awareness, stimulate discussion and create political momentum for this common challenge in Europe; (ii) facilitate co-ordination **between policy levels**; (iii) use soft law and other EU-responsibility mechanisms; (iv) address Member State **common challenges but keep diversity of appropriate solutions** by promoting benchmarking and exchanging best practices in order to improve policy

performance across Europe, and (v) organise information gathering and monitoring. In this regard, an instrument like the Open Method of Coordination (OMC) can be particularly appropriate.¹

More broadly, elements of a successful strategy are to (i) invest early; (ii) combine social and economic goals; (iii) co-ordinate investment across policy areas and layers; and (iv) improve information gathering and dissemination to facilitate decision-making. While the **variations** in the current situation and immediate priorities across the Union are significant, Member States must recognise the **common challenges** they face in the long-term goal of **empowering youth** and adapt their economic and social policies accordingly.

Invest early

Early investments are crucial for **human capital** formation and **social capital** accumulation. The formation of the skills inherent in human and social capital is a **life-cycle** process. Investing early is much more **efficient** than repairing later. Whether in terms of health or education, the achievements of one stage are an input into the process of the next stage. There are thus high returns to early investments, while inadequate early investments are difficult and costly (though not impossible) to remedy later on. Inequities may be also **prevented early on**, while their effects become increasingly difficult to resolve with time. This is true for example in terms of early language acquisition which is so crucial for all later developments, in terms of health problems such as congenital obesity and consequent diabetes, tobacco or alcohol consumption and consequent related health problems, or education issues such as failure to acquire the necessary basis to progress to higher grades. A cumulative effect can be discerned across policy areas, as evidenced by the complex and temporal links (also across generations) between child poverty, health problems, educational failures, employment difficulties and lack of civic engagement. Early investment as a **proactive** (enabling) as well as a **preventive measure** is thus both efficient and equitable. The most efficient policy initiatives are almost invariably focused on the pre-school and school period, educating children and helping families to invest in a child's health and education in order to ensure future returns.

The relevance of early investment does not exclude future actions later in the life-course. One example is offering a second chance to youngsters who have dropped out of school. Another is to continue investments in human and social capital over the life-course (for instance through life-long learning).

Despite the overwhelming case for prevention and early actions, it is also important not to write off human capital once risks have materialized. There are two reasons of this: First, because of well known demographic trends Europe cannot afford to sideline too many people. Second, social cohesion can be threatened by dual societies. This holds equally for health risks as for education and employment failures. It is possible to institutionally combine incentives for prevention with second chance policies. Suppose children (and their parents) are stimulated to perform well at school and employ healthy habits. The private returns of good performances in these categories are substantial. Equally, the private costs of dropping out are equally substantial. Nobody wants to be a drug addict or an obese unemployed. Yet, when these risks have materialized, second chance policies can be activated to revamp (some of) the lost human capital. Of course such policies need to be carefully designed, but absence of such policies can be very costly.

Combine social and economic goals

¹ The OMC provides a framework for cooperation between the Member States, whose national policies can thus aim at certain common objectives. Under this method, the Member States are evaluated by one another, with the Commission's role being one of monitoring.

Investing in youth provides an opportunity to combine economic and social goals. More often than not efficient outcomes require equitable investments and equitable outcomes require efficient investments. Child poverty – a problem of growing proportions across Europe – is an example of where equitable investments yield efficient outcomes. If not prevented early on, child poverty is a harbinger of costly social malfunction. The links between a poor socio-economic start to life and health risks, failure in education and later unemployment and furthermore lack of political engagement are numerous, diverse and costly for society. The **benefits of investment are both direct** (social security payouts and ineffective investment) **and indirect** (returns of human capital). Educational improvement, for example, will likely lead to reduced unemployment benefit costs, and foster tax returns on the envisaged employment of the individual. The incentive for personal investment in education, for instance, is thus relevant to the expected returns through employment. If the personal returns decline due to high income-tax rates or instability of employment, the incentives for prior investment in education and training decline proportionately.

Higher education is an example of where efficient solutions can yield equitable results. A system with high university autonomy, tuition fees along with income-contingent social loans, is efficient, but also may have the highest chance of providing equal opportunities for all. A higher education system with free entry for all seems equitable, but in practice often leads to the emergence of a dual system which undermines equity and takes away resources from grants and loans which may have a more efficient and fairer impact.

The fact that education, health and labour market institutions can be designed in a way that favours both efficiency and equity does not mean that difficult choices can always be avoided and trade-offs disappear. In the labour market the level of employment benefits should be traded off against the incentive effect. A balance should be stricken to secure young people and ensure that the benefit they would be entitled to do not discourage them to find another job. In the domain of health, under certain circumstances, enhancing personal financial incentives can imply that suboptimal health choices may be made. In education, public investments in quality represent a political choice against investments made elsewhere in society.

Invest in a co-ordinated manner across policy areas

The investment policy fields studied in this paper (childcare and child well-being, health, education, employment and citizenship) interact with each other. This calls for appropriate policy **co-ordination** and **prioritisation** at all levels. Youth initiatives that fail are often characterized by several organisations working on similar subjects but in isolation. Successful policies are often policies that are both **inclusive and concrete**. For example, it is more effective to open a one-stop-shop² in schools for health or health-related issues, than to single out any one particular health issue. For primary education to be effective a common approach is needed on the whole range of issues including early education, teacher quality, integration of segregated or under-represented segments of the population, prevention of early dropping-out and education to – and experience of – citizenship programmes. Labour market institutions must be tailored to avoid favouring insiders over outsiders (which hinders rapid youth entry) and be underpinned by educational support and efficient public employment systems. Facilitating rapid entry in the labour market requires efficient co-operation between educational institutions and employers. Anti-poverty measures should be made coherent with actions to increase labour market participation of women in quality and stable jobs, supported by childcare and education facilities. At the European level, the **Open Methods of Co-ordination** on youth, on social inclusion, on employment and on education, as well as the

² A service that offers a multitude of services to the customer.

Youth Pact, are already in place as key elements to mobilise energy on some of these issues. Such tools would gain nonetheless from being more wide-ranging and systematic in their practical application. An EU **annual report on youth** could, for example, insist on the **cross-cutting** aspects of the issues at stake, encouraging the **various stakeholders** (childcare, education and health service providers, employers, trade unions, local and regional authorities, etc.) to favour better articulation between policy areas, and improve accountability.

An **integrated** strategy furthermore implies effective **links between the public and the private sector**. Weaknesses in past youth investment strategies can be attributed in part to the lack of such a co-ordinated approach. Investments are required in the links between the individual, the employer and the state. The EU can, for instance, play a **co-ordination** role in the design, implementation and reinforcement of pilot projects, even at a local level, such as Second Chance Schools, which work closely with employers. More generally, investments in the family, whether by improving information dissemination or support networks, are – by reinforcing **personal incentives** – crucial for the effectiveness of public institutional investments. In order to encourage people to live a healthier life-style it is not sufficient to point out the costs and benefits to the state. Encouraging private (individual or commercial) investments in education on the basis of future returns is another example of the beneficial circle of **public-private co-ordination**. Creating and maintaining such **private incentives** relies on the expectation and delivery of tangible results produced by a successful co-ordination strategy.

Invest in improving information gathering and dissemination

There is ample opportunity for policy improvement through exchange of practical knowledge and experience. The difficulties involved in assessing the effectiveness of policies as well as in co-ordinating policy initiatives often result from lack of **comparable data** across Member States and across sectors. In the same vein, **mobility** in the EU is hindered by limitations in the recognition of the **transferability** of skills. The Bologna Process has allowed important progress in the recognition of qualifications, but many barriers remain due to the dearth of comparable information. **Monitoring observatories, research bodies and clear criteria** need to be in place at all levels – regional, national and European – and across fields. It is essential that the EU establish common criteria and monitoring tools and work to **facilitate** the exchange and assessment of knowledge, experience and best practice identified by these institutions of research. The **Open Method of Co-ordination** has once again further potential to be exploited. The European Commission could also play an important role through establishing a European-level research programme synthesising developments across policy areas so as to measure the impact of social investment in youth, and, as was suggested above, an **annual review** on the situation of youth across the Union.

Finally, it is essential that information flows between **all stakeholders** in the youth investment strategy, including the youth themselves and their families. There is no such thing as passive acquisition of human capital, and the concept of passive empowerment is contradictory in nature. Human capital investment relies also on a personal investment and on a **personal ability to effectively adapt to and exploit the structures in place**. Hence the need to underpin individual and collective empowerment strategies with attention to the accumulation of social capital. Whether one is searching for work, seeking support in times of need or simply to live a full and active life as a citizen, it helps to be part of networks and to understand institutions. The success of any given policy relies on its effective adaptation to the needs of the individual, the most fundamental of which is the need to have and maintain **confidence** in the workings of the system as a whole; confidence in the delivery of the

personal returns pledged for the personal investment. Such a relationship between the individual and the community cannot be realised without a continuous **dialogue**, with public institutions listening to and taking into account the views, behaviours and needs of young **citizens** – and being recognised as doing so – while in return compiling and disseminating the information the individual needs to make effective **personal investment choices**. An example of the importance of this dialogue is in effective educational and career orientation. The successful matching of an individual to a course or a job depends upon providing the right incentives to the individual in question. In order to do this, a clear understanding of the returns the individual can expect is necessary. In the case of educational courses or institutions for example, this should be based on a follow-up of graduates, providing essential information to favour informed individual choice. Youth involvement in political parties and participation in the design and implementation of youth policies is equally essential not only for the purpose of efficiency, but also to secure institutional accountability and legitimacy. This is especially true of European institutions, if a citizen's Europe is to underpin the progress made in economic integration.

Initiatives have been taken at EU and Member State level in response to the dawning recognition of the issues involving youth, with many positive results. Now, there is a need to reinforce this political momentum and enhance the coherence between Member State and EU action. Most importantly, a conceptual shift is needed to envisage youth policies in terms of trajectories and long-term social investment.

1. INTRODUCTION: HUMAN CAPITAL AS THE CENTRE OF A YOUTH STRATEGY

What does the Europe of tomorrow need? It needs above all healthy and happy people, people who participate in society and a skilled and adaptable labour-force. These needs are not new, but the combination of demographic trends, the increased speed of societal changes and worrisome situation in political participation, health, child poverty and education call for serious reflection on youth. Whatever the exact nature of the needed investments, now is the time to build the political momentum, since prevention is much better than cure. This report provides analytical building blocks for the creation of such a political momentum in Europe.

Investing in youth means investing in human capital and social capital, starting early but not stopping there. Human capital needs permanent upgrading all along the life-course. The economy of tomorrow relies first and foremost on the use of its human resources. 'Investment' should be interpreted in a broad sense that includes personal investment by youth themselves, parents, schools, various layers of government and other stakeholders. The investment is not only monetary, but involves time, effort, and social and cultural investments too. If adequately managed, these investments may yield substantial private and social returns. Human capital formation has economic benefits in increasing employability, in private earnings and social benefits in reducing poverty and increasing civic participation. Investment in human capital also stimulates economic growth by improving the quality of labour supply; and it saves also social costs as shown by Heckman (2004). Investing in social capital may increase the productivity of individual and groups. Investing early in disadvantaged youth is even more beneficial, both economically and socially.

There are many different ways to invest. Some differences in investment choices can be explained by differences in social systems, culture or preferences, but in other cases differences can imply that best practices are not followed. So one of the goals of this paper is to shed light on best practices in different areas.

In the coming years, young people will become less numerous vis-à-vis their elders. In the 50's, they represented 40% of the EU25 population; they now represent around 30% and by 2025 the figure is expected to be less than 25% (EC, 2006e). One of the consequences of this change in the composition of the population is that the political influence of young people as well as of families with children may decrease. As a result, nothing can guarantee that the effort of investment (for instance, when investment deals with public money, the effort can be measured in terms of expenditure per head) will be maintained. The inter-generational balance is swinging political and social power towards the senior majority, thus running an increased risk of under-investment in youth. Meanwhile, investment, for instance in education, is pressing, as it takes time to yield returns and globalisation is putting more pressure on the lower-skilled.

Human capital as the centre of youth investment

Investing in youth is, indeed, one of the key responses for Europeans to tackle the challenges created by rapidly changing social, economic, technological and demographic environments. Changing contexts make investing in human capital more pressing than ever. In a recent paper, Frans van Vught (2006) addresses the issue of human capital in a 'knowledge society'. He discussed the achievements of European education systems and explored the development of the qualifications structure of the European labour force. He argued that a knowledge-intensive economy entails wage inequality, leading to increasing inequalities between less and better skilled new entrants to the labour market. In addition, the knowledge society has been creating a race between education and technology, a race that may be increasingly being lost

by education. Europe's youth appears especially to be confronted with the harsh effects of the dynamics of the skills-driven labour market of the 'knowledge society' (Vught, 2006).

There is a key role for human capital in responding to the new economic and social challenges Europe is facing. One must bear in mind that human capital formation is a dynamic process that starts at an early stage and continues throughout a lifetime. Human capital acquisition has changed with the transforming economy and the developing knowledge society. School-based learning and apprenticeship are no longer sufficient to 'last' the whole life-course. Therefore, human capital is more than ever before about learning to learn, social skills, adaptability, etc.

The European youth of today must above all develop their human capital and be in a position to help their children develop their own human capital, and have the right incentives to do so. This involves a complex multi-faceted and multi-stage investment strategy. As far as human capital is concerned, investing in youth is complex since it requires by its very nature a combined effort by the youth themselves, their parents, schools, non-governmental organisations, and various layers of government.

This strategy helps also to reunite social and economic goals. As Esping-Andersen (2002) puts it, 'There is one basic finding that overshadows all others, namely that remedial policies for adults are a poor and costly substitute for intervention in childhood. Solid investments in children and youth now will diminish welfare problems among future adults.' Investing in youth represents thus an excellent opportunity to reunite social and economic goals. This does not imply that there are never trade-offs or difficult choices to be made. An example where social and economic goals can go hand in hand is in child poverty reduction. Effective reduction of child poverty will be socially inclusive and the upgraded human capital can be reinvested in the economy. An example of a difficult choice is in financing of health care, where investment in high quality, availability and low prizes for patients might be burdensome for the budget. Beyond the issue of direct economic benefits, some observers advocate the urgent need to develop a 'warmer' and 'caring' face for Europe in order to help European integration to develop and prosper (Ferrera, 2006). Paying special attention to youth could represent an efficient as well as a highly symbolic boost for Europe. It could revamp Europe's social dimension and increase the sense of belonging of its citizens which is itself essential to achieve economic and social objectives. Moreover it would result in much needed greater confidence of the young in their future.

What are the various steps of this strategy?

Early investment. For human capital formation, early investments are crucial. Not only is it more efficient to prevent 'problems' than to solve them afterwards, it is also the case that, in the words of Nobel Prize Laureate J. Heckman (2004), 'early success breeds later success, just as early failure breeds later failure'. This applies to cognitive skills, social skills, health and culture. Human capital is even transferable to future generations. This view does not rule out later investments providing people with a certain form of second chance. But the returns of such investments are less favourable. A consistent body of research suggests that high quality early childhood education can provide long-lasting benefits to children. These results indicate the need to consider early childhood as a prime target of intervention.

First the starting conditions for successful investment must be there. This requires favouring children's well-being and development and avoiding child poverty or unfavourable socio-economic surroundings which are cumulative. A second prerequisite for successful investment is good health, of particular importance in the light of new or growing challenges such as mental illness or obesity.

Secondary education. Once the prerequisites are there, the core of the investment lies in education. This begins with early childhood care and goes through every step of the education system. According to Carneiro & Heckman (2003), after 8 years, the focus should be more on non-cognitive outcomes, such as social skills, work habits, and motivation, which are malleable for a longer share of time than cognitive skills. Thus, all results suggest the need to invest in early childhood. Investing in 'formal' early childhood education is necessary but not sufficient. Cognitive and social skills could as well be fostered by other institutions, namely by civil society (family, friends, sports and culture groups, etc.).

Research also shows that most disadvantages need to be addressed at this early stage, yet education systems do not compensate enough for the socio-economic background of a child to prevent from cumulative disadvantage. One of the symptoms of mal-functioning regards the number of ESL (Early school leavers) and the poor results in PISA (Programme for International Student Assessment) of these youth in some Member States.

Higher education. The challenges here are pressing since future economies require greater needs to be fulfilled by fewer people and social skills are growing in importance. The most recent OECD 'Education at a Glance' report shows that Europe is lagging behind in a number of fields: funding (the gap with other OECD countries is about 1.5 % of GDP, see EC (2006a)) especially from the private sector, is insufficient; the question of giving the right incentives to invest in education is crucial.

Labour market. Once education has been completed successfully, entry into the labour market should be the right moment to reap the benefits of initial investments. For this reason, the job market should be ready for young arrivals as they themselves should equally be ready for the job market. Otherwise, the investment in education would not be very efficient. This implies labour markets that do not favour insiders over outsiders, and systems that promote smooth adjustment into fully-fledged working life. This means also that human capital must be rebuilt or improved in employment and between employments to prevent damageable loss in human capital.

Political participation. Investing in youth also requires young people to participate in wider society. This is a challenge, given the lack of interest of young people in traditional politics. Promoting youth participation in society is important for the acceptance of youth policies and because young people rarely feel that their voices are heard (Eurobarometer, 2005). Here too, learning begets learning, since the training of children into knowing their rights and duties, institutions and respect for others, as well as the experience of political involvement, are investments which help create social capital.

The issue of co-ordination and linkages

Human capital formation is not simply a set of disjointed investments over time. Each step is an input into the next. This clearly justifies early intervention. Beyond this mechanism of learning to learn, one must bear in mind that the 'return' of the investments in early education depends on the general context. For instance, the situation of youth in the labour market depends on the smooth functioning of the labour market in general. Furthermore, the poverty and social exclusion of parents seriously limits the opportunities open to children and their access to opportunities in later life, thus compromising the future well-being of society as a whole. As for women's employment, we know now that it is an essential lever for fighting poverty, but the quality of their working environment has surely to be improved, also to benefit the development of children (and families). Studies show that for the development of the child, parents (women and men) need to have quality work with flexible hours but also job security and a pressure-free work environment. They should be in a position to equally share house-work, care-work and paid work. With regard to early investment in human capital, it is important to underline the complementarity of human capital investments: 'learning begets

learning'. This also implies that early investments are not productive if they are not followed by later attention to human capital (in the labour market or elsewhere).

There is a need for coherence across policy fields and layers, and to provide the right incentives to invest in human capital. Successful policies are often policies that are both inclusive and concrete. For example, it is effective to open a one-stop-shop in schools for all health or health-related issues; certainly more so than to single out any one particular health issue. In the same way, labour market institutions must be tailored to avoid hindrance to rapid youth entry and underpinned by educational requirements. Poverty measures should be made coherent with actions to increase labour market participation of women, the provision of quality childcare and education facilities and the experience of civic participation which starts with language acquisition and in school councils.

This report will not go into a detailed discussion on who exactly constitutes the 'youth'. As the focus of the paper is the life-long trajectory (rather than one specifically-targeted age-group), we will consider the end of youth as the moment of attainment of financial autonomy and full participation in society. Nevertheless, throughout this report it is important to keep in mind how people from different age-groups may have different needs, which call for specific policies.

The following sections deal with youth from an investment perspective, announcing five top priorities that broadly coincide with various life stages: child well-being (section 2), health (section 3), education (section 4), labour market integration (section 5) and citizenship and participation (section 6). These sections follow the same structure: they deal first with the stake of the investment; then describe the main trends and changes in Europe; finally, some recommendations are put forward without discussing the respective competence of Member States and the EU. Section 7 concludes by discussing the specific role the EU can play to enhance investments in youth.

2. CHILDREN'S WELL-BEING: STARTING STRONG

Early childhood is the right time to invest for efficiency and equity reasons. Research has highlighted that high quality investments in the care, the education and the well-being of young children have important long term returns. They may promote the readiness from schooling, the productivity of schools, the performance at university, raise the quality of the workforce, reduce crime and welfare dependency, raise earnings. This investment can be even more effective for disadvantaged children. The children's poverty and the risks of intergenerational transmission is a worrying trend in many Member States. Empirical research has shown it can be partly offset by policy intervention which includes investing in quality educational and care structures for young children. The role of the parents should not be neglected; they have the stronger interest in providing for the well-being of small children. Giving them proper recognition and financial support may be a decisive 'enabling' factor. The promotion of gender equality is also an efficient way to channel investment towards children. Efficient investment in children is beneficial for society at large.

Key facts and figures

- Investments in the care, the education and the well-being of young children may have important long term results. In the US, for instance focusing solely on earnings gains, returns to dollars invested are as high as 15-17% (Heckman, 2006). Returns are larger on disadvantaged children.
- According to the Barcelona targets fixed in 2002, all Member States should by 2010 provide childcare for at least 90% of children between 3 and the mandatory school age and at least 33% of children under 3 years old. 7 Member States have already reached the first target and 4 have reached the second one.
- There are about 94 million children and young people below 18 living in the EU. Around 19% (20 million) have known an above average risk of income poverty. This risk is greater than for adults (16%). The risk depends on family composition as well as access to employment of parents.
- The proportion of children living in poverty ranges from 2.4% in Denmark to 16.6% in Italy. It has increased in the nineties in 14 out of the 17 EU Member States for which data is available.

One of the crucial findings in contemporary research is that the very early childhood investments may matter most. 'Early' means from birth until the compulsory school age. Policy aiming at preparing a healthy future has to make sure that individuals have a 'strong start' from birth. To provide all children with the best chances to develop the full variety of their skills, there is a need to give each child the widest opportunities to develop into a confident, responsible and knowledgeable young girl or boy and an active and committed worker and citizen. Investing in all children is necessary because the future labour force will be shrinking and needs to confront the issue of increasingly large dependent groups. According to Ruhm (2004), easing the impact of parenthood on employment, income and living conditions could be decisive in helping young couples have their desired number of children. The ideal declared number of children for both women and men from all member states is superior to the 2.1 replacement rate while the fertility rate for 2004-5 was 1.5.

2.1 What is at stake?

2.1.1 Early education

Early education is the first issue which requires investment if the best development chances are to be given to all children to seize future opportunities. In the EU, the provision of childcare arrangements has, since the early eighties, been associated primarily with the participation of women in the labour market. Research has concentrated on the availability and costs of childcare services, the compatibility of opening hours with paid work, employers' participation in the cost and the quality of care as long as it can make parents reluctant to use the care on offer. These are important issues as parental income and time are essential components for the proper care of children too. But this consideration from a working parents' perspective has undertone attention to the question of early education. An extensive study on Early Childhood Education and Care in 20 countries, started by the OECD in the late nineties, confirms the benefit that children draw from early education as long as a number of criteria are met: '*children who participate in high quality Early Childhood Education and Care (ECEC) develop higher-order reasoning and problem solving skills, are more cooperative and considerate of others, develop greater self-esteem and are better equipped to make an effective transition to compulsory schooling*' (OECD, 2005a). The cognitive social and emotional development of children who have attended quality ECEC improves their likelihood of educational success and further of successful integration into the labour market. The effects are even more significant and long-lasting with children from disadvantaged socio-economic and ethnic backgrounds. This empirical finding is repeated in the Commission's communication on Efficiency and Equity (EC, 2006b). Obviously, good cognitive and behavioural outcomes for children depend on the quality of the service provided and the OECD (2006) suggests governments and stakeholders to pay particular attention to the following: The quantity and qualification of staff but also the establishment of pedagogical goals and governance structures for an efficient system of accountability and quality assurance as well as placing well-being, early development and learning at the core of ECEC work, while respecting the child agency and natural learning strategies.

In order to promote government investments in early childhood services, *cost benefit analysis* has been a dominant feature of the research made by public or private bodies in the last 20 years, Andersson's pioneering study of Swedish children in 1989 and 1992 (Andersson, 1992) or the French national survey (Jarousse, Mingat and Richard, 1992) and the Chicago Child Parent Centers Study (Reynolds & al, 1992) come to the conclusion that not only the children and families concerned (and particularly children at risk of poverty), but equally schools, governments and national economies benefit from investment in early childhood care and education services. Some, as the Canadian cost benefit analysis (Cleveland and Krashinsky, 1998) or the labour market taxation study (Statistics Norway, 2002), focus on the social, economic and labour market returns on investment, others on the educational returns. The efficiency of the investment is broadly confirmed (Carneiro & Heckman, 2003) on the basis of a number of pre-school programs which have been extensively studied in recent years.³ It is argued that by establishing and maintaining a network of early childhood *quality* services, significant *employment* is generated, *tax revenues* increased and important *savings* are made in later educational and social expenditure, if children, particularly from poor backgrounds, are given appropriate developmental opportunities early enough in life. Price Waterhouse Cooper (2004) argues that expanding ECEC services in the UK may create a 1 to 2% rise in GDP through higher rates of female employment and increased lifetime employment rates.

³ The Chicago child parent centres, North Carolina Abecedarian Early school intervention, the Perry pre-school study, *Head start*.

Language and communication skills are central to learning at school. Because both vocabulary level and the ability to communicate thoughts and needs have been identified as key components of the readiness to learn, access to quality early childhood education services has a significant effect on the school performance of all children. It softens the social and ethnic inheritance of poverty by having all children learn and speak the national language before entering primary school. It avoids the singling out of underperforming children already at the age of five and costly catch up schemes can be avoided.⁴ Migrant children need relevant support in school and at home so as to have the opportunity to develop good skills in two languages, both their mother tongue and the language of their host country. Investment in early childhood education and well-being has also to be accounted for in parents' time and attention. Children who experience a positive interaction with a nurturing, involved parent have been found to have better school and social outcomes than others. A recent Canadian Research on a population of 5 years old children (Thomas, 2006) shows that high interaction with parents produces children who display more curiosity, play more cooperatively and tend to be independent in dressing. However a high level of positive interaction with parents is heavily dependant on the income level of the family (79% at the lower level of income against 86% at the higher level⁵) and on the level of education of parents (79% of children reported to have high level of positive interaction with parents with high school level or less and 84% with parents with more than high school level of education). Interaction with parents is recognised of benefit to society in countries where the leave arrangements for parents of small children are generous. Swedish and Danish parents invest a lot of time in the education of their children, almost 30% more than French parents (Ederer, 2006). In most Member states, parents, because of long or specific working hours and/or high stress levels, are not always in a situation where they can provide a high level of positive involvement. This accounts in large measure for the disadvantageous start that children from low socio-economic backgrounds get.

While access to quality education through schools can be a way to compensate for parents lack of nurturing attention, raising the level of parental awareness of their educational responsibilities towards their children and supporting them in providing this informal education (access to quality public libraries, community-based support programmes, language courses, etc.) is particularly necessary for families from low socio-economic and migrant backgrounds. Parents in other countries like Japan and Korea invest heavily in learning beyond school (Schleicher, 2006). Some of the successful Early Childhood programmes studied as for instance the Chicago child parents centres have encouraged parents to better their level of education (see box 2-1).

⁴Walther and Pohl (2005) argues that remedial policies concerning disadvantaged youth which single out 'problematic' youth and develop special programs bear the risk of undermining the self esteem of children and young people and their confidence and readiness to overcome problems. Strategies focussing on keeping all young people in mainstream institutions are considered as more promising for achieving a stable integration into society.

⁵ Low level : is below LICO (Low income cut off) and higher level, between 2 LICO and 3 LICO.

Box 2-1 Some long-lasting effects on general health and well-being of high quality programs of Early Childhood Education and Care

A group of American academics (Reynolds, 2006) recently published the result of a 20-Year Follow Up of Low-Income Families (93% Black, 7% Hispanic) whose children, born in 1979 had benefited from the Chicago Child Parent Centre (CPC) program within a publicly funded program for Educational enrichment, Family support services, and Health services from preschool to up to third grade. It is one of the few studies which has investigated the effects of such a program on adult health and well-being:

Relative to the comparison group and adjusted for many background factors, CPC preschool participants by age 24 had higher rates of school completion (71.4% vs. 63.7%), higher rates of attendance in 4-year colleges (14.7% vs. 10%), and more years of completed education (11.7 vs. 11.4 yrs). They were more likely to have health insurance (70.2% vs. 61.5%). They also had lower rates of felony arrests (16.5% vs. 21.1%) and incarceration (20.6% vs. 25.6%) as well as criminal convictions; lower rates of depressive symptoms (12.8% vs. 17.4%); and lower rates of out-of-home placement (4.7% vs. 8.8%). Participation in the school-age program and in the extended intervention also was linked to better health and well-being on some indicators. Some program effects were stronger for males, 2-year preschool participants, and children in centres rated high in child-initiated activities. For parents of study participants, both preschool and extended intervention was associated with higher educational attainment. Preschool intervention also was associated with lower rates of parental disability, whereas extended intervention was associated with higher employment. Participation in a school-based intervention beginning in preschool was associated with a wide range of positive outcomes in adulthood for children and their parents.

2.1.2 Child and young parents' poverty

The proportion of children living in poverty in the developed world ranges from 2.4% in Denmark to 16.6% in Italy (Chart 2-1). It has increased in 17 out of 24 OECD countries in the last 15 years, following societal changes and transitions (Char 2-2). It has started to decrease only in countries where a specific policy has been implemented.

Some of the reasons for this are: high rates of unemployment, temporary and low paid employment of mothers mainly; growing diversity in family structures and a growing number of family breakdowns and lone parents. In most OECD member states, social safety nets do not cover the risks of labour market instability and the impact of changing gender relations on children.

The poverty experienced by children is costly to society and likely to have long-lasting impacts on their health, education, socialisation and future employment. Poor children experience a disproportionate share of deprivation, disadvantage, bad health and bad school outcomes. When they grow up, they are more likely to have health problems, low educational achievements, a low self esteem, to become unemployed, to get low paid jobs, to live in social housing and to be involved in anti-social behaviour. Moreover, in most countries they are likely to transfer their shortage of opportunities to their own children. For instance, Bradbury and alii,(2001) shows that the majority of children change their income position, but a significant number stay in poverty; in countries with high rates of child poverty, e.g. UK, children are not only at a higher risk to become poor, but also to be poor later in life. This has an economic, a social and a political cost which has to be put against the costs of early interventions to reduce the risks of future negative outcomes and social exclusion. Prof. Esping-Andersen adds on the 'economic case' for investing in disadvantaged children by quoting some direct costs like for example the cost of one year's incarceration (in the US: \$50,000) but the argument is also about human resources in an ageing society: Investing in all children is necessary because the 'future labour force will be numerically small and must

shoulder huge dependant populations'. Hence, the more children and youth drop out of the system, the more costly it will be and the bigger the burden of the non-working population on a smaller proportion of the population. Give the best chances to all children to develop their skills is efficient: 'the proportion of today's youth with inadequate skills signals the likely size of tomorrow's social exclusion problem' (Esping-Andersen, 2007).

Chart 2-1 Child poverty rate

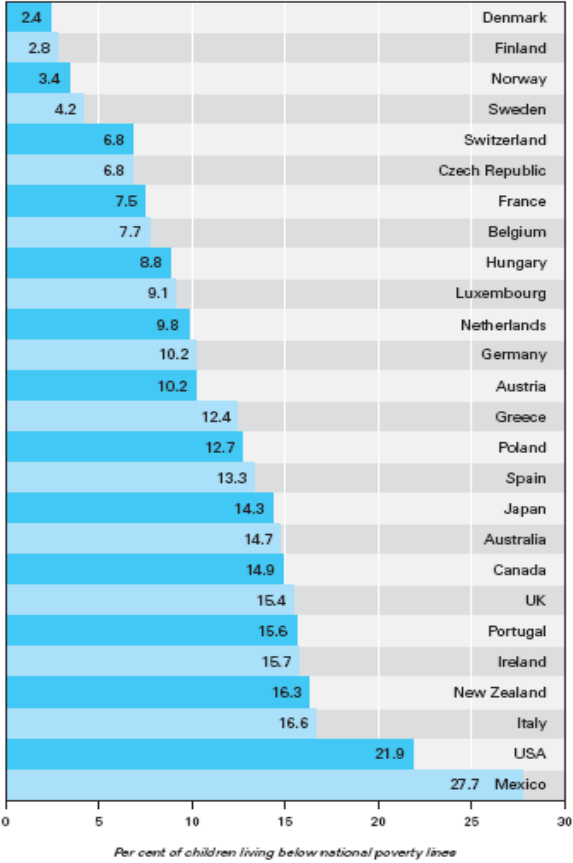
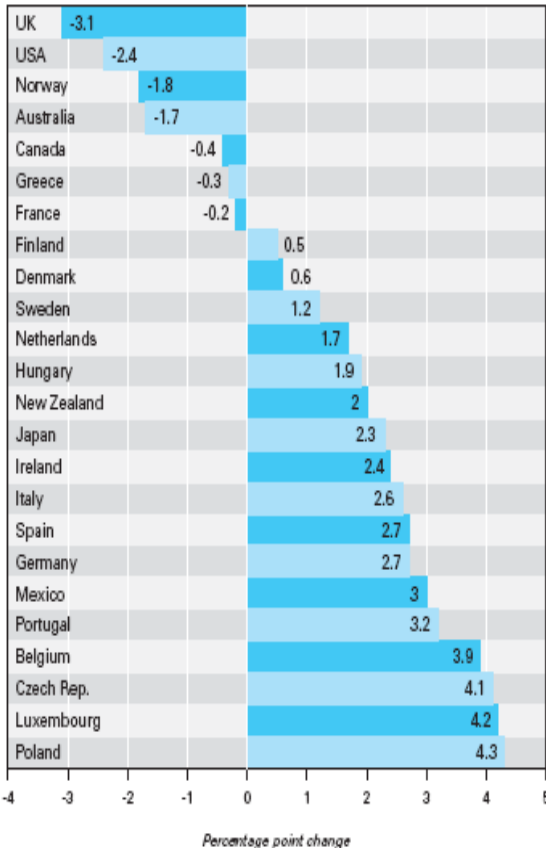


Chart 2-2 Changes in child poverty rates during the 1990s



The bar illustrates the percentage of children living in relative poverty defined as household with income below 50% of the national medium income.

Source: Unicef (2005) Innocenti research center. <http://www.unicef.org/brazil/repcard6e.pdf>

2.2 Recent trends and changes in child investment

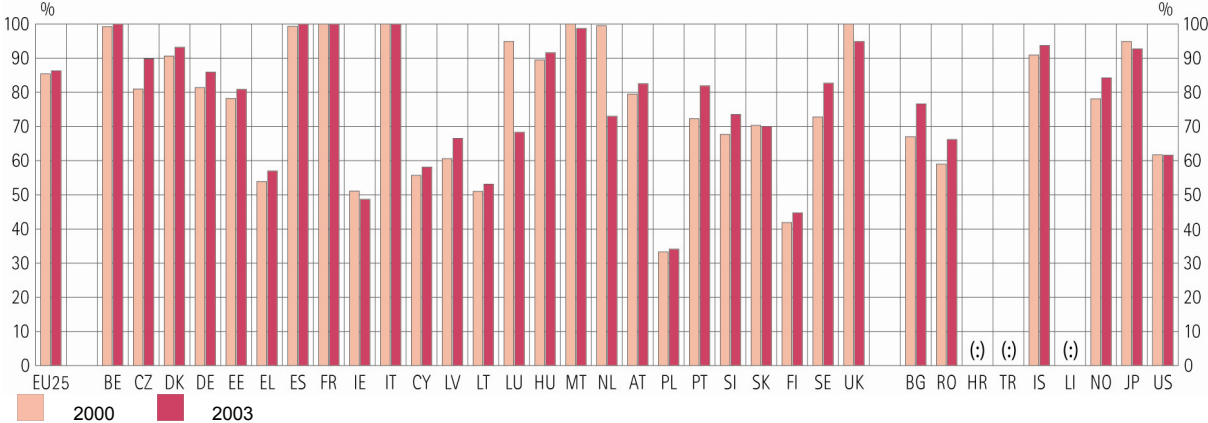
2.2.1 Pre-school

Pre-primary education plays a considerable role in the subsequent child development. PISA (Programme for International Student Assessment) suggests that the effect is felt on the school performance of kids from 8-10 years old (OECD, 2005). Longitudinal studies on the Chicago Child Parent study (Reynolds and al., 2002), on a 20 year follow up on low income families, offers a measure of educational enrichment by school completion rates and later attendance in 4 year colleges (see box 2.1).

There is no right age to start pre-primary education. However there is some empirical evidence to support the view that the earlier is the better in particular for children in disadvantaged households. For instance, early intervention like in the ABCDerian program in North Carolina which starts when children are 4 months of age is a successful example. It records permanently higher IQ (Intelligence quotient) and non cognitive skills of children in the group in Child Care and Education over the control group (Heckman, 2006). Participation

in pre-primary education is more important in Europe than in other OECD countries and it is attracting increasing attention. It is estimated that 86% (60% in the US) of 4 year-olds could have access to pre-school in 2003, with very different situations amongst countries. It is universal in Belgium and France for instance and it reaches only 30% in Poland. It is generally low in Eastern Europe (Chart 2-3). According to studies (EC, 2006a), the participation rates of the 4 year old depend on (i) labour market conditions; (ii) availability and affordability of pre-primary school; and (iii) government regulation. As for children under 3, data collection and comparability is very poor as there is no common standards or type of recording.

Chart 2-3 Participation rate of 4-year-olds in (pre-primary or primary) education (2000-2003)



Source: Eurostat (UOE data collection), EAC.

Attendance at a pre-primary institution is voluntary in all countries with the exception of Latvia, where the last two years of pre-primary education are compulsory, Luxembourg, where the Spillschoul is compulsory from the age of 4, Hungary, where the final year of óvoda is compulsory for children aged 5, and Slovenia where (until 2003/04) attendance was compulsory from the age of 6. In the majority of countries, children aged under 3 may be provided for in day nurseries or day care centres that come under the ministry of youth, childhood provision or social affairs. In several countries however, the structure for which the education ministry is responsible is the only source of formal provision for children from the age of one to one and a half (Estonia, Spain, Latvia, Lithuania, Slovenia, Sweden and Iceland), two to two and a half (Belgium, France and the United Kingdom (Northern Ireland)) or three (Italy, the United Kingdom and most new Member States). In the other countries children go to school later.

This wide variety of arrangements should not hide the very low rate of provision available for children under 3 in most member states, in quantity (access for children under 3 to regulated services in Germany is for instance for 2.8% of children only) and in quality. Monitoring and accountability mechanisms for the quality of the early childhood services provided are critical to draw the full benefit of ECEC, both for the development of children and savings made in later educational and social expenditure but also in terms of employment generated and/or tax revenues increased (OECD, 2006a).

The question of child care arrangements is high on the EU agenda since the European Council of Barcelona in 2002. It was agreed then that: 'taking into account the demand for childcare facilities and in line with national patterns of provision', Member States should by 2010 provide childcare for at least 90% of children between 3 and the mandatory school age and at least 33% of children under 3'. On the basis of composite data of childcare facilities plus leave arrangements (which is difficult to harmonise), 7 Member States out of the 22 for which data

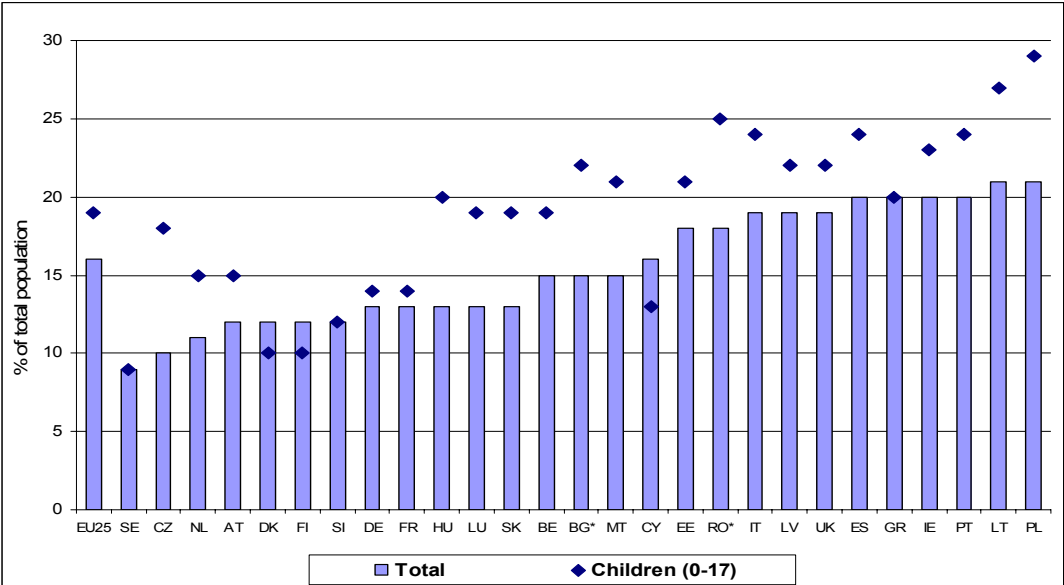
was available⁶ had reached the first target and 4 out of the 21 for which data was available had reached the second target.⁷ While this confirms that there is room for progress in the quantity of childcare available, the issue of quality, including the provision and quality of education was not highlighted in that context but only mentioned in the concluding remarks of the extensive study on child care facilities in 30 countries by Plantega & al. (2005).

2.2.2 Child poverty

Poverty indicators are higher everywhere for children than for the general population. There are about 94 million children and young people below 18 living in the EU. Around 20 million of them (19%) have known an above average risk of income poverty compared to adults (Aasve and al., 2005). Some situations are clearly identified as bringing particular risks: children living in single parent families and large families; children in non-working households or with parents working in insecure, temporary or low paid employment. Migrant children and ethnic minorities cumulate various disadvantages.

In the EU, child at-risk-of-poverty rates⁸ vary highly between countries. They are the highest in Southern Europe, Slovakia, Poland, Ireland and the UK, and the lowest in the Nordic countries, Cyprus and Slovenia, but almost everywhere they have gained the increasing attention of policy makers in search of effective policy interventions. Announcements made in several countries (e.g. UK, Ireland, Sweden, and Belgium) regarding goals of poverty reduction over the next 10 to 20 years testify to the concern and commitment of these countries. In other EU countries, responses to the 2006 call to report on national strategies to fight children’s poverty within the Open Method of Co-ordination for Social Inclusion show a heightened sense of awareness and will to act in every Member State.

Chart 2-4 At-risk-of poverty rate in the EU (%), total and children, income year



Source: SILC(2005) - income year 2004 except for BG and RO - estimates based on the national Household Budget Survey, EC(2007) Joint Report on Social Protection and Social Inclusion.

The factors associated with child poverty are fairly similar in most countries. Children with the highest risk of poverty are (table 2.1):

⁶ Comparable data could not be worked out for Ireland, Cyprus, Malta, UK and Romania.
⁷ Same countries as above missing plus Slovakia.
⁸ At risk of poverty rate is 60% of median income after social transfers while the poverty rate is defined as households with income below 50% of the national median income. It is an indicator established for the OMC on social inclusion to monitor countries child poverty rates and identify the need for public policy response.

- Children living in single parent families and large families with mothers as 'professional' carers (where, in addition, the male breadwinner tends to have a low income); In the EU, at-risk-of-poverty rates are highest for single parent families (especially in Ireland, Germany, the UK and Slovakia) and for families with three or more children (particularly in Slovakia, Spain, Portugal and Greece; these countries have the highest at-risk-of-poverty rates for complex families). The persistence of gender inequalities, including those encouraged by welfare – or the absence of welfare – systems, is a cause of increased poverty risks for households if they are (officially) headed by women or where the woman is the only 'worker'.

- Children in non-working households or with parents working in insecure, temporary and low paid employment. According to Förster and Mira d'Ercole in many countries, it is not living in single-parent households *per se* that increases poverty, but rather the employment status of the parent. On average, for OECD countries, the poverty rate for single parents (at 32%) is three times higher than for all families with children. Among those where the single parent is jobless, the poverty rate reaches 57% (while it falls to 21% among those where the parent is employed). Having an employment therefore reduces poverty risks among single parents by more than 60%. Having a job also reduces the probability of falling into poverty for couples with children (by almost $\frac{3}{4}$ in the case of couples where both parents work, relative to those where only one parent does). Because of these patterns, OECD countries with higher employment rates among mothers also experience lower rates of child poverty. Two-earner families are significantly less likely to be among the working poor than are couple families with one income (Peñas-Casas and Latta, 2004 or CERC, 2005).

Some migrants and ethnic minorities' children are in a precarious situation. There is often a 'double invisibility' of migrant children due to the legal status of their parents plus difficulties linked to fragmented family networks. Delays of family reunification, changing gender roles and an increase in family breakdowns contribute to create difficulties which may have a lifetime impact on migrant children. Ethnic minorities' children, also, especially the Roma require specific attention.⁹

2.3 Policy recommendations

When aiming specifically at improving child well-being and development, four issues need to be addressed within an investment strategy: (i) Early childhood care and education and measures directed towards the well-being and development of the child; (ii) The monitoring of child well-being; (iii) the eradication of child poverty; and (iv) the promotion of gender equality as a leverage to improve the well-being of children.

Key recommendations on child well-being

- Promote effective universal access to quality Early Childhood Education and Care for all pre-school children on comparable standards in Europe;
- Develop a wide strategy to eliminate child poverty;
- Identify efficient income-transfers to families in need that works and launch discussion on a European 'endowment' of youth;
- Use gender equality as a leverage to fight child poverty and promote child well-being;
- Monitor the well-being of children and youth in the EU through the publication of an annual report.

⁹ COST Action 19 final conference' children's welfare in ageing Europe' Roskilde; June 2006.

Table 2-1 At-risk-of-poverty rates by household type, 2003

	Single parent with dependent children	Two adults with one dependent child	Two adults with two dependent children	Two adults with three or more dependent children	Three or more adults with dependent children
EU25	33	11	12	24	n.a.
Austria	31	9	13	20	9
Belgium	30	11	8	19	13
Cyprus	22	10	6	15	6
Czech Republic	30	7	8	20	9
Denmark	18	5	4	13	10
Estonia	33	15	18	24	16
Finland	19	5	5	11	8
France	29	9	9	16	16
Germany	44	11	11	21	15
Greece	34	13	16	32	30
Hungary	16	8	10	23	17
Ireland	54	16	11	25	12
Italy*	36	15	24	36	n.a.
Latvia	31	13	13	32	18
Lithuania	27	11	12	28	14
Luxembourg	15	9	11	10	12
Netherlands	39	8	10	24	12
Poland**	24	11	16	33	19
Portugal*	30	14	25	34	n.a.
Slovakia	40	22	26	35	18
Slovenia	25	4	8	9	8
Spain	24	12	14	35	22
Sweden*	19	8	5	14	n.a.
United Kingdom	40	13	12	27	16

* Data is from 2004; ** Data is from 2002.

Source: Eurostat, EC(2006d).

2.3.1 Universal access to Early Childhood Education and Care

In the same way as primary and then secondary schooling was made compulsory at the beginning of the XXth century, research done over the last 10 years has highlighted the important returns to be gained from the development of quality pre-school compulsory education. The observation that cognitive and non-cognitive skills developed at an early age are key drivers of subsequent economic and social success or failure leads to the conclusion that early childhood is the right time for starting education. ‘Recognition of the importance of the connection between early child development and social disadvantage is confirmed by the launching of vast publicly funded programmes like *Headstart* in the US and *Surestart* in the UK’ (Machin, 2006).

Specifically in an area where values, norms and behaviours embedded in national or local culture are so prevalent, sound policy cannot be a quick fix from far away institutions. Solutions which are not going to meet resistance have to emerge from a democratic consensus generated by consultation with stakeholders. However, given the international evidence in favour of investments in quality Early Childhood Education and Care (OECD, 2006a) and the educational, social, economic and labour market returns of such investments, action in this

area is important in all member states. So far, EU targets have been agreed for the provision of *childcare arrangements* (2002 Barcelona summit) and some progress has been made on the provision of childcare arrangements, but the issue of early childhood education programmes has never been on the EU agenda, as such. The Commission raised it in its communication on equity and efficiency (EC, 2006b) and some data on pre-primary education parameters¹⁰ have been gathered by the information network on education in Europe (Eurydice). Nevertheless, the significance of the educational content of pre-school programmes, the issue of staff training, starting age etc. have not found a place yet on the political agenda. Notwithstanding the issue of data comparability and the national specifications of each system, there are national as well as common EU-wide challenges if pre-primary education is to be recognised as a major step in child development. Most Member States provide at least 2 years of pre-school care for children before their entry into primary school, but: (i) *access can be inadequate*: particularly for children from low-income families, in rural areas, with special needs; (ii) *the quality of the service can be a concern*: developmental and educational goals of early childhood programmes are often undermined by the lack and insufficient training of staff; and (iii) *the timing can be a problem*: Programmes are often too short for working parents. It places strains on them and encourages the survival of *ad hoc*, low quality arrangements.

The actions which could improve the education and care of small children could be:

- Ensuring universal access (free or at very low cost for children from low-income families) and quality of childcare and education services. The quality of the service should meet the developmental and educational goals of early childhood programmes to develop social and cognitive skills in every child, on a level playing field.
- Regular high-level monitoring of the quantity and the quality of Early Childhood Education and Care facilities could help to improve services by comparing and valuing the quality of local programmes with regard to the cognitive social and emotional development of children and the likelihood of educational success.
- Develop partnership funding and agree criteria for the training, pay level and motivation of the staff.
- In the same logic and to sustain earlier investment post-school education facilities for school-age children (Eurofound, 2006) may be considered in particular in disadvantaged districts.

Investing in 'formal' early education is not the only investment needed if all children are to be given the best opportunities to develop their human and social capital. The focus on the school is due to the fact that it is under the influence of public policies. The school is however only one of the multiple factors intervening in the development of the individual human capital. Consequently, Early Educational Policies that aim at improving non-cognitive skills to induce subsequent cognitive learning may prove effective. The 'non-cognitive dimension is often efficiently also fostered by institutions as family,¹¹ sports groups, scouts. This is a reminder of the need to include, in any program aiming at fostering children early education, a strong partnership with the family as the institution where, in the early years, children spend most of their time.

¹⁰ Curriculum, class size, foreign language teaching, grouping, funding, starting age and teachers education. See <http://www.eurydice.org/portal/page/portal/Eurydice/Overview/OverviewByIndicator>

¹¹ A study by Steinberg & al. (1996) has also opened a new strand of research on the influence of parent expectations on student achievement, looking at the different levels of expectations by ethnic groups (high for Asians, average for Whites and Blacks, low for Latinos).

2.3.2 Monitoring capacity of child well-being

The economic and social returns from investments in Child well-being make is a prime issue of public concern. Solid governance mechanisms can be an asset. Strong policy units with wide expertise, systematic data collections and evaluation, as well as a bench marking capacity are all part of a monitoring process and peer-review focusing on children which will gather knowledge and reorient social and educational policies to improve child outcomes.

Two points can be made here: (i) Already as part of the Open Method of Coordination for Social Inclusion, information about some key dimensions of child poverty and social inclusion have been assembled (see next recommendation) and (ii) So far Germany, the Nordic countries and the Netherlands have produced annual or biannual reports on the situation of children and their families. In the US, annual reporting based on key national indicators of youth well-being and trends in their well-being, is made in the publication *America's Children*, offering a common reference to policy makers, parents, and the wider public.

At EU level, building on the information on child well-being which has been produced for the National Action Plans for Youth, for Social Inclusion and for Employment and in the context of the promotion of gender equality, an annual report with key indicators on the situation and well-being of children could be published.

2.3.3 A strategy to eliminate child poverty

Experience has been gained by a number of governments which have developed strategies to eliminate children poverty within fixed target dates. These National policies could benefit from being peer-reviewed and possibly transferred in other member States. Some of the documented experiences (CERC, 2005) include Ireland and the UK. In both places the involvement of stakeholders and the partnerships with civil society actors have been decisive elements of the strategy.

In *Ireland*, the government decided, already in 1997, to mobilise a coalition around a National Programme Against Poverty with precise objectives which are regularly reviewed. Reviewers have insisted in particular that income poverty was only one aspect of child poverty, highlighting the impact of education, health, housing and life-time risks on the deprivation cycle, and inter-generational transmission. The government agencies in charge developed indicators in four different fields: material well-being, health and survival, education and personal development participation, quality of life and social inclusion.

In *the UK*, as the country had the highest child poverty rate in the EU in 1997, the government committed to the objective of eradicating child poverty within 20 years ($\frac{1}{4}$ by 2005; $\frac{1}{2}$ by 2010). To achieve this objective, a number of measures were agreed upon (adoption of a minimum wage; new in-work benefits like childcare; increase of child benefits to the care giver; measures to reduce the main risk factors: ESL, health risks of teenagers, early pregnancies; and increase the employment of lone parent to 70% by 2010). A very detailed effort was then engaged on indicators, in order to monitor per area progress towards the achievement of each of the sub-objectives. Three main programmes were implemented: *Sure Start*, *the Children's Fund*, *On Track* and *Connexions*.

The issue of child poverty has been growing in importance within the Open Method of Co-ordination on Social Inclusion, and progress has been made in the understanding of issues, but dialogue has been confined to ministry officials. Child poverty only became a priority following the first round of National Action Plans on Social Inclusion in 2001-2003. However, probably because only 3 out of 18 indicators concerned children this focus on children faded until 2006, when the European Council agreed to take measures to '*rapidly and*

significantly reduce child poverty, giving all children equal opportunities, regardless of their social background.'

According to the 25 reports received by fall of 2006, all Member States but 4 (Finland, France, Slovenia and Spain) responded to the suggestion to develop a strategic, integrated and long-term approach to preventing and reducing child poverty as well as social exclusion of children. In parallel, work started¹² to produce a review of child poverty and social exclusion in a number of EU countries as well as a common framework for analysing and monitoring child poverty and social exclusion. This work will include a set of indicators as well as recommendations for the production of appropriate statistics. This should be ready in the course of 2007. To sum up, agreeing and publicising a target date for the eradication of child poverty with specific stages and measures and a monitoring mechanism to assess progress would contribute to improve children prospects in the EU. Also, Member states could consider supplementing their national strategies by specific and/or universal measures as successful strategies generally involve a combination of policy responses (Hoelscher, 2004)

Income transfers. In the EU, there is a need to improve our common knowledge of the impact of various forms of transfers on family life and children. Some government interventions on child poverty rates are striking: on average, it reduces the rates of child poverty by 40% before taxes and transfers (Unicef, 2005). Member States policies could profit from an annual review of the type of income-transfers which have worked best and why. Sometimes minor changes make a big difference: In the UK for instance, the intervention of the women's budget group revealed that improved results for the child occurred when the direct recipient of the transfers was the actual carer (most often the mother) rather than the nominal head of the household (Women's Budget Group, 2005).

Asset Endowment. There is an increasing amount of evidence that starting out in adulthood with an endowment of financial and other assets can make a significant difference to life chances. Several Member States are showing interest in schemes that provide asset endowments for youth, while at the same time encouraging families to save for their children and giving the children themselves power over the accumulating assets. These include the Italian plan for '*una dote per ogni bambino*' and the UK Child Trust Fund set up in 2005 (Le Grand, 2003). It is suggested that ideas such as these could be considered at an EU level (see suggestion of an EU Capital Grant for Youth made in the Group of Societal Policy Analyst of BEPA).¹³

Mothers' income. Children tend to fare better in terms of behaviour, cognitive and academic outcomes when welfare-to-work programmes result in both the employment of mothers and increased income. This entails also an adapted timing as regards parent's needs, new forms of organisation of public services in the caring sector and for 'low-skilled' mothers (especially if they are migrants), the provision of specific training and employment assistance.

2.3.4 Gender equality as a leverage for the well-being of children

Both the link between the employment of women in quality jobs and the probability of children's future success and the introduction by women's participation in the labour market of measures for the reconciliation of work and family for fathers and mothers and men's involvement in household and family tasks, create a clear alliance between child policies and the promotion of gender equality for addressing some of the major challenges faced by member states in reforming their social systems to underpin a knowledge-based society. It is clear that the best use of women's and men's skills on the labour market, and the gender

¹² In the indicators sub-group of the Social Protection Committee.

¹³ Summary of proceedings of GSPA 8 sept 06.

http://ec.europa.eu/dgs/policy_advisers/experts_groups/docs/summary_of_proceedings_8sept_2_en.pdf

equality objective set by the Road map 2006-2010 and the EU Gender equality pact adopted by the European Council in march 2005 can be achieved only by '*recognizing the same value to both work and family roles and a radical restructuring of working time*', particularly for parents of young children. '*All the evidence suggests that no significant change can be hoped for in men's take up of parental and family responsibilities, while spending time with the family is equated to a loss of human capital ,damaging to careers and employers' view of workers employability*' (COFACE, 2006). Beyond improving the quantity and quality of women's employment, a gender equality agenda entails issues of family service provisions, parental and family leave, flexible working hours and the organisation of working time (coordination of private time and public time) which are so crucial for sustaining the well-being of children and giving them the best chances to turn into responsible and successful adults. These issues, if change is to happen, have to be debated and solutions have to be negotiated under the scrutiny of the public debate.

2.4 Conclusions

The reasons for highlighting child well-being as an issue of major importance at EU level are in line with existing legislation and programmes and current EU priorities.

Childcare has been part of the work-family reconciliation agenda since the early eighties and tools have been developed to help parents combine work and family life.¹⁴ The issue of child poverty has been growing steadily in importance as the Open Method of Co-ordination on social inclusion has developed since 2001. It is now one of the key issues in the process. At the same time, it has become a much more important political issue. The education of very young children has meanwhile been highlighted as being prime importance for an efficient and equitable development of human capital.

As to EU priorities, *first*, past, present and upcoming *enlargements* reveal the specific vulnerability of children to changing and difficult social situations.¹⁵ *Second*, concerns exist that *ageing* societies carry the risks of a decrease in child services and further declining birth rates. *Third*, the '*unfinished*' changing *roles of women* and new family patterns imply further changes in the labour markets and welfare systems to promote gender equality and to protect children from increased new risks of poverty and social exclusion. *Fourth*, increasing public concern for children's rights in a number of Member States makes it an issue where political consensus can be reached and, given the right impulsion, may have a positive spill-over effect on all regions of the Union. *Fifth*, the reliance of ageing European economies on the quality of their '*human capital*' (*natives and migrants, women and men*) as well as the need for public investment to be *cost effective*, requires concentrating efforts on the social and educational development and well-being of young children rather than on the remedial measures to social deviance and/or economic inadequacy rooted in a '*bad start*'.

Sustainable development is also part of this long list, for at least 2 reasons: First, because the cornerstone for a sustainable society is giving children a decent future and which starts with caring about their well-being and good development from the beginning. Second, because children suffer disproportionately from a degraded physical and social environment.

¹⁴ Recommendation on childcare (1996), directive on parental leave (1997) and consultation with social partners on reconciliation (April 2007).

¹⁵ Leading to a real need to concentrate attention on children in institutions like in Romania or the issue of children workers which despite a large number of programmes to combat it is still a big concern in Turkey for instance.

3. HEALTH: THREE PRIORITIES

Youth health priorities are alcohol, obesity and mental health. On all of these three priorities the trends are worrisome across Europe. Health is an important part of human capital, and hence deserves attention. There are many policy initiatives throughout Europe, but they have not been studied systematically and success stories have not always been followed. Successful policies usually have local roots, shared responsibilities between various stakeholders and intervene at an early age. Local governments and Member States hold most of the competence in these areas. The role of the EU is to help to map out youth disease in Europe, to disseminate best practices, organise political debate and – when needed – co-ordinate actions.

Key facts and figures

- The number of people with obesity will triple in the coming 20 years.
- The annual economic costs of obesity can easily surpass €200 billion, which is roughly 2% of GDP.
- One child in five is overweight or obese in Europe, a number increasing by 400,000 every year. The problems vary strongly among Member States.
- Mental health problems are responsible for 20% of all health costs and the number is rising.
- The total tangible cost of alcohol to EU society in 2003 was estimated to be €79-€220 billion. The intangible costs include the pain, suffering and loss of life that occurs due to the criminal, social and health harms caused by alcohol. In 2003, these were estimated to be roughly €270 billion.
- In most EU countries there has been a significant increase in binge drinking and drunkenness amongst young people over the last ten years. In 2003 an estimated 13% of all EU 15-16 year-olds had been drunk more than 20 times in their lives.
- There are considerable variations between countries. In 2003, binge-drinking 3+ times in the last month was reported by 31% of boys and 33% of girls in Ireland, but only 12%-13% of boys and 5%-7% of girls in France and Hungary.

Investing in the health of young people is important for several reasons. First, good health is essential for young people's well-being, growth and development. Second, healthier young people make healthier adults. Many of the most important preventable health problems causing ill health and premature retirement in adults have their origin in the approach to life and life-style shaped during youth. This parallels the more general trend that certain social risks are easier to prevent at the individual level than they were in the past, which has important ramifications for the way one approaches health. When risks can be controlled, there is more room for prevention, individual responsibility and incentives, and less need for public intervention and cure. In the case of uncontrollable risks, individual responsibilities and incentives fall short, since one cannot act on incentives if one cannot control the outcome. Of course, in the health domain there still remain uncontrollable risks, but the shift is nevertheless noticeable.

3.1 What is at stake?

The demographic trends causing a decline in the working-age population mean that it is particularly important to optimize the human capital we have. Measures to improve health in young people can contribute to establishing healthier patterns of behaviour resulting in lower levels of illness and an increase in the number of years of healthy working life available.

From a cost-effectiveness point of view prevention is often better than cure. This holds particularly true for health-related behaviours such as alcohol, drugs or tobacco usage and sexual health, where improvement results in benefits for both the individual and society as a whole. Effective prevention also means that for a number of problems early childhood investment is more rewarding than late childhood investment. Despite the overwhelming case for prevention, it is also important not to write off human capital once health risks have materialized. Carefully designed second chance policies can then recover (some of) the lost human capital.

Youth health provides an excellent opportunity for dividends from positive investment policies. There is a lot of existing research and policy material and differences between Member States can be exploited to verify what works and what does not. This section aims at pointing out some of the most important health issues and identifying some promising policy responses. Given the scope and size of the exercise, it is intended to be illustrative and not at all comprehensive.

We have chosen to highlight just three health topics: obesity, mental health and alcohol. There are, of course, other serious health issues such as accidents and safety, drugs and smoking, as well as HIV-AIDS and other sexually transmitted diseases. Our motivation for choosing the three topics mentioned are (i) the potential for benefits to young people themselves as well as to society as a whole; (ii) data suggesting recent increases in these problems among young people; (iii) the fact that there is widespread concern in Europe about all three issues; (iv) that the problems are often more intense among socially disadvantaged groups; and (v) that there has already been a wealth of practical experience in response to policy initiatives in this area.

Since all Member States face the same problems (albeit with somewhat different intensity) the European level is the right level to both draw further attention to the issues and to compare various approaches in the different Member States and elsewhere.

3.2 Recent trends and changes in health

This section provides trends for three major health topics as regards youngsters: obesity, mental health and alcohol.

3.2.1 *Obesity*

Obesity is a risk factor for many chronic diseases, including diabetes, hypertension, cardiovascular diseases, respiratory problems/asthma and musculoskeletal diseases. These diseases imply significant economic costs. Overweight and obesity creates both direct and indirect health care costs.¹⁶ Direct costs are the preventive, diagnostic, and treatment services related to overweight and obesity (for example, visits to physicians and hospital and nursing-home care). Indirect costs are lost wages, effects on labour productivity and personal costs (discrimination, higher insurance premiums, and limitations in daily life).

In Europe, the number of diabetes victims resulting from obesity will triple over the next 20 years, unless some drastic action is taken. Obesity costs Member States around €59 billion a year in direct health-care costs, but the overall economic impact could be as high as €118 to

¹⁶ <http://win.niddk.nih.gov/statistics/index.htm>

€236 billion.¹⁷ The overall economic costs of obesity for EU countries are hard to calculate. A worrying feature is that there is a time lag of several years between the onset of obesity and related health problems, suggesting that the steep rise in obesity over the past two decades will mean higher costs in the future. The problem is not unique to Europe; other OECD countries face similar – sometimes (Australia, US) even greater – challenges.

One child in five is overweight or obese in Europe, a number increasing by 400,000 every year. The problems vary strongly among Member States, although comparisons are hazardous due to methodological problems (Lissau, 2004). Despite this incompleteness it is clear nevertheless that the trend just about everywhere is a steep rise (Chart 3-1). Life-style choices which have a strong influence on adult health are made early in life. Children are therefore a priority target group as far as the promotion of healthy dietary habits and physical activity is concerned.

3.2.2 *Mental health*

Mental disorders often start at a relatively young age, while mortality from these disorders is relatively low. This means that people can live for a long time with the effects of mental ill-health and that the indirect costs are high and lasting. The costs of mental health problems in childhood are nevertheless largely hidden (EC, 2004a). Comparisons show huge differences between Member States but the results are puzzling, statistical problems again being the cause.

In the WHO European Region, the costs of mental health problems are estimated to be 3–4% of GDP, while mental health problems are responsible for nearly 20% of all health costs. Mental health problems in children and adolescents are diagnosed increasingly often. Without intervention they may persist into adulthood. There is a wide range of types and severities of mental health problems in children and young people including those which are very common such as aggression, conduct disorder, anxiety, attention deficit hyperactivity disorder (ADHD) and mild to moderate depression, as well as problems which are much less common such as schizophrenia and severe depression. Suicide is a major problem, although the likelihood to take one's own life seems to decrease over time (WHO, 2005). Among 10 to 18 year-olds, suicide accounts for 10% of deaths in boys and 7% in girls. There is significant overlap between poorer mental health and risky behaviour such as alcohol, drug and tobacco abuse and unsafe sex.

3.2.3 *Alcohol*

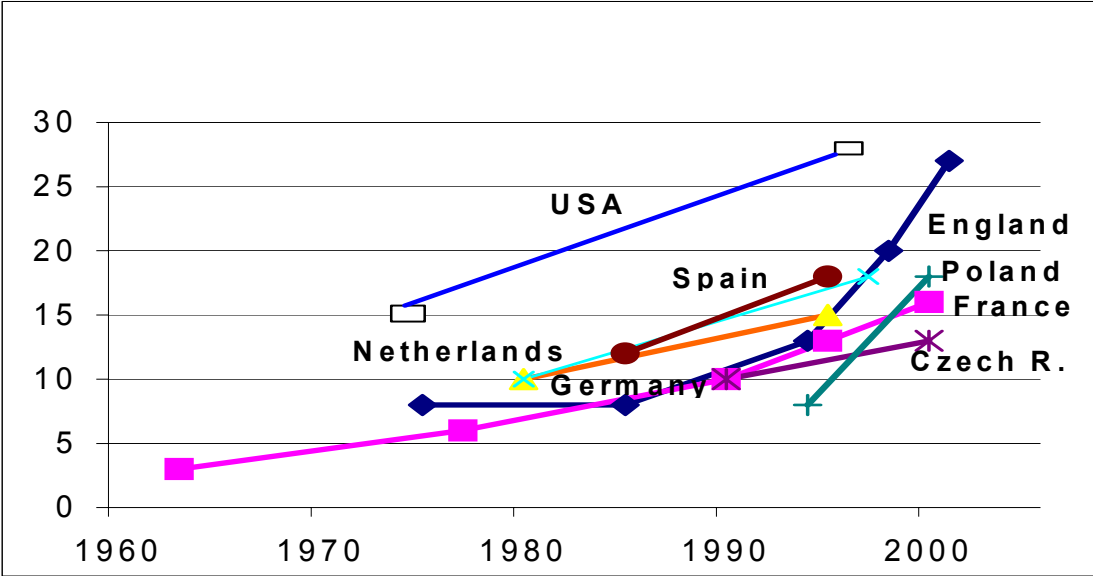
Economic costs of alcohol consumption comprise both direct costs, the value of goods and services delivered to address the harmful effects of alcohol, and indirect costs, the value of personal productive services that are not delivered as a consequence of drinking (WHO, 2004). Estimating the costs of alcohol abuse encounters problems over availability of data as well as methodological difficulties. A Commission funded report on Alcohol in Europe – conducted in 2006 by the Institute of Alcohol Studies in London – gives an overview of European alcohol policies, Europeans' alcohol use and alcohol's economic impact.

Based on a review of existing studies, the total tangible cost of alcohol to EU society in 2003 was estimated to be €125bn (€79bn–€220bn), equivalent to 1.3% GDP, which is roughly the same value as that found recently for tobacco. The intangible costs show the value people place on pain, suffering and lost life that occurs due to the criminal, social and health harms caused by alcohol. In 2003 these were estimated to be €270bn, with other ways of valuing the same harms producing estimates between €150bn and €760bn.

¹⁷ <http://euobserver.com/867/21720>

In most EU countries there has been a significant increase in binge drinking and drunkenness amongst young people over the last ten years. In 2003, an estimated 13% of all EU 15-16 year-olds had been drunk more than 20 times in their lives. There are considerable variations between countries. For example in the ESPAD¹⁸ study in 2003, binge-drinking 3+ times in the last month was reported by 31% of boys and 33% of girls in Ireland, but only 12%-13% of boys and 5%-7% of girls in France and Hungary (Anderson & Baumberg, 2006). Other worrying trends are that alcohol is consumed increasingly at younger ages ('breezers' being one of the reasons), which causes more brain damage than consumption at older ages.

Chart 3-1 Rising prevalence of overweight in children aged 5-11



Source : IOTF International Obesity Task Force, London – March 2005.

3.2.4 Health, equity and education systems: differences between Member States

French research by Pasquier (2005) and Bourdieu (1979) has shown an interesting connection between education systems, equity and health (CEPREMAP, 2006). This research showed that health aspects that are related to peer-pressure in secondary school are not different across social classes. Since the French secondary education system is universal, and peer-pressure effects dominate social background effects in things such as alcohol, smoking and drug consumption, the health aspects related to peer-pressure show inverse effects across social classes. This implies that in the universal French secondary school system, the social class is not a variable that explains alcohol consumption or smoking. While the inclination towards smoking, for example, is the same across social classes in that age group, the financial resources of the higher social classes lead to higher consumption.

In contrast, health aspects that are less prone to peer-pressure effects such as food and sports (i.e. factors influencing obesity), do show substantial differences across classes. Moreover, in the period following secondary school, when the French educational system becomes more elitist, the health score distribution over social classes is turned upside down. After leaving secondary school, the students are (by selection) regrouped roughly according to their social classes, and it turns out that the health performance of socially advantaged backgrounds improve while the scores of socially disadvantaged backgrounds deteriorate. This effect is reinforced by the fact that people with higher wage prospects happen to invest more in their

¹⁸ The ESPAD Report Alcohol and Other Drug Use Among Students in 35 European Countries. http://www.espad.org/documents/Espad/ESPAD_reports/The_2003_ESPAD_report.pdf

health – an empirically demonstrated fact - although the behavioural inclinations seem to be implicit rather than explicit.¹⁹

There are two lessons to be drawn from this French example. The first deals with differences in educational systems across Europe. There are universal systems that basically pool all students together, and there are mixed systems in which pupils of different levels go to different school types. Both systems can coexist in one country for different age groups such as the French example has shown. Dependent on the system, the peer-pressure can work out differently and therefore the distribution of health results will differ, too.

The hypothesis that peer-pressure is an important driver for certain health outcomes at the secondary school age can in fact be further tested by looking at a country that has a different school system from the French. There is evidence from the Netherlands in the context of WHO/Health Behaviour in School Aged Children Research, the Dutch Trimbos instituut (2007) has data that are school type specific. The Dutch school system is a segregated system: children of different levels go to different schools after the age of 12 (in primary the system is uniform).

In the Dutch context the hypothesis developed by CEPREMAP (2006) would suggest that - contrary to the French outcome - in the Netherlands one would expect children from the lower level schools to smoke and drink more than their peers in the higher level schools. This is because the peer-pressure effects that drive the French results are absent in the Netherlands. Indeed this is what one observes in practice. The VMBO schools (lowest level) see consistently higher numbers for drinking, cannabis use and smoking. This is due to the fact that - unlike in the French case - the social classes are reproduced in the school type, and therefore the peer pressure effect that led the socially advantaged groups to smoke and drink as much as the socially disadvantaged groups disappear in the Netherlands.²⁰ Of course there could be cultural differences in drinking and smoking behaviour that can help explaining this effect too.

Table 3-1 Scores on overweight, smoking, alcohol use and mental problem per school type in the Netherlands

	VMBO*	VWO**
Body Mass index overweight	14.7%	6.4%
Self-assessment overweight	40.5%	32.1%
On diet	10.3%	6.1%
Smoking daily	12.9%	2.0%
Drinking alcohol more than one day per week***	28.5%	15.2%
Bingedrinking***	82.4%	55.6%
Emotional problems	16.3%	12.5%
Behavioural problems	19.8%	7.1%
Hyperactivity	23.6%	13.3%
Problems with peers	19.9%	8.6%

* average of lowest level secondary school types

** average of highest level secondary school

*** only for children who drink

Source: adapted from HBSC 2005: *Gezondheid en Welzijn van jongeren in Nederland*. Van Dorsselaer S, Zeijl E, van den Eeckhout S, ter Bogt T, Vollebergh W. Trimbos-instituut, Utrecht 2007

¹⁹ It is difficult to conceive of young people thinking about future wages when they do sports.

²⁰ The Dutch research does not control for the pocket money effect, but there seems no reason to assume that this works differently in the Netherlands than in France.

The second lesson refers to the nature of policies. The peer-pressure hypothesis shows that one has to look carefully at what exactly is the root of the health problem. Effective policies can only be designed if one aims at the heart of the problem. The CEPREMAP (2006) study quoted above concludes that their empirical findings give rise to the conclusion that non-targeted policies are likely to be ineffective. Different age groups, different educational systems and different health aspects deserve different policy treatments. Since non-targeted policies dominated French youth health policy over the last thirty years, CEPREMAP (2006) finds this a good explanation for the bad performance of France in this field. This does not mean there cannot be policy learning across fields and across Member States, but the context deserves close scrutiny.

3.3 Policy recommendations

Key recommendations on Health

- Involve multiple stakeholders (E.g.: Shape Up a European network of cities and schools created to promote healthy and balanced upbringing; EPODE seeking to assess and influence behaviours and social environmental conditions related to food, nutrition and physical exercise; and the so-called 'whole school' projects the Olweus Bullying Prevention Programme and Mind Matters).
- Include responsibility by the youth themselves (E.g.: Partnership for Children, which teaches six and seven-year-olds how to cope with difficulties; the BOB alcohol campaign).
- Implement a combination of policies rather than a single issue policy (E.g.: The Strengthening Families Programme, European Early Promotion Project).
- Stimulate public awareness and media issues to generate political momentum and peer-pressure (E.g.: The Irish Food Dude Healthy Eating Programme, Jamie Oliver's campaign for proper school meals)

3.3.1 *Obesity: improve diet and physical activity*

It is clear that obesity and overweight among children in Europe is on a worrying rise. The costs to society are high. Obesity is more intense among socially disadvantaged groups. This is due to the fact that eating and physical activity behaviour of parents is socially reproduced by their children (Trimbos-instituut, 2007 and INSERM, 2003). Action in early childhood is needed. The school setting is key for health promotion as children spend up to 50% of their waking time there for approximately 10 years. There are a number of initiatives aimed at promoting healthy diets and physical activity among young people in school settings developed at national and regional level.

There is no simple solution to tackling obesity. Co-ordinated and multi-stranded approaches are needed to effect a long-term change in dietary habits. Essential elements are actions to increase the amount of fruit and vegetables in diets and increase physical activity. This can involve combinations of improving the nutritional value of school meals; implementing education and training programmes; providing free or subsidized healthy foods; taking care of environmental aspects such as safe walking or biking to school; improving facilities for play and exercise around the school; banning energy-dense snacks and sugar-sweetened drinks from school premises and banning advertising of such products directed towards children.

Although there is a lack of good quality evidence of the effectiveness of interventions to prevent obesity, there is reasonably good evidence on the effectiveness of interventions in improving diet and physical activity levels. Taking into account the experience of the EU

Platform for Action on Diet, Physical Activity and Health,²¹ as well as the findings of a number of quality evidence reviews,²² the following policies can be discerned as promising:

1. The Irish Food Dude Healthy Eating Programme²³ to increase fruit and vegetable consumption. The programme combines free distribution with peer modelling by showing children cool older peers eating and enjoying fruits and vegetables, and incentives for more physical activity. A similar case is Free Fruit for School Children. The United Kingdom and Norway have implemented free fruit in school initiatives.²⁴ Early evaluations show increased consumption. This is a key area where the Community and Member States could make a tangible contribution.
2. Tigerkids²⁵ uses behavioural interventions at the pre-school level aiming to increase fruit and vegetable consumption; decrease intake of high energy foods, snacks, sweets; increase intake of water/low-energy drinks; and decrease intake of high-energy drinks. Promoting more than 1 hour/day of physical activity and less than 1 hour/day of TV/media consumption is also a promising initiative.
3. Locally-rooted and broad-based approaches, involving many stakeholders, are those which appear to have the highest impact on behaviour change, and to be the most cost-effective. Examples include Shape Up,²⁶ a European network of cities and schools created to promote healthy and balanced upbringing. This network involves schools from 26 cities co-operating, presenting, sharing, exchanging and commenting on practices, results and experiences. The specificity of this project is that instead of involving children in pre-defined school-based or community-based activities, it envisages child participation in decisions about the types of activities they want to implement. Another concrete example of a comprehensive approach is the EPODE²⁷ programme in France seeking to assess and influence behaviours and social environmental conditions related to food, nutrition and physical exercise by designing and proposing real actions to promote the conditions for healthy habits and to prevent child obesity in a sustainable way.
4. Breastfeeding. In much of Europe breastfeeding rates are falling, particularly among lower socio-economic groups. An increase in breastfeeding would be of overall benefit to children's health in the EU – reducing childhood infection rates and contributing to a reduction in adult cardiovascular disease. Although the evidence is mixed, it seems probable that it would also contribute to reducing the rate of increase in obesity. Furthermore, in contrast to many other interventions on obesity, there is good evidence of effective interventions to increase breastfeeding rates through providing education and support to mothers before and after birth.²⁸ Commission and Members States' full support to the WHO Global Strategy for Infant and Young Child Feeding²⁹ may be a strong incentive.
5. In another category, Jamie Oliver, the famous English TV-chef, exposed the cheap and ghastly meals of British school canteens to the public. His TV programmes 'Jamie's

²¹ http://ec.europa.eu/health/ph_determinants/life_style/nutrition/platform/platform_en.htm

²² See for example: Interventions to prevent obesity: a systematic review. Swedish Council on Technology Assessment in Health Care. SBU, Stockholm, 2005.

²³ <http://www.fooddudes.ie/html/industry.html>

²⁴ Free school fruit – sustained effect three years later, Elling Bere, Marit B Veierød, Øivind Skare, and Knut-Inge Klepp, International Journal of Behavioral Nutrition and Physical Activity. 2007; 4:5. Published online 2007 February 19.

²⁵ <http://www.tigerkids.net/>

²⁶ <http://www.shapeupeurope.net/index.php?page=home>

²⁷ <http://www.epode.fr/>

²⁸ http://www.who.int/child-adolescent-health/nutrition/infant_exclusive.htm

²⁹ http://www.who.int/child-adolescent-health/nutrition/global_strategy.htm

School Dinners' may have done more for getting the attention on youth obesity than the combined efforts of many years of public policy.

3.3.2 *Prevent mental health problems*

Effective strategies to prevent mental health problems and suicidal acts in children and adolescents require multi-sectoral interventions. A general approach involves supporting good mother-infant interaction and teaching parenting skills; early detection and adequate treatment of depression, alcohol and drug abuse by primary care-providers; appropriate referral and treatment by specialised services; school-based interventions and advice structures to enhance self-esteem, coping skills and crisis management in students; the integration of life skills into school ethos and educational curricula; and restricting access to common methods of suicide.

Mental health promotion and the prevention of mental health problems and suicidal behaviour are relatively new disciplines and there is clearly a need for more and more systematic evaluation of the impacts of such activities. However, research has provided a foundation of evaluated evidence-based practices, where effectiveness could be demonstrated.³⁰

1. Unsatisfactory mother-infant interaction has long-term consequences for child health and development. Several initiatives suggest that this interaction can be improved by appropriate interventions. For example the aim of the European Early Promotion Project (Puura and al. 2002) was to detect possible problems in parent-infant interaction in early infancy and to intervene to try to ensure a better outcome for the child. The project used existing primary health-care services: nurses were trained to support mothers with newborn babies and to intervene should problems be detected in the parenting. Overall, the findings of this multi-national research project suggested that intervention had a positive effect on the mothers' ability to maintain positive interaction with their children. Other projects involving home visits for families at risk seem to have been also successful.
2. A concrete example of a secondary school based violence prevention programme is the Olweus Bullying Prevention Programme, (Olweus 2001). Aimed at children from the age of 6 to 15 years in schools, it reduced bullying and victimisation by 50% or more in most comparisons by adopting a 'whole school' approach (including the creation of a warm and interested climate within schools, teacher discussion groups, class rules against bullying, close relations with parents, etc.). The approach was developed in Norway and is now being followed in schools around the world.
3. An example of a mental health promotion programme for young children is the Partnership for Children.³¹ It teaches 6 and 7year-olds how to cope with difficulties. It uses a tool which is built around a set of stories associated with activities that lead to the enhancement of coping skills. The aim of the programme is to reinforce the mental and emotional health of all children.
4. The MindMatters³² project, which was developed in Australia, targets children in secondary school. It uses a whole school approach to mental health promotion and suicide prevention. Resources aim to enhance the development of school environments where young people feel safe, valued, engaged and purposeful. Social and emotional health and well-being have been linked to improving outcomes for young people. The project helps schools and their communities including teachers, parents and students to take positive action to create a climate of mental as well as physical health within secondary schools.

³⁰ Overviews of findings from evaluations can be found, for instance, in the following publications: IUHPE-Promotion & Education 'Evidence of mental health promotion effectiveness' Supplement 2 2005; IUHPE: The evidence of health promotion effectiveness. Shaping public health in a new Europe, 2nd edition 2000.

³¹ <http://www.partnershipforchildren.org.uk/>

³² <http://cms.curriculum.edu.au/mindmatters/>

5. The European Alliance against Depression (EAAD)³³ aims to reduce depression and suicidal behaviour by creating regional networks of information between the health sector, patients and their relatives, community facilitators and the general public. A prior pilot project phase in Germany (Nuremberg Alliance against Depression) showed decreases of 24% in suicidal acts, particularly among young people (Hegerl, Althaus, Schmidtke, Niklewski, 2006)

3.3.3 *Prevention policies against harmful alcohol consumption*

Education and awareness-raising alone appear to generally not be effective in reducing harmful alcohol consumption by young people. The most effective measures to address worrying drinking trends in young people include structured programmes involving teenagers and their parents who aim to improve life skills and tackle a range of issues including relationships and problem-solving as well as attitudes to alcohol. Such programmes address health behaviour in the context of helping young people and their families develop strategies to improve their overall well-being. They are thus also relevant to mental health promotion. The Strengthening Families Project, which is mentioned below, is one of the best known examples. Other effective measures include enforcement of restrictions on availability of alcohol; enforcement of restrictions on marketing and advertising directed towards young people; increased taxes for products attractive to under-age drinkers ('alcopops')³⁴ broad community-based actions to prevent harm and risky behaviour, involving teachers, parents and other stakeholders, and supported by mass media messages (Anderson & Baumberg, 2006).

Alcohol Policy Examples

1. Schemes in which young drivers have restrictions placed on their driving for a given period of time (graduated licence programmes), particularly when they are coupled with a lower blood alcohol limit, are effective in cutting down accident rates due to alcohol for young people.
2. The Strengthening Families Programme³⁵ is a promising initiative which has been shown to reduce drug and alcohol abuse in the USA and is currently being evaluated, with support from Diageo, a drinks company, in Spain and other European Countries.
3. Enforcement of legal limits on sale of alcohol.
4. In another category, the road sign BOB alcohol campaign is an example of providing youth with a voice.³⁶ The campaign started in Belgium, and has been extended to the Netherlands and France.

3.4 Conclusions

This section has highlighted a number of promising illustrative initiatives for tackling pressing health issues among young people. However, ensuring that the benefits of improved health are felt by all young people in Europe requires a major and co-ordinated effort by government, the public and other stakeholders. The contribution of young people and their families needs to be adequately supported by organizations and governments – particularly

³³ <http://www.eaad.net/>

³⁴ As an example, a report by the German Federal Government showed that both 'Alcopop' and alcohol consumption overall declined considerably among young people as a result of the German 'Alcopop Act' of 2 August 2004, which imposed a special tax and compulsory labelling on 'Alcopops' ('Report by the Federal Government on the effects the Act on Alcopop Tax has on alcohol consumption by young people under 18 years of age as well as the trend of Alcopops and comparable drinks on the market' - Federal Ministry of Finance 13th of July 2005 III A 2 – V 7103 – 2/05).

³⁵ http://www.mystrongfamily.org/SFP_UK.htm

³⁶ http://www.jesuispour.be/uploadedFiles/lkBenVoor/Burgers/Campagnes_en_acties/bobcabinetfr.pdf

schools, health services, economic operators, as well as policy makers at local, national and European levels. We reiterate that we have chosen just a selection of problems, i.e. alcohol, obesity and mental health, implying that we leave aside other problems such a drug abuse or HIV/AIDS.

A combination of actions is required: regulation, public awareness, improvements in the delivery of health and education services, and investments in the kinds of initiatives mentioned in this paper. Such a co-ordinated approach can be achieved through fruitful partnerships of stakeholders. Local governments and Member States hold most of the competence in these areas. They are enjoined to consider taking action, supported and co-ordinated as appropriate by the EU.

Structured programmes that engage both young people and their parents to improve life skills and coping in a range of situations may also have additional benefits with regards to learning after leaving school. Several Member States are involved in developing such initiatives for secondary school children. Such efforts could be usefully supported and extended with EU involvement.

In addition, initiatives at primary and secondary-school could be extended to obesity/healthy eating, combining awareness-raising in school with provision of free fruit and vegetables. One such programme is already being supported through the EU Agriculture programme. The wider provision of the Europa Diary³⁷ – currently provided by DG SANCO in collaboration with Member States to around 900,000 children – would be an important addition to these school-based initiatives.

Such initiatives interfacing directly with young people should be supplemented and strengthened by a range of other policy actions. A few are mentioned in this paper – enforcing regulations on the sale and promotion of alcohol to young people; reducing the blood alcohol tolerance level for younger drivers; expansion of early treatment services for young people with mental problems and addressing the promotion of foods to young people. For its part, the European Commission will contribute through the development and publication in the next twelve months of strategies on alcohol, nutrition and physical activity and on mental health, which will identify further actions which can be taken.

And finally, none of these policies will have much success without the full involvement of children themselves. Youth health policies should involve (partial) individual responsibility. This implies that successful policies should be imbedded in the way young people think and behave. Otherwise policies are likely to be perceived as patronizing and will backfire. This means (i) speak their language; (ii) use celebrities (pop, TV, sports); (iii) use their communication channels (internet, MTV, mobiles); (iv) use their own creativity (programmes set up by youth); and (v) link up with concrete actions involving youth (to avoid top-down information).

³⁷ <http://www.generation-europe.org/page.asp>

4. EDUCATION AT THE CORE OF THE STRATEGY

The development of the knowledge society implies high levels of quality education. To ensure Europe's competitiveness, major structural changes are needed in educational form and content so as to incite effective investment and returns for and from all stakeholders. Efficiency and equity dictate a targeted focus on investment in early education for cognitive and meta-skills as the basis of life-long learning, particularly for disadvantaged youth. Creating flexible pathways, ensuring the competitive quality of secondary and tertiary educational institutions and broadening access to higher education are also fundamental to a dynamic high-skills economy.

Key facts and figures

- The 2005 rate of young people aged 20-24 years-old completing upper secondary education in the EU is 77.3%, and had only improved by 1 point since 2000. The completion rate would have to improve by 1.5 percentage points per year in order to reach the EU benchmark of 85% by 2010. This implies that 2 million more young people would have graduated from upper secondary level education in 2010 compared to 2005.
- There was no progress over 2000-2003 in the European Benchmark of a 20% reduction in the percentage of low achievers in reading literacy by 2010 (to 15.5%). Nearly 20% of 15 year-olds have serious difficulty with reading literacy.
- Tertiary graduation rates are increasing rapidly. They are at 21% of the EU25 working-age population, while the equivalent is only 12.5% for the 55-59 age group. Even if the indicator is increasing, 21% of the EU working population with a tertiary education is a figure still well below the US 38%; Canada 43%; Japan 36%.
- Total education spending is increasing in the EU25, but slowly and with large variations between Member States. In 2002, total investment amounted to 5.82% of GDP (5.22% from public sources + 0.6% private); US: 7.25% (5.35% public + 1.90% private)
- Tertiary education suffers from underinvestment. The EU invested a total of 1.28% of GDP in higher education in 2001 (Canada 2.50%; US 3.25%). The difference is mainly in levels of private investment.
- From 2000 to 2003 the proportion of first generation immigrant students increased by 12.8%, and non-native students by 9%. These students remain more likely to be low-skilled.
- Women have high graduation rates at secondary and tertiary level but the highest levels of education remain male-dominated. Women represent 59% of tertiary graduates, 41% of PhDs, 15% of professors. Choice of subjects also remains heavily gendered, with women under-represented in Maths, Science and Technology (MST).

Education is a centre-piece for an ambitious and efficient social investment strategy. Education systems need to offer the incentives and rewards that can effectively empower the individual to be able to adapt to change, i.e. to continue to learn. It is this ability which forms the crux of human capital in a knowledge society.

Early-childhood education and care and primary education play a key role in providing social and cognitive skills that help offset an adverse socio-economic background (see Section 2) and provide the basis for future educational attainment. Later, the curriculum of

compulsory school is also crucial considering the dramatic increase in demands for skills in a knowledge society. Skill demand entails that key competence are acquired (in social skills, languages, IT, science, culture...). While it is never too late to learn, efficiency dictates a focus on early acquisition of the basic skills. *Secondary schools* need then to confirm the acquisition of those key skills as well as to prepare a growing number of pupils for the tertiary level. *Higher education* has to train an increasing number of students to answer the needs for innovation, growth and well-being in the European economy including in engineering, life sciences and medical professions.

4.1 What is at stake?

4.1.1 *The need to build a knowledge economy*

At present over 30% of the EU working age population is low-skilled but by 2010 only an estimated 15% of new jobs will be there for people with only basic qualifications.³⁸ Growth relies more and more on human capital, thus the need to invest in education.

EUROPE NEEDS R&D BUT IS FALLING BEHIND

In the developing global economy of knowledge and services, the EU is facing an accelerating challenge not only from its traditional competitors, but increasingly from developing countries, in particular India and China. Only 21% of the EU working-age population has achieved tertiary education, significantly lower than in the US (38%), Canada (43%) or Japan (36%), as well as South Korea (26%). The fields of MST³⁹ are in particular essential for the growth of Research and Development (R&D). While the EU target of a 15% increase in MST⁴⁰ graduates by 2010 was achieved in 2003, growth has been even stronger in the USA, India, China (where the number of MST graduates in 2003 for the 1st time surpassed the EU figure) and demographic trends point to an even greater gap in future.

THE SHIFT TO A HIGH-SKILLS LABOUR MARKET LEAVES THE LOW SKILLED BEHIND

Over and above facing a gap between needs and supply in terms of R&D, the EU must tackle the additional problem of avoiding leaving many behind in the transition to a knowledge economy. Already today, the unemployment rate is usually higher for the 80 million without upper secondary education, and this differential is only likely to increase in the decades to come due to a general increase in educational attainment.

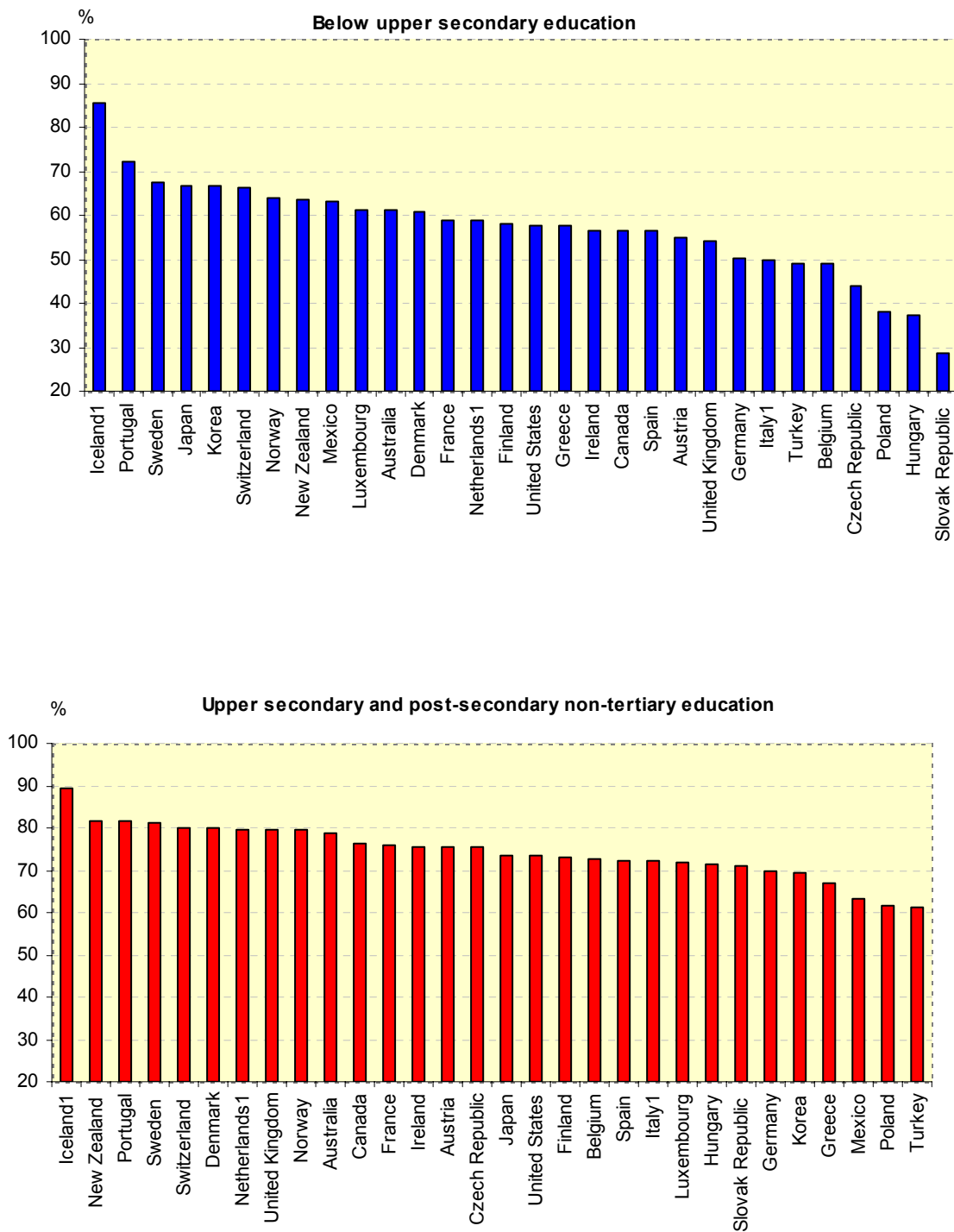
For the age group 25-64, the rate of employment of persons holding higher education qualifications stood at 84% in 2001, i.e. almost 15 points above the average taking all education levels together, and nearly 30 points more than persons having completed only lower secondary level. In Belgium, the Czech Rep, France, Germany, Poland and the Slovak Republic, over 15% of 25 to 29 year-olds without upper-secondary qualifications are unemployed. This figure increases to 40% in some areas, and in many countries disproportionately affects those of migrant background. Such high rates of unemployment have serious effects on society as a whole, as considered in the sections below.

³⁸ The Maastricht Study on Vocational Education and Training (2004).

³⁹ Mathematics, science and technology (MST) comprise the following fields: life sciences, physical sciences, mathematics and statistics, computing, engineering and engineering trades, manufacturing and processing, architecture and building.

⁴⁰ Slovakia (17.6%), Italy (12.8%) and Poland (12%) are the EU countries with the strongest growth in MST graduates. Best performing countries with regard to MST graduates per 1000 population 20-29, are: Ireland (24.2), France (22.2), and the UK (21.0). See EC (2006a).

Chart 4-1 Employment rates by educational attainment (2003)



Source: OECD (2005b). Table A8.1b, http://ocde.p4.siteinternet.com/publications/doi/files/962005061P1_A8.xls

MOBILITY

Geographical mobility is a key component of a knowledge society, particularly on an EU scale. The dynamism of an economy depends on the ability to effectively exploit human capital in an integrated manner and of both the individual and the system to adapt to change. Effective mobility implies three things for young people: acquisition of the necessary linguistic and cultural skills; availability of opportunities in terms of access to education and

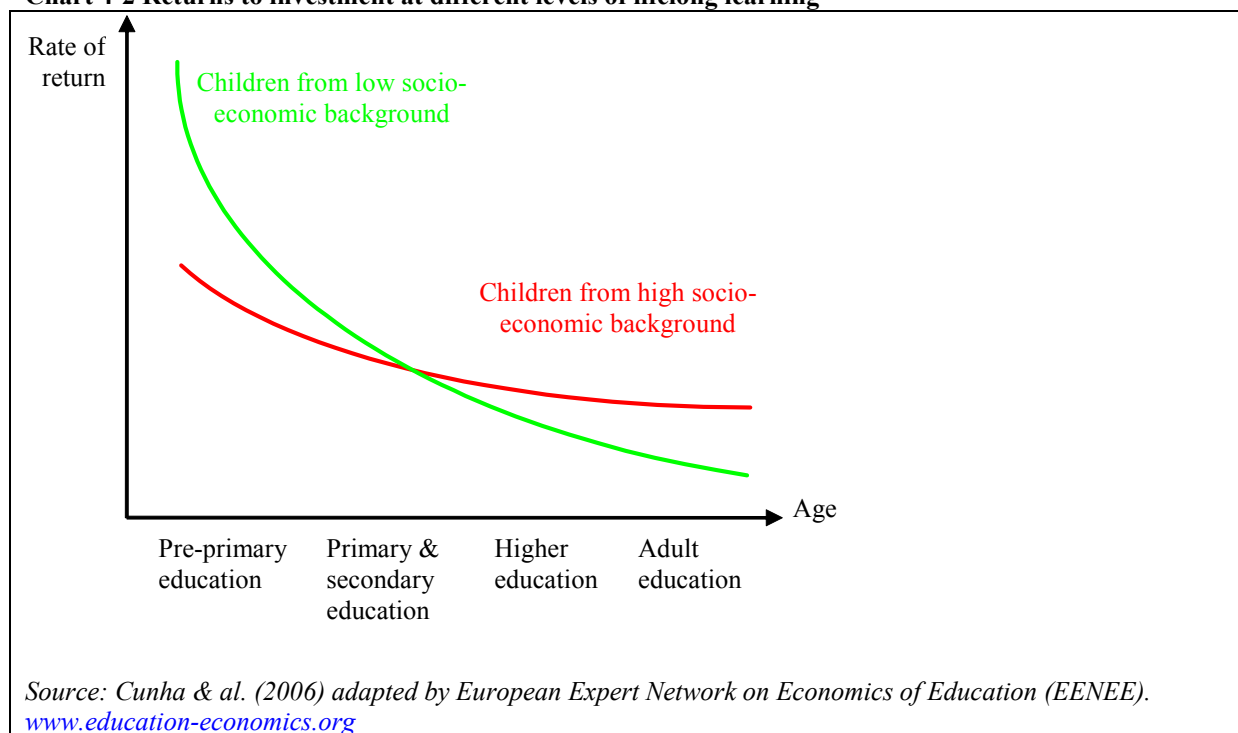
employment; and motivation and access to knowledge concerning the opportunities and benefits of mobility. Without the accessibility of these three components to all European youth, mobility will remain the domain of a minority of privileged Europeans.

EARLY EDUCATION FOR LIFE-LONG LEARNING

In considering how to address the transition to the knowledge economy, any successful policy must start from the bottom. The formation of skills is a life-cycle process. Education received at one stage is an input into the learning process of the next stage. There are thus high returns to early investments, while inadequate early investments are difficult and costly (though not impossible) to remedy later on. It is therefore not simply a question of ensuring early education in order to gain the necessary qualifications to continue in education, but, more essentially, that early educational investments are key to further cognitive development and by implication access to higher levels of education and life-long learning. Returns to early interventions are particularly high for children from disadvantaged backgrounds who do not receive at home the foundation of skills necessary to prosper at later stages of education. In this context, developments in childcare services for school age children have been given attention from an employment perspective (Elniff-Larsen & al., 2006). From an investment in human capital perspective, it is to be seen as a consolidation of results of results.

Among all 4 year-olds, 86.3% were enrolled in pre-primary or primary education within the EU25 in 2003, with a 0.9% increase since 2000 (table 2.1). The rate is higher than in the USA, but lower than in Japan. The situation across Member States is highly variable (for example in terms of financial investment, the qualifications level of providers of childcare and staff-child ratios) and quality indicators for early education in childcare facilities are currently lacking.⁴¹ Already, many commentators have called on the EU to establish minimum quality standards on the provision of early education for Member States.

Chart 4-2 Returns to investment at different levels of lifelong learning



⁴¹ See European Foundation for the Improvement of Living and Working Conditions (2006), EF/05/06/EN 1-3, 'Sector Futures: Childcare Services Sector'.

4.1.2 *The costs of educational failure*

THE LOSS OF LABOUR MARKET POTENTIAL

The Lisbon Council study on the European Human Capital Index indicates the high long-term risks involved in failing to sufficiently invest in education (Ederer, 2006). Higher investments in education and consequent higher attainment levels in education increase productivity and generate wealth. There are three mechanisms through which education can impact economic growth, in terms of individual productivity, innovation and abilities to adapt to innovation. First, education increases the human capital inherent in the labour force, which increases labour productivity and thus transitional growth towards a higher equilibrium level of output. Second, education can increase the innovative power of an economy, and the new knowledge on new technologies, products and processes promotes growth. Third, education facilitates the diffusion and transmission of knowledge which is needed to understand and process new information and to successfully implement new technologies which also leads to economic growth.

Researchers on returns to human capital have found that on average across European countries, each additional year of education is associated with more than an eight percent increase in wages (Harmon & al., 2001; Asplund, 2001). Qualitative measures of education yield even higher earning returns than measures of quantity, and earnings returns to educational quality seem to have been increasing over time (Bishop & al., 1992). Higher earnings mean higher tax returns. De La Fuente and Ciccone (2002) estimated that the increase by one year in the average education level of the labour force might lead to an increase of 0.3 to 0.5 % in the annual GDP growth rate. While these figures are difficult to standardise, the important point to note is the consistency of the positive association. Finally, personal saving rates are, even after controlling for wealth and income variations, significantly correlated to individual levels of education (Bernheim & Scholz, 1993). Educated people tend to be more effective at building up capital.

THE COSTS OF SOCIAL SERVICES

The estimated costs of a low-skilled society go beyond the loss of labour market potential. First, high unemployment translates into high benefits payouts. More educated people are not only less likely to be eligible for welfare transfers, several studies also provide evidence that, even if they are eligible, more educated people are less likely to draw on these transfers (An & al., 1993).

In addition to this, it would seem that lifestyle, diet and exercise as well as smoking behaviour are also related to education (Kenkel, 1991). A person's life expectancy increases with his/her education. Education also reduces the spread of contagious diseases within the population as a whole (Grossman, 2006). Drop-outs also have higher rates of cardiovascular illnesses, diabetes and other ailments. The health-related losses for the estimated 600,000 high school drop-outs in 2004 totalled at least €44,200 million. Better health not only translates into lower social services costs, but also higher wages and earnings. The net present value of improving the educational achievement of all these dropouts by one grade would have been a €32,000 million reduction in health-related costs (Muennig, 2005). In the UK, if a further 1% of the working population had upper-secondary qualifications, it is estimated that the benefit to the UK would be around £665 million per year through reduced crime and increased earning potential (EC, 2006b).

While figures such as these must necessarily represent a distortion of representation as the effects of education can with difficulty be separated from other factors such as socio-economic background for instance, consideration of the above data with the likelihood of the implication of such external factors in mind only highlights the importance of the two-way relationship between education and equity.

4.1.3 Education and equal opportunities

The stress of the Lisbon Strategy has *de facto* been put on higher education as a crucial means to foster innovation, productivity and growth. Nonetheless, equity issues (in particular for minorities) are, as well, of paramount importance if the system is not to be misused, and all the more so that general attainment is increasing.

MIGRANTS

A recent OECD (2006d) report on educational systems has underlined the weakness of many to compensate for cumulative inequity, notably for migrants' children. The proportion of students with migrant background is increasing. From 2000 to 2003 the proportion of first generation students increased by 12.8%, and non-native students by 9% (EC, 2006b). Nowhere do these students reach the same level of performance as native children, not even in mathematics, where cultural differences are supposed to be less relevant. While only small percentages of native students fail to reach Level 2 in the PISA mathematics proficiency test (representing the baseline under which students are expected to face considerable difficulties in terms of labour market and earning prospects), more than 40% of first-generation students in Belgium, France and Sweden and more than 25% in Austria, Denmark, Germany, Luxembourg, the Netherlands and Switzerland perform below Level 2. In Germany, more than 40% of second-generation students do not reach Level 2, while the figure is above 30% for Austria, Belgium and Denmark (OECD, 2006d).

The OECD report reaches some interesting and important conclusions:

- There is not a significant association between the size of the immigrant populations and the size of the performance differences between immigrant and native students.
- First-generation and second-generation students often report higher levels of interest and motivation in maths and more positive attitudes towards schooling. In none of the countries do immigrant students report lower levels.
- While there is a relationship between the performance of immigrant students and their relative education and socio-economic backgrounds, this can only partially explain the differences.
- There is not a significant association between the degree of clustering of immigrants within a country and the size of the performance gap with native students.
- Immigrant students often attend schools with relatively disadvantaged student populations in terms of economic, social and cultural background. There is a more varied picture as concerns school resources and school climate.

GENDER

The picture with regard to gender discrepancies is less consistent across the educational life-span than that of the situation of migrants. For a start, women actually outpace men in most countries in terms of completion rates of both upper secondary and tertiary education. The proportion of women to men in higher education is 59% to 41%. In 2004, 80% of girls completed the tertiary education courses they had enrolled in, whereas the figure for boys was 75% (table 4.1). This female advantage nevertheless declines proportionately as educational level increases. Women represent only 43% of those awarded PhDs, and a mere 15% of those awarded professorial titles. There is furthermore a question of distribution. Due to enduring social perceptions of the traditional roles of the sexes, the selections of courses of study and specialities remains heavily gendered. Women remain for example both less engaged in mathematics and science at secondary school and less likely to obtain tertiary qualifications in these fields. On the other hand, subjects relating to health and welfare as well as humanities, arts and education remain female dominated (OECD, 2006b).

Chart 4-3 Completion of upper-secondary, by gender, 2005, population aged 20-24

	EU 25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU
Male	74.6	76.0	90.8	74.5		74.9	79.4	55.0	81.2	83.4	67.8	72	77	80.5	70.4	81.3
Female	80.0	84.6	89.8	77.5		87.0	88.7	68.0	84.3	88.8	78.1	88.9	86.6	90.1	71.7	85.4
Total	77.3	80.3	90.3	76.0	:	80.9	84.0	61.3	82.8	86.1	72.9	80.7	81.8	85.2	71.1	83.3
	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	HR	TR	IS	NO
Male	41.7	70.6	84.1	88.4	40.4	88.0	90.9	81.2	87.0	77.5	77.3	74.1	93.5	38.0	49.4	95.2
Female	48.4	78.9	87.6	91.7	56.6	94.0	92.1	87.9	89.0	76.7	76.3	76.4	94.4	50.9	56.9	97.3
Total	45	74.7	85.9	90.0	48.4	90.6	91.5	84.6	87.8	77.1	76.8	75.2	93.9	43.9	53	96.3

Source: Eurostat, EC(2006a).

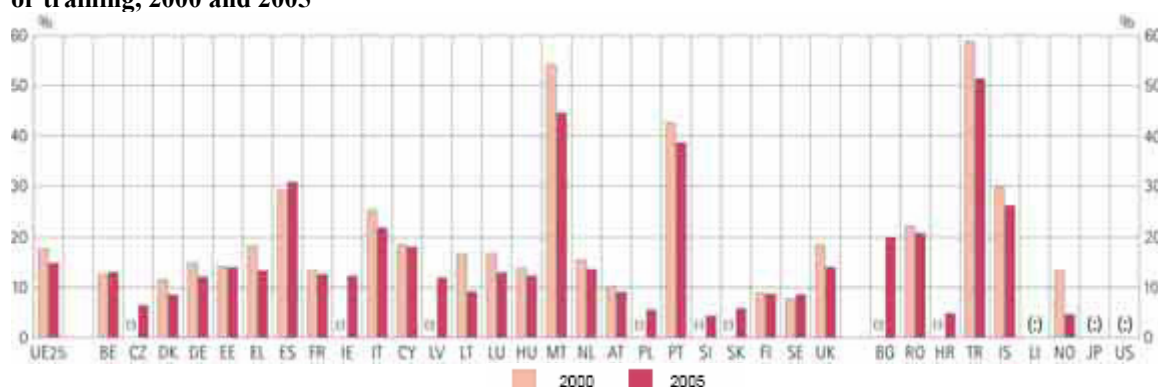
A further issue with relation to gender concerns employment of the low-skilled. Women with low levels of education are particularly unlikely to be in work, both compared to males with low levels of education and females with higher levels. This is true especially in Greece, Ireland, Italy and Spain, where fewer than 47% of females aged 25 to 64 without upper secondary completion are working, compared to over 70% of similarly educated males and the same percentage of tertiary educated women (OECD, 2005b). Girls from low income families are particularly likely to be low-skilled, as difficulties in access to education lead to a reinforcement of the traditional preference for education for boys. Access for girls from national minorities, especially the Roma minority, is particularly limited, due to issues of discrimination.

4.2 Recent trends and changes in education

4.2.1 Early school leavers

The term 'Early School Leavers' (ESL) refers to young people (18–24 years-old) who achieve less than upper-secondary education and do not continue in any kind of education and training. Despite all the progress, the 2005 figure of 14.9 % of ESL in the EU is worrying and still far in excess of the European benchmark of no more than 10% (Chart 4.5 and table 4.4). About six million (1/6) of EU25 18-24 year-olds left school with no more than lower-secondary education and did not participate in any kind of education or training in 2005. It seems that other factors influencing the rate of ESL seem to include pupils' socio-economic background, their participation in pre-primary education or the availability of suitable vocational programmes.

Chart 4-4 Share of the population aged 18-24 with only lower-secondary education and not in education or training, 2000 and 2005



Source: Eurostat (Labour Force Survey), EAC.

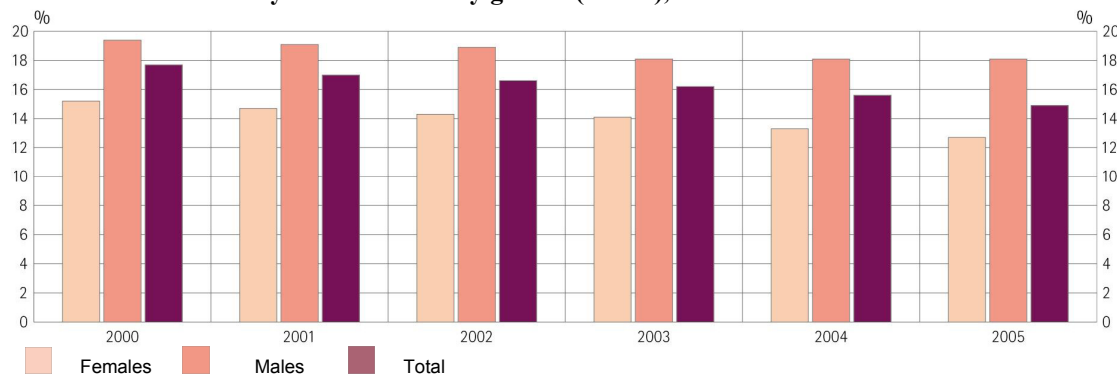
While the number of tertiary-level students and graduates has been rapidly increasing in recent years, the upper-secondary education completion rates have generally been stable. The

2005 rate of young people aged 20-24 years-old completing upper secondary education was 77.3%, and had only improved by 1 point since 2000. Some countries have still a relatively low share, notably Portugal and Malta, despite significant progress in the recent past. It should also be noted that many of the Member States which joined the EU in 2004 already perform above the EU benchmark set for 2010 and that three of them, the Czech Republic, Slovakia and Slovenia, and in addition Norway and Croatia, already have shares of over 90%. On an EU-wide scale, the completion rate would have to improve by 1.5 percentage points per year in order to reach 85% by 2010. This implies that 2 million more young people would have graduated from upper secondary level education in 2010 compared to 2005.

The link with migrant and low socio-economic background. School performance and ESL rates are closely linked to the socio-economic background of young people. As seen above, children from migrant backgrounds face a significantly higher risk of failing to acquire basic skills, which, if not remedied at an early age, can entail educational failure further up the scale, loss of motivation and dropping out of school.⁴² The average performance gap on the PISA mathematical scale between the bottom and the top quarter of the socio-economic index amounted to 84 points in 2003 (in the 19 EU countries for which data was available, see table below). Levels of educational achievement are strongly influenced by the educational level of mothers in particular, too. Teenage pregnancy is also a factor which increases the risk of female ESL in some groups of populations and countries.

The gender factor: the underperformance of boys. Gender is another factor in ESL. While low-skilled females face relatively dire prospects in the labour market, they are in absolute terms less likely to be low-skilled than males. As noted above, girls are outpacing boys in terms of upper secondary educational completion rates and in the majority of countries, there are more male than female ESL.

Chart 4-5 Ratio of early school leavers by gender (EU 25), 2000-2005



Source: Eurostat (Labour Force Survey) 2000-2005, EAC.

This in turn must once again be linked back to the success of the education for females in terms of providing them with skills to continue in education. It is notable that girls perform better than boys in reading in all countries and, on an EU level have already passed the benchmark of under 15.5% of low achievers (EC, 2006a). According to Geoff Hannan (Training & Consultancy International), at age 11 boys are 11 months behind girls in oracy, 12 months behind in literacy and 6 months behind in numeracy. Over 50% more boys than girls receive help for learning difficulties (OECD, 2006b).

⁴² Evidence suggests for example that students who have to repeat one or more classes lose motivation and eventually leave school early, particularly minority background students (Kritikos & Ching, 2005).

In light of the need to lower the number of ESL, the concern is thus that educational systems are putting boys at a disadvantage. It has been argued that standardisations of educational systems have failed to cater to the differences in learning environments necessary for girls and boys. In the UK, for example, boys outnumber girls by 4 to 1 in achieving a school detention. With regard to the generational and socio-economic background factors considered above, it is also no surprise that some boys are confronted with a vicious circle of underachievement, unemployment and lack of role models (for instance in terms of male teachers).

The priority of opening education to all and keeping youth in school is clear, not least for successful insertion into the labour market, which means education must meet market demands. Defining the needs of the economy is no simple task. Regional variations are one factor, while a knowledge economy furthermore implies rapid developments which require equally rapid adaptation on behalf of educational institutions, if not pre-emptive adaptation to foreseen needs. Effective co-ordination between educational institutions and employers is essential, from the most basic skills taught in compulsory schools to the more targeted skills of tertiary education.

4.2.2 Compulsory school and key competence

The Recommendation of the European Parliament and Council on key competence for lifelong learning (EC, 2005c) set out a European Reference Framework which identified eight key competence 'which all individuals need for personal fulfillment and development, active citizenship, social inclusion and employment.' These include foundation skills in numeracy and literacy, basic MST, ICT (Information and Communication Technology) and foreign languages, and should be developed by the end of compulsory education. Interpersonal, intercultural, social as well as entrepreneurial skills should permeate the educational system in terms of fostering creativity, initiative, risk and responsibility taking, problem solving, communication and negotiation.

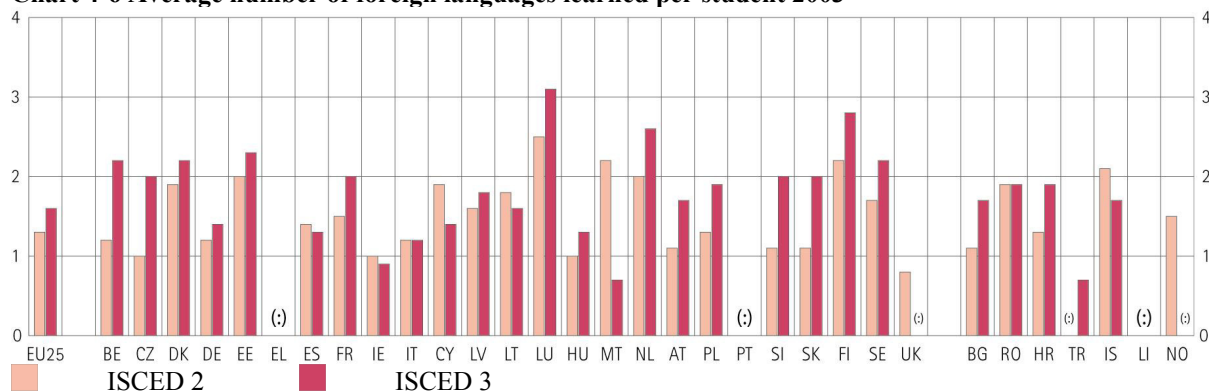
Communication in the mother tongue. There was no progress over 2000-2003 in terms of the European Benchmark of a 20% reduction in the percentage of low achievers in reading literacy by 2010 (to 15.5%). The average in 16 countries, for which comparable data is available, was 19.4% in 2000 and 19.8% in 2003 (Chart 4-7).

Communication in the foreign languages. There was little progress from 2000 to 2003 in increasing the number of foreign languages taught to two per student. An average of 1.3 and 1.6 foreign languages were taught per student in general lower and upper secondary respectively in Member States in 2003. In vocational streams the figure is considerably lower (Chart 4-6).

Mathematical competence and basic competence in science and technology. In science and mathematics, the EU score improved considerably over the period. In Belgium, Finland and the Netherlands, at least 1 in 5 students aged 15 are proficient in complex mathematical tasks, PISA Level 5 or 6. Nevertheless more than ¼ in Greece, Italy and Portugal perform below Level 2 (Chart 4-8 and 4.9).

Digital competence. ICT skills are essential to today's labour market. The use of ICT in the acquisition of other skills is less clear and the general positive correlation peaks at a certain point. Thus, while ICT can be considered a basic skill, there is no strong evidence that students would benefit from using ICT as a daily working tool. What students do need is regular access to a computer connected to the internet. The OECD PISA survey shows that in the EU countries, for which data is available, 92% of 15 year-old students have access to a computer at school. However, only 40% use a computer at school frequently (OECD, 2005a).

Chart 4-6 Average number of foreign languages learned per student 2003



Source: Eurostat.

Chart 4-7 Percentage of pupils with reading literacy proficiency level 1 and lower in the PISA 2000-2003

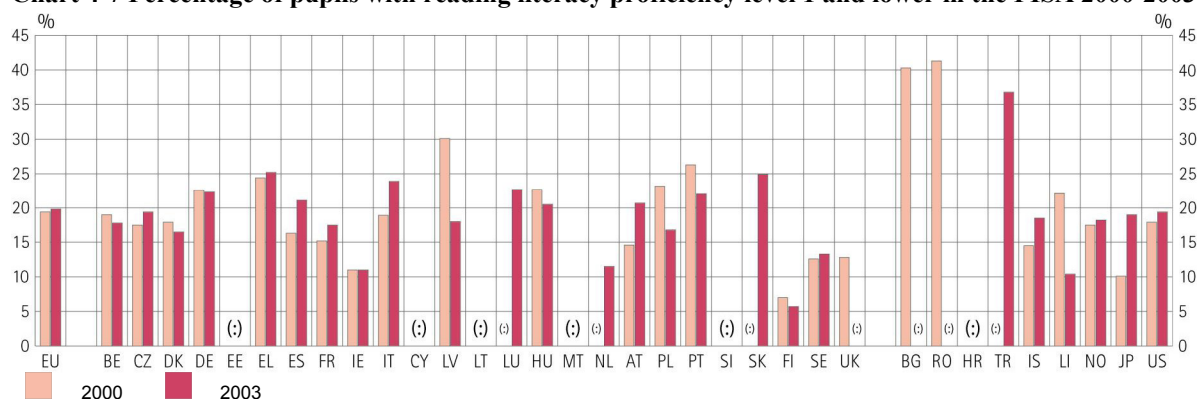


Chart 4-8 Performance of students, per country, on the PISA mathematical literacy scale

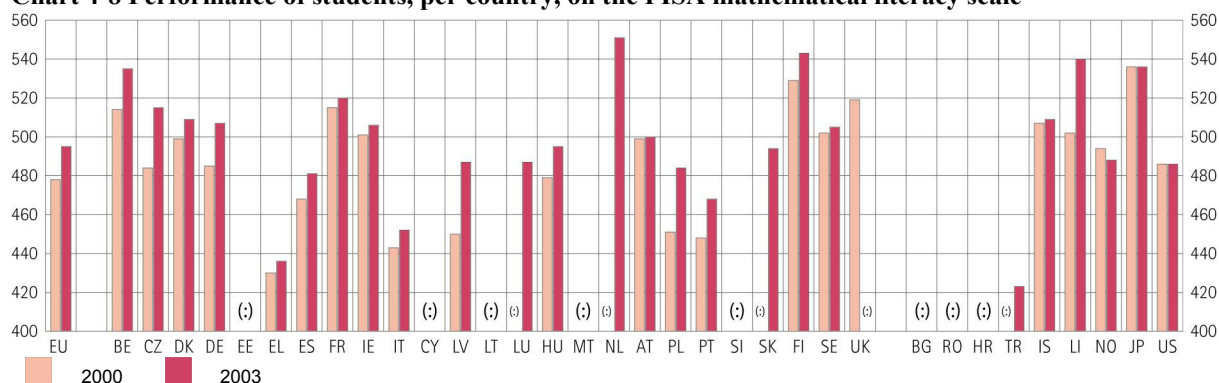
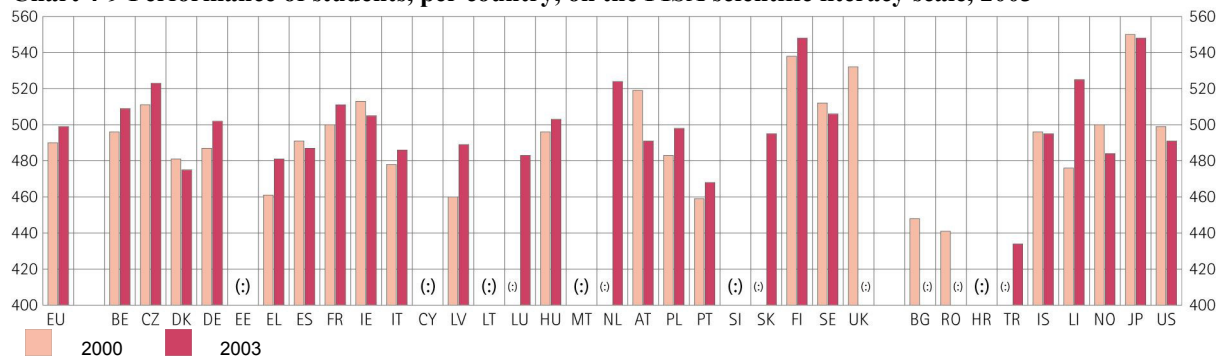


Chart 4-9 Performance of students, per country, on the PISA scientific literacy scale, 2003



Source: OECD PISA database.

Second chance education. The issue of recognition is crucial for schools designed to support and reintegrate ESL. Having dropped out of education once, ESLs are not surprisingly a challenging group to cater for. Many valuable initiatives launched by Member States have indeed experienced difficulties with retaining this problematic target population.⁴³ The results of these national projects are in stark contrast to the success of the EU Second Chance Schools Project.

Box 4-1 Second Chance Schools

In 1995, the European Commission launched a pilot project designed to support the reintegration of ESL into education. The current evaluation of the Second Chance Schools (EC, 2001a) demonstrates that they have had a 94% success rate in reintegrating some 4000 young people who lack basic skills and qualifications. Whilst 55% of the pupils are still enrolled in the schools, 27% have found a job, 11% have gone on to other forms of training and education and 6% have dropped out. Moreover, a survey of a sample of current pupils demonstrates that 90% feel that their school has already brought about a genuine improvement in their situation.

The Second Chance Schools work closely with the community and employers, but not in a financial sense. In order to find employment for their pupils, many schools are developing active job-search policies and policies of communication with enterprises, which is a strong motivation for the students. A second motivating element is the European dimension of Second Chance Schools, which has helped them to be perceived as different and 'better' than regular schools. It has also enabled disadvantaged young people, who had often been confined to the narrow margins of a life of deprivation, to gain access to a European stage. The European label is also an important marketing tool, allowing local bodies to muster the necessary goodwill, support and publicity to successfully pursue the project from start to finish.

Understandably, the projects have their price. Second Chance Schools require considerable educational resources corresponding to an average 5.9 pupils per teacher/tutor and 3.9 pupils per computer. In mainstream secondary education in the European Union, the figures are between 12.1 and 14.5 for the pupil/teacher ratio and 27.7 in the case of the pupil/computer ratio. The average cost of a Second Chance School per pupil is €7,901, whereas the corresponding figure in the regular education system is approximately €4,696 (unweighed average). Still, the lighter local structure of the Second Chance Schools may actually make them less expensive than nationally organised job insertion schemes.

4.2.3 Tertiary education and mathematics, science and technology

Further on up the educational scale, tertiary participation rates have increased substantially in recent years in line with the transition to a knowledge society. 20% of Europeans aged between 35 and 39 hold a higher education degree while for the 55-59 age group, the equivalent is only 12.5%. Globally, though, a quarter of adults who have had access to higher education are in the US, one fifth in Brazil, Russia, India and China (BRICs) and less than 15% in the EU25. But the BRICs now account for one third of students, and other middle-income countries for a quarter, against 16% in the EU and 15% in the US (Pisani-Ferry,

⁴³ Schemes such as the UK New Start programme (21% drop-out rate), Danish production schools (45%), the Irish Youthreach programme (38%) or the Spanish workshop schools (13%) all face a constant challenge in developing strategies to reduce the number of participants abandoning courses prematurely. There are nevertheless examples of successful national schemes, for example the UK 'Access to Higher Education' project. See (Kritikos & Ching, 2005).

2006). One OECD prediction estimates that by 2015 Chinese graduates could outnumber those of the EU and the US put together. Closer to home, the fact is that despite the rising number of graduates, demand is increasing even faster than supply. The EU needs more graduates, and for this, access to higher education must be broadened as well as failure rates must be lowered. The high dropout rate from higher education in the EU (in 2000, the average survival rate for the 13 EU countries surveyed by the OECD (2006b) was only 66%) signals the failure of universities in terms of mobilising student efficiency by providing incentives and results. With regard to results, international rankings highlight how the relative quality of European universities is threatened. While university rankings are much contested, the latest from Shanghai Jiao Tong University places only 2 European universities in the global top 20, compared to 17 from the US.

In the Times Higher Education ranking for 2005 and 2006, only 11 and respectively 10 EU universities made it into the top 50, 8 of them being in the UK in both years. The US had 20 in 2005 and 22 in 2006.

Table 4-1 Number of universities per country in the Times higher education supplement 2006 top 50

Top 50	2005	2006
US	20	22
UK	8	8
Australia/New Zealand	6	7
Asia excl. Hong Kong and Singapore	4	4
Hong Kong/Singapore	4	2.5
Canada	3	2.5
Switzerland	2	2
France	2	2
Germany	1	0
Total	50	50

Source: <http://Thes.co.uk/>

Low rankings are in part a symptom of chronic under-funding, in particular on research, despite the recent increases in spending on higher education. The three EU countries that spend the most on higher education are Denmark (2.8% of GDP), Sweden (2.3%) and Finland (2.1%) (EC, 2005b). In some cases spending levels have not kept up with expanding student numbers (Czech Republic, Poland and Slovak Republic) (OECD, 2005b). Increases have notably done little to affect the more global picture: expenditure on private tertiary institutions (for both education and research) as a percentage of GDP is 7 times higher in the US than in the EU, and 3 times higher in Japan. Considering the levels of total investment per student, the differences are also huge: in 2001, the EU25 average investment per tertiary student was €8,600 (varying from €3,000 to more than €10,000) whilst in the US the investment per student was more than €20,000.

The main source of discrepancy is in levels of private investment. Private investment is comparatively low across educational levels in the EU (table 4-2), but the difference is most striking in higher education, where the EU investment is less than 0.2% of GDP while the OECD average is 0.9%, US: 1.8% and Japan: 0.6% of GDP. The paucity of private investment in higher education is also reflected in the restricted and limiting nature of governance of those institutions. European universities often suffer from bureaucracy and a lack of autonomy, which hinders competition and efficiency. Some Member States (e.g. Ireland, Netherlands, UK and Denmark) are currently undertaking tertiary education structural reforms. Centralised control remains nevertheless strong in many others, at the national (France, Italy, Greece) or regional (Spain, Germany, Belgium) level.

Table 4-2 Expenditure on education from private and public sources in % of GDP in 2002

	EU25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	
Public	5.22	6.26	4.41	8.51	4.78	5.69	3.96	4.44	5.81	4.32	4.75	6.83	5.82	5.89	3.99	5.51	4.54	
Private	0.59	0.37	0.24	0.28	0.89		0.19	0.57	0.48	0.28	0.36	1.46	0.73			0.57	0.63	
Total	5.81	6.63	4.65	8.79	5.67		4.15	5.01	6.29	4.6	5.11	8.29	6.55			6.08	5.17	
	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	HR	TR	IS	LI	NO	JP	US
Public	5.08	5.67	5.6	5.83	6.02	4.35	6.39	7.66	5.25	3.57	3.53	4.32	3.56	7.12	2.95	7.63	3.6	5.35
Private	0.49	0.38	0.66	0.09	0.86	0.2	0.13	0.17	0.92	0.72	0.16	0.15	0.42	0.6		0.26	1.2	1.9
Total	5.57	6.05	6.26	5.92	6.88	4.55	6.52	7.83	6.17	4.29	3.69	4.47	3.98	7.72		7.89	4.8	7.25

Source : Eurostat (UOE collection), EAC.

While the autonomy of tertiary institutions is vital in ensuring academic standards, academic excellence does not necessarily imply an academic monopoly of institutional boards of direction. More importantly, the absence on such boards of other stakeholders such as industry and representatives of wider society can be considered a major drawback. Higher education needs for example to provide for the needs of the labour market, and poor links with employers can hinder this task.

Finally, the low rankings of EU universities are in good measure a sign of the European under-performance in the fields of R&D, as much of comparative university ranking criteria are based on research. One sector in particularly dire need of attention is the medical professions, due to their status not only at the fore-front of technological advances, but furthermore due to their social aspect. An ageing population implies a growth in demand for healthcare professionals, especially when coupled with a declining capacity or willingness of younger family members to care for the elderly. The rapid advances being made in medical science also mean greater challenges in training the required professionals, both initially and in terms of new practices and techniques throughout their careers. Education systems must cater to these needs. Moreover, the EU has responsibilities in this sector that go beyond its borders, concerning the training of healthcare professionals from developing countries and the provision of healthcare aid to such countries, a key component of the EU's global mandate.

4.3 Policy recommendations

Measures are urgently needed from compulsory school to tertiary institutions in order to ensure that education systems meet the needs of the knowledge society and participate in its development. Creating the appropriate balance of incentives and results for the effective empowerment of the individual that is key to the creation and mobilisation of human capital requires modernisation across the educational spectrum. It is essential that both the quantity and the quality of the education all youth receive reflect these priorities.

4.3.1 Compulsory education

Key recommendations on compulsory education

- Lower the school starting age and invest in early education, with a focus on the acquisition of cognitive and meta-skills.
- Create a public-private partnership for compulsory school: public funding and monitoring of outcomes paired with school autonomy in management, resources and content of education.
- Improve teacher quality and the attraction of the teaching profession, with an attention to working condition.
- Enhance integration at lower educational levels.
- Foster wider network of Second Chance Schools and their firm establishment in the education system.
- Promote close ties between educational institutions and employers in apprenticeship programmes, in particular concerning recognition of qualifications.
- Create a two-tier (primary and secondary) pan-EU skills-assessment testing system.

In primary and secondary education, the priority investments are to be directed to assisting those who have the most difficulty in keeping up, and to language teaching – the most fundamental skill both for the integration of migrants and minorities and for the consolidation of a united Europe. Furthermore, a massive investment effort should go into early childhood education and care so as to present children with opportunities from the earliest stage. Integration through extra-curricula school activities such as sports and culture should also be considered. This priority represents a means to avoid future inequity which will be costly to offset at a later stage. As concerns school curricula, most importantly when considering the development of basic skills is a focus on language mastering and cognitive skills. Learning to learn is generally not considered a topic in its own right by education systems, but cognitive development should provide the framework of the learning process. A more pro-active approach to learning should also be encouraged from the youngest age, for example in terms of hands-on science classes (e.g. Pollen Project),⁴⁴ but also to help children develop analysis and decision-making skills, as the basis of life-long learning. Finally, it is important to note that successful exploitation of cognitive skills developed at an early age is to a large extent dependent on non-cognitive outcomes such as social skills, motivation and good work habits, which have furthermore been shown to be malleable for a longer share of time than cognitive skills (Carneiro & Heckman, 2003). The development of such skills may also be fostered by civil society institutions (family, sports groups, boy scouts, etc.).

EXTENDING COMPULSORY EDUCATION AND INVESTING IN EARLY EDUCATION

As learning begets learning, starting young is the most efficient of educational investments. In terms of equity too, it has been found that more extensive systems of pre-school education – in terms of both enrolment and duration – significantly increase equality of opportunity, as measured by a lower dependence of eighth-grade students' test scores on their family background (Woessmann & al., 2006). The young start, combined with effective teaching methods in particular for meta-skills, social skills and creative skills, (EC, 2004b) can ensure the greater integration of migrants, particularly if paired with strong family support systems (see Section 2). *Kindergarten* attendance and notably pre-school reading performance have

⁴⁴ <http://www.pollen-europa.net/>

also been found to be associated with higher reading performance at the end of primary school, even after controlling for a vast number of family-background and school effects. Similar effects have been found between the length of a country's pre-school education system and mathematics and science performance in middle school (Woessmann and al., 2006). Member States are thus recommended to lower the school starting age (already in some cases as low as 4), and/or introduce compulsory pre-school with a strong educational content.

A PUBLIC-PRIVATE PARTNERSHIP

Past the pre-school level, there is no clear, systematic relationship between student achievement and the amount of resources spent on schools. A wealth of research has nevertheless shown that efficiency can be substantially increased by institutional reforms that focus the incentives of all actors in the system on increasing the performance of students (Woessmann and al., 2006). This implies institutional changes that have no necessary major impact on spending levels.

International evidence suggests that a combination of accountability and autonomy favour efficiency. The great success of Finland's education system bears testimony to this (Schleicher, 2006). In the mid-1980s, Finland's secondary school students performed little above the OECD average. In 2003, Finland topped the PISA assessment for the second time. The spectacular rise in quality was due to a shift in policy away from control over the resources and content of education toward a focus on improving outcomes – a shift shared by many of the world's most successful education systems.

Improving outcomes means holding schools accountable for the performance of students. This accountability can be introduced through external testing and making public the quality of what students and schools deliver, for example in terms of external exit exams and follow-up of graduates, thus creating the proper incentives to improve educational performance. Another possibility is explicit school-focused accountability systems. The European Commission could be pro-active in developing a set of performance indicators for schools in order to track the development of students' performance. Accountability systems must nevertheless be paired with careful measures to avoid strategic responses on the part of teachers and schools, such as, for example, placing low-performing students in special-education programmes which are outside the accountability system, or pre-emptively retaining students. Greater autonomy in personnel and process decisions has also been shown to be beneficial for students' learning, at least in systems where external exit exams introduce accountability. In several decision-making areas such as teacher salaries, course contents and school budgets, the cross-country evidence based on different international student achievement tests suggests that local decision-making without external exit exams is detrimental for student performance. But the effect turns around to be positive where external exams exist. An efficient policy would thus be to specify standards and monitor their attainment, but to leave it up to the schools how these standards should be reached.

At the same time, across countries, larger shares of public funding (as opposed to operation) are associated with better student outcomes (Woessmann and al., 2006). Indeed, public funding even seems to improve efficiency, presumably because it allows additional choice and thus competition for families who would otherwise not choose because they are credit constrained. A move towards a public-private partnership is thus recommended, with public funding and accountability benchmarks combined with greater local level management autonomy. Of course, any decentralisation should be matched by training for central administrators and local actors in financial and management matters.

IMPROVING TEACHER QUALITY

Improve the attractiveness of the teaching profession. In recent years many Member States have experienced a shortage of teachers. An OECD (2004) survey found that 49% of students in OECD countries were enrolled in schools having major difficulties hiring qualified teachers in computer science and IT. The figures for mathematics, technology, science and foreign languages were all in the 30s. To combat this trend, Member States must implement concrete policies to encourage young people into the teaching profession. This implies incentives in the form of better working conditions (including in some cases salary increases, more training and classroom support) and a targeted publicity campaign (such as the UK 'Those who can, teach' campaign) to raise the profile of the profession.

Improve teachers' performance. It is nevertheless important to emphasise teacher quality over teacher quantity, a flexible and ongoing scheme of teacher education and development aligned with school needs, and school autonomy in teacher personnel management. Again, having different forms of school choice has been found to induce schools to hire high-quality teachers (Woessmann and al., 2006). To improve teacher quality, it is also suggested to pay attention to the selection criteria for teacher education and employment, ongoing teacher evaluation throughout their careers, and recognition and reward for effective teaching. As noted above, the performance of schools and teachers is not easily separated from other factors (such as for example student selection) and assessable of itself. Performance is of course linked to results and thus testing. While standardised tests are useful for assessing overall group performance and therefore for holding schools accountable, value-added analysis can separate the influence of confounding variables, such as a student's socio-economic background and his/her previous school attainment, from individual performance (Cawley and al., 1999). This allows policy makers to hold teachers themselves better to account for students' learning gains, irrespective of an individual's previous level of learning. More empirical research is nevertheless needed on the relative efficiency of testing methods.

Improve working conditions. Interestingly, other evidence suggests that monetary incentives are not the only – or perhaps even the most effective – way of encouraging teachers to enter or remain in challenging schools (Bush, 2005). Improvements in the qualitative aspects of school life might be a more important factor. These include smaller class sizes,⁴⁵ more non-contact time, more classroom support and opportunities for continuing professional development. In many situations the crucial factor is better management and support in relation to misbehaviour and student violence, and a clear message that the teacher is valued. Improving the mobility of teachers would also increase the attractiveness of the profession, help to promote exchange of best practice within the EU, and particularly work to improve the quality of language teaching. The participation of teachers in the Erasmus programme increased 13% from 2003/04 to 2004/05 to nearly 21,000 but the potential for further participation remains.

DISADVANTAGED STUDENTS

Students with learning difficulties. Further research is needed into the cost-efficiency of training teachers to recognise learning problems early on, and into the effectiveness of differing methods of dealing with such difficulties. Evidence nevertheless shows that in order to equip disadvantaged students, as far as possible, with equivalent learning means, such students, even those with severe disabilities, should be educated in regular, mainstream schools rather than in separate institutions, on the condition that the extra resources provided in special schools are maintained. There is even evidence that other students benefit from the

⁴⁵ While there is mixed evidence on the impact of class size on student performance, class size is a factor in the perceived quality of a teaching position.

extra support provided as a result of the inclusion of disabled students in regular classes (OECD, 2004).

Students from low socio-economic backgrounds. In a broader context, there is very little evidence suggesting that spending targeted at disadvantaged students is any more effective than spending on average. Evidence from the Netherlands shows that for a broad range of interventions targeted at disadvantaged groups, such as class-size reductions or extra resources for personnel and computers, substantial effects can be ruled out. Similarly, it has proven difficult to find a significant effect of the policy of education priority zones in France, which channels additional resources to disadvantaged schools (Woessmann & al., 2006). This suggests that the use of extra funds has been ineffective. One reason for this could be the failure to provide educators with the necessary training and support to implement successful programmes. An efficient use of extra funds could be to ensure teachers are trained to detect students experiencing difficulties from the youngest possible age, and that individual support is directed at those students. Another would be to support and carefully monitor targeted pilot projects (see for example box on Second Chance Schools, above).

Avoid early tracking. Early tracking is one structural mechanism which enhances inequity without showing positive gains in efficiency. Differentiating students by level of ability and channelling them into different educational streams at a young age, e.g. at age 10 to 12, as is common in several European school systems, is particularly harmful for children from families with low socio-economic status and therefore hinders reaching equality of educational opportunity (Hanushek & Woessmann, 2006). On the other hand, data suggests that the opening up of higher education to all students without sufficient screening mechanisms (either at entry or upper secondary level) is expensive and leads to wastage. Differentiation is most effective and equitable at upper-secondary level.

Introduce choice. Introducing choice can also benefit equity, by decreasing segregation due to mobility. Proper safeguards would nevertheless be paramount. Without such safeguards, critics fear that competition may induce cream skimming, increase segregation and lead to adverse effects on disadvantaged students. The Finnish example proves that decentralisation can work, containing quality differences between schools to within 5% of the overall variation of performance among students. On the other hand, some of the most centralised education systems (Hungary, Belgium, Italy, Germany, Austria) show some of the largest performance differences between schools (OECD, 2004). Equity should be judged on the equality of educational outcomes, as measured by a combination of quantitative (external examinations) and qualitative (external inspection, self-evaluation) mechanisms.

Addressing the underachievement of boys. There is an urgent need to raise the awareness of teachers and parents with regard to the underachievement of boys in mainstream education systems. Some strategies to develop in order to improve behaviour and performance include maintaining gender balance in classrooms, teaching in mixed ability pairs, setting short-term targets and regularly reviewing literacy skills. Concerning role models, pairing older boys with younger and more impressionable partners for regular reading help can be a very positive influence. Encouraging men into the teaching profession as well as advocating the involvement of male role models who demonstrate the gains they have made through their education, in providing help and working with children, would also make a difference.

SECOND CHANCE EDUCATION

As has been noted before, educational difficulties and their effects are cumulative, and the earlier such difficulties are addressed the better. Teachers and pupils must be supported and provided with more pedagogical tools and with special aid for languages and mentoring in predominantly migrant districts to prevent early dropping out during compulsory school. For those students who abandon school nonetheless, alternative pathways could be opened to

allow a second chance. The development of local partnerships through a network of ‘second chance’ schools at national and preferably European level is the next stage to actively work on.

The success of the EU Second Chance Schools pilot project over the last 15 years is encouraging. The European Commission has withdrawn from its role as general co-ordinator of the scheme, but retains an important role in promoting the schools and securing the necessary financing through the Structural Funds. This role can be furthered by eventually following-up on the past success with a new pilot scheme aiming to foster a wider network of Second Chance Schools as well as considering how to establish them as a part of the institutional education system (for example in terms of qualifications), and finally considering what wider lessons can be drawn from the Second Chance Schools relevant to the mainstream education system.

APPRENTICESHIPS

The value of apprenticeships is primarily in their direct partnership with employers, but in order to make the skills acquired transferable in a dynamic labour market, the educational component of such courses must be better regulated. This requires an efficient coordination between educational and training institutions and employment. In particular, employers should be involved in the design of courses and award of qualifications (see Section 5).

PAN-EUROPEAN SKILLS ASSESSMENT TESTS

Recognition of qualifications is not only an issue for alternative forms of education, but poses a serious challenge even in relation to the varieties of European mainstream education systems. The Bologna Process⁴⁶ set out as a priority the mutual recognition of qualifications at the tertiary education level (the recommendation for a European Qualifications Framework EC 2006h) proposes eight reference levels from the end of compulsory education or training upwards), but the lack of lower-level equivalence and the process of comparison will remain a brake on mobility in the EU. If the Union is to become a flexible and creative knowledge society, it is essential that youth not only be provided with the skills necessary to participate fully in that society, but furthermore that they be provided with the formal tools to make use of those skills. This implies truly open educational and labour markets, the foundation of which should be some variety of uniform European assessment system based on – but going further than – the PISA surveys (OECD, 2006c). The PISA surveys in reading (2000), mathematical (2003) and scientific (2006) literacy have proven a valuable source of knowledge for policy analysis and research. A pan-EU assessment test of basic literacy, numeracy and problem-solving skills at a set age roughly corresponding to the end of primary school and, in particular, a more comprehensive post-secondary test, would allow better comparability of educational systems (and exchange of best practice) and enable a smoother transferability of credits from national examination systems and thus mobility.

⁴⁶ <http://ec.europa.eu/education/policies/educ/bologna/bologna.pdf>

4.3.2 Higher education

Key recommendations on higher education

- Implement tuition fees along with income-contingent social loans and generous scholarships and grants programmes.
- Ensure long-term financial sustainability by mobilizing public and private funding, matched with an evolution of leadership and management capacities reflecting those of modern enterprises; Ensure government of universities reflects much wider range of stakeholder interests than the academic community.
- Develop and publicise EU criteria and database to compare the performance of universities based on follow-up of graduates.
- Broaden access to universities by enforcing equity measures and improving information and orientation at lower educational levels.
- Strengthen student mobility through mobility programmes such as Erasmus.

Structural reforms in the higher education sector are urgent and necessary in order to (i) facilitate and stimulate the mobility of students, teachers, researchers and graduates so as to overcome the fragmentation of European higher education and research; (ii) ensure fair and effective access for graduates from all EU countries to the European labour market which means to make qualifications easily understandable and recognisable in the European higher education area. The Bologna process is going to be fundamental for this objective; (iii) enhance the efficiency of each higher education system, in particular through reduced failure and dropout rates; (iv) put European higher education in a position to attract the best talent from within and from abroad, and in this way to promote our cultures, our values, our science and technology and our social model in the world; and (v) increase demand and find solutions to overcome the limited human resources and the limited financial capacities. The increase of demand should not compromise the excellence of teaching and research while a strong social scheme should ensure broad, fair and democratic access to higher education.

EFFICIENCY AND PRIVATE INVESTMENT

European systems of higher education could gain a lot in increasing its funding. It could be based on tuition fees, private and public investment. US evidence shows that public universities faced with little competition, and universities that rely heavily on government subsidies, perform worse in terms of graduation rates in undergraduate education. Competition between institutions would also encourage universities to cater more closely to student and labour market needs, for example by offering flexible degree structures, the implementation of which also positively correlates with high graduation rates (OECD, 2005b). Private funding in the form of tuition fees provides an incentive for students to study more efficiently, and creates incentives for universities to use their resources more effectively (particularly when paying students are likely to vote with their feet should an institution fail to deliver), while student loans have been found to provide incentives to students to choose subjects leading to employment as well as to study harder and complete their degrees, which enhances efficiency (Barr, 1993).

Ample evidence from the UK (Dearden, McGranahan & Sianesi, 2004) and the US (Cameron & Heckman, 2001) suggests that true credit constraints are not a binding issue in the admission to higher education in the vast majority of cases. Rather, the lack of early educational investments deprives disadvantaged students of the basic prerequisites to advance to university. This explains how widening access to tertiary education has benefited mainly

the middle classes, while the enrolment rates of those from lower socio-economic backgrounds have shown slower increases (Woessmann & al., 2006). Thus, tax funding may be viewed as unequal in that part of the funding may come from groups with little opportunities to access higher education.

Private funding in the form of tuition fees should not necessarily be considered as promoting inequity, so long as they are combined with a system of income-contingent loans available to all students and covering also the costs of living. In equity terms, the income contingency creates a built-in insurance against inability to repay the loan. The loans can even be seen as equity-enhancing when perceived as equity in terms not of family background but in terms of a student's own lifetime well-being. While high-earning graduates pay back the loan plus interest, low-earning graduates do not fully pay back their education costs and are subsidised by taxpayers. In addition, the fees should be selective rather than across the board. Students from low socio-economic backgrounds could receive targeted grants and scholarships. Generally nevertheless, the case for fees and loans has so far not been made in such a way that the public perceives the equity benefits of such a system, which explains why the move towards the introduction of tuition fees has so far proven publicly unpopular (UK, Slovakia). In Portugal, for instance, tuition fees were introduced accompanied by social schemes (1/3 of students received scholarships). This system has proven fairer as it allow to provide higher education for more students. An additional measure worthy of consideration is Capital Grants as a means of direct investment in a child's future. The British government has proposed a Child Investment Fund whereby a universal grant is awarded to every baby at birth, topped up by a means-tested addition. The money is then invested in a fund which the parents can also pay into, and made available for use when the child reaches eighteen. The advantages of such a scheme are that parents are encouraged to invest in their children's future (the British scheme proposes a limited matching of in-payments system) and that the funds are not restricted in their final usage, thereby not disadvantaging or discouraging those who choose alternative educational pathways.

Capital Grants, income-contingent loans and scholarships all represent a shift in administration of funding from institutions to the individual. This is essential so that competition between institutions for students can ensure quality. Many issues of implementation of these funding schemes remain to be carefully considered, including the possible European dimension. The European Investment Bank could be a crucial driver in the reform of tertiary institutions by making funding such as income-contingent loans available to students (Van der Ploeg & Veugelers, 2007).

EU ACCOUNTABILITY CRITERIA AND DATABASE

In order to enhance the accountability and quality of higher education institutions, the EU should create standardised criteria measuring performance as well as equity and based in particular on a follow-up of graduates. These criteria should cover dropout rates, average enrolment durations, average exam marks, student evaluations, graduate performance in the job market, etc. The results should then be published on an annual basis. The EU level can once again hereby facilitate the exchange of best practices and particularly the mobility of students and graduates by providing a measure of recognition and thus transferability of qualifications.

ORIENTATION AND ENCOURAGING STUDENTS INTO HIGHER EDUCATION

More information about the advantages of attending higher education is essential, notably for people who do not attempt to enter higher education because they are unaware or unconvinced of the opportunities it affords (Hetzl, 2006). Such students are often from the most disadvantaged families who do not have a culture of attending tertiary education. Regular sessions with professional orientation counsellors, mentoring of students by current university students, preferably from similar backgrounds, visits by pupils to universities and

by academics to schools or extra teaching/tutoring are all ways of improving information at an earlier stage and can reduce drop-out rates. In the same way, students need to be encouraged into MST fields if the EU R&D deficiency is to be redressed. Gender stereotyping in education choices in particular needs to be seriously addressed at all levels of education to encourage more women into MST.

MOBILITY

The grants awarded to Erasmus students must rise if the programme is to meet equity standards and reach the target of 10% of all students.⁴⁷ From the 1993 equivalent rate of €150 per month, in the 2007-2013 budget the European Parliament has asked for an increase in grants to €210 in 2007 and €300 in 2013. The EU should work to ensure quality control, adequate information on courses and access to language courses for exchange students, while also encouraging a wider participation of institutions (currently 2,199) and a more even distribution of participants. This would require ensuring the increase in the Erasmus budget goes beyond covering the increase in student grants.

To enhance competition and mobility, student funds (vouchers for loans and scholarships) should also be valid across borders. The number of students who take a full-time course abroad is much smaller than that of exchange students. These students tend to be highly motivated by the quality of education (Thissen & Ederveen, 2006) and also are more likely to work or stay abroad after graduating (Oosterbeek & Webbink, 2006). Organising income-contingent loans at the EU level (through the European Investment Bank) would encourage such long-term mobility, thus serving as an extra incentive to institutions to up quality to compete on an international level, as well as provide the necessary co-ordination to ensure the repayment of loans by graduates who move across borders.

4.4 Conclusions

Education must necessarily be central to any meaningful youth policy. As the lifeblood of Europe, the potential youth embodies cannot be overestimated, and failure to provide adequate education to the young represents, in the long run, the most costly of policy failures. An under-performing education system can only produce an under-performing society. A system where many children fail to even complete compulsory education not only represents enormous wastage, but furthermore a substantial cost for society as a whole. While educational systems differ greatly between Member States, the common challenge Europe faces is recognising and tackling the fact that, in the developing knowledge society, the long-term costs of our failure to provide consistent quality education to all are rapidly increasing. Investing in the future requires investing each and every child with the skills and knowledge of how to build that future. This means favouring equal educational opportunities for all, from the earliest possible age and thereafter as a life-long process, and ensuring that the quality of that training matches social and economic realities and needs. Effectively empowering the individual to exploit his or her human capital is also a matter of providing the right incentives and returns, a concept that applies equally to all other stakeholders in the educational system. This demands an integrated and co-ordinated educational strategy. Approaches to education need to be as dynamic and innovative as the societies and economies they are serving. To produce individuals who can adapt to and stimulate change, educational institutions need first of all to facilitate internal change as regards their form and content. This requires better information gathering and exchange at all educational levels and at both Member State and EU level and in many cases major structural reforms to revitalise educational systems and make them more flexible and competitive.

⁴⁷ Other EU programmes promoting mobility include Comenius at the compulsory school level Leonardo da Vinci which promotes trans-national traineeship placements. For more information, see http://ec.europa.eu/education/programmes/programmes_en.html

5. EMPLOYMENT AND INTEGRATION: FAVOUR RAPID TRANSITION

The moment of entry into the labour market should, in theory, represent the reaping of the benefits of prior investment in childhood care, education and health. So far, this has not always been the case in Europe: youth unemployment is nearly twice that of other workers, and entry into the labour market is a long and complex process. To promote sustainable growth as well as a more cohesive society, structural changes are needed to foster rapid entry into the labour market. Some policies can help, in particular for disadvantaged young people, in reinforcing the links between youth, education and training systems, and employers. To avoid loss in human capital, early interventions in the labour market are also essential to empower young people to consolidate their human capital through training or jobs and develop social networks. Finally, the welfare state must be better designed to prevent youth poverty and favour transitions that help young people to fully participate in the labour market.

Key facts and figures

- The period of transition from education to the labour market is about 20 months, and to permanent employment far longer.
- The unemployment of youth is twice that of other workers (around 18%) despite the general increase of attainment of younger generations. In 2006, nearly 5 million young people were unemployed, out of a total of nearly 20 million in the EU27.
- The employment rate of young people is about 37%, but it varies from 20% to 60% in Europe. It has not improved since 2000.
- Employed youth are often in fixed-term contracts (33%) and sometimes in jobs they are over-qualified for (20%). The incidence of fixed-term contracts often correlates the high level of Employment Protection Legislation (EPL).
- The risk of poverty among young people is high (21%) – slightly higher than the risk of poverty amongst children.
- These general performance indicators hide huge differences between populations: migrants, women and unskilled workers are at greater risk.

Entry into the labour market should be a good moment to reap the benefits from earlier investments (in education, health and so on). And, indeed, successful entry into the labour market depends to a considerable extent on the outcomes of previous investments. Youth with lower education levels have, in general, lower opportunities in the labour market. While the unemployment rate is around 5% for the highly qualified, it reaches 12% for the low qualified. School failure appears most often as a factor in this differential of labour market entry difficulties. This failure is costly and will become more so in the years to come. The knowledge-based economy will have decreasing demand for low-skilled workers and shrinking youth populations make it ever more necessary that the full potential of all young people is developed. The demands of the knowledge society are not limited to university graduates, but concern a wide range of skills.

Transition periods from school to work are becoming increasingly complex. The rates vary between Member States, but it takes roughly 20 months on average to find a job after completion of education (table 1). Furthermore, young people need to be prepared and equipped for the transitions they will have to make between jobs across their life-course. Reciprocally, the labour market needs to be adapted for their entry.

Table 5-1 Average duration of the transition from school to work in Europe, 1994-2000

<i>In months</i>	Time spent to find any type of job	Time spent to find a permanent job
Austria	19.9	33.0
Belgium	20.4	45.0
Denmark	14.6	21.3
Finland	27.6	44.3
France	24.3	40.7
Germany	18.0	33.8
Greece	21.3	51.5
Ireland	13.2	28.7
Italy	25.5	44.8
Portugal	22.6	51.5
Spain	34.6	56.6
United-Kingdom	19.4	36.1

Source: Quintini & Martin (2006) based on European Community Household Panel.

In designing reforms, one should remember to take into account the different performances of specific groups in accessing and staying in the labour market, as gender but also ethnic origin continue to be sources of segregation and discrimination. For instance, girls' access to the labour market is more often than boys' constrained by family traditions and responsibilities. Stereotyped attitudes add obstacles to their integration at the level of their skills and qualifications. Young women are still over-represented in low-paid and temporary jobs for which they are over-qualified; percentages are 2 to 3 times higher if they are from an immigrant background (cf. OECD-Sopemi, 2006). This is a waste of human capital and will be difficult to compensate for later.

5.1 What is at stake?

Besides the direct impact on the human resources available to support economic growth, the entry of youth is decisive in numerous respects. Many studies show that delayed entry into the labour market may entail a series of negative impacts: on future jobs for young people, on family composition and on parenthood (Ryan, 2001). The transitions are more prolonged due to youth unemployment, job instability and the difficulty of entering the housing market. Partly as a consequence, the age of first childbirth (and marriage) has increased by 2-3 years in the past decades in EU countries. Actually, since the 1970s both have increased by 5 years for women to 28 (marriage) and 31 (1st child).

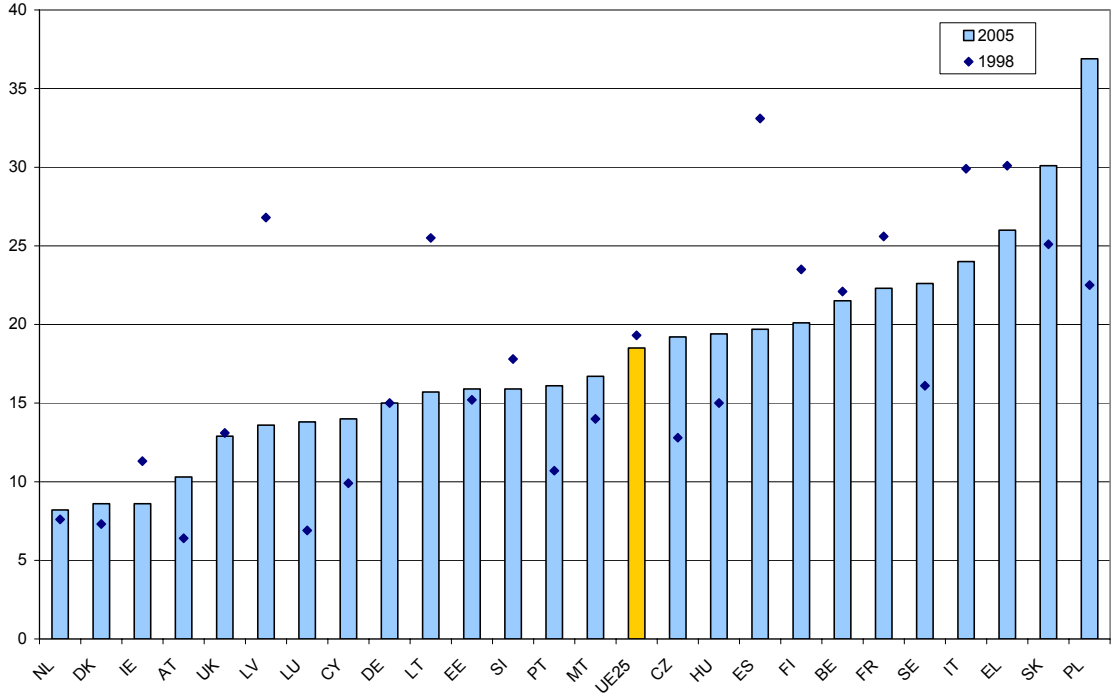
Youth employment is also crucial for maintaining confidence in the welfare state, notably as concerns future pensions. The political economy of the welfare state shows that the lack of adequate insertion into the labour market might raise serious concerns among young people with regards to its sustainability (Parent, 1998). Young people must be confident in their ability to contribute and of the rewards they can expect from their contribution.

5.1.1 Links between training and education systems and labour market

The situation of young people in the labour market is strongly related to education and training systems. There is a clear link between the relative ease of entry into the labour market and the form of a country's education and training systems (Müller and Gangl ed., 2003). Studies usually distinguish between three systems: vocational systems, general systems and the Southern European model. Southern European countries are marked by a low level of attainment. However, the gap vis-à-vis other countries is closing rapidly. All in all, vocational and apprenticeship systems perform much better in terms of youth employment rates. For

instance, Austria, Denmark, or Germany perform relatively well in terms of levels of both youth unemployment and secondary sector employment.

Chart 5-1 Youth Unemployment rate 1998 and 2005



Source: Eurostat, *Employment in Europe*.

Individual levels of education also play a considerable role in unemployment risk levels. Labour market analyses are clear: whatever the age concerned, the unemployment level is around 13% for people with no secondary education, while for the best educated the unemployment rate is 5% (Table 5-2). Across OECD countries, 17% of young adults between 20-24 years of age are neither in employment, education nor training (NEETs). The risk of becoming a NEET is far higher for Early School Leavers. This illustrates the importance of an adequate initial education and a smooth school-to-work transition.

There is also a reverse link between the performance of the labour market and (individual) involvement in education. Research done in the framework of the human capital theory shows that the demand for education depends also on unemployment levels. Graduate unemployment discourages long studies (Kodde, 2002; Fernández and Shiojiy, 2000). It is therefore important to have a well-functioning labour market to provide incentives to young people.

Table 5-2 Performance on the labour market by level of education in 2006

	Employment rate				Unemployment rate			
	Average	High	Medium	Low	Average	High	Medium	Low
Total	63.6	82.5	68.7	46.4	9.1	5.0	9.3	12.9
Men	71.1	85.9	75.1	56.8	8.5	4.6	8.7	11.7
Women	56.2	79.1	62.2	36.3	9.9	5.5	10.0	14.5

Source: *Employment in Europe (2006)*, Eurostat.

5.1.2 *The role of macro-economy and institutions*

General unemployment levels are of paramount importance in explaining the high levels of youth unemployment, as illustrated by Chart 5-2. There is a close link between the employment performance of youth and that of the wider labour market. And in the business cycle, very often, youth unemployment over-reacts vis-à-vis the general level of unemployment. This brings good news and bad news. The good news is that this means that the bulk of youth unemployment may decrease with a general improvement of labour markets. This is partly due to the fact that youth are generally the most flexible segment of the labour market. The bad news is that specific employment labour policies aimed at young workers will be far from sufficient to significantly alleviate the problem, which requires far-reaching modernising institutions and may need bolder initiatives.

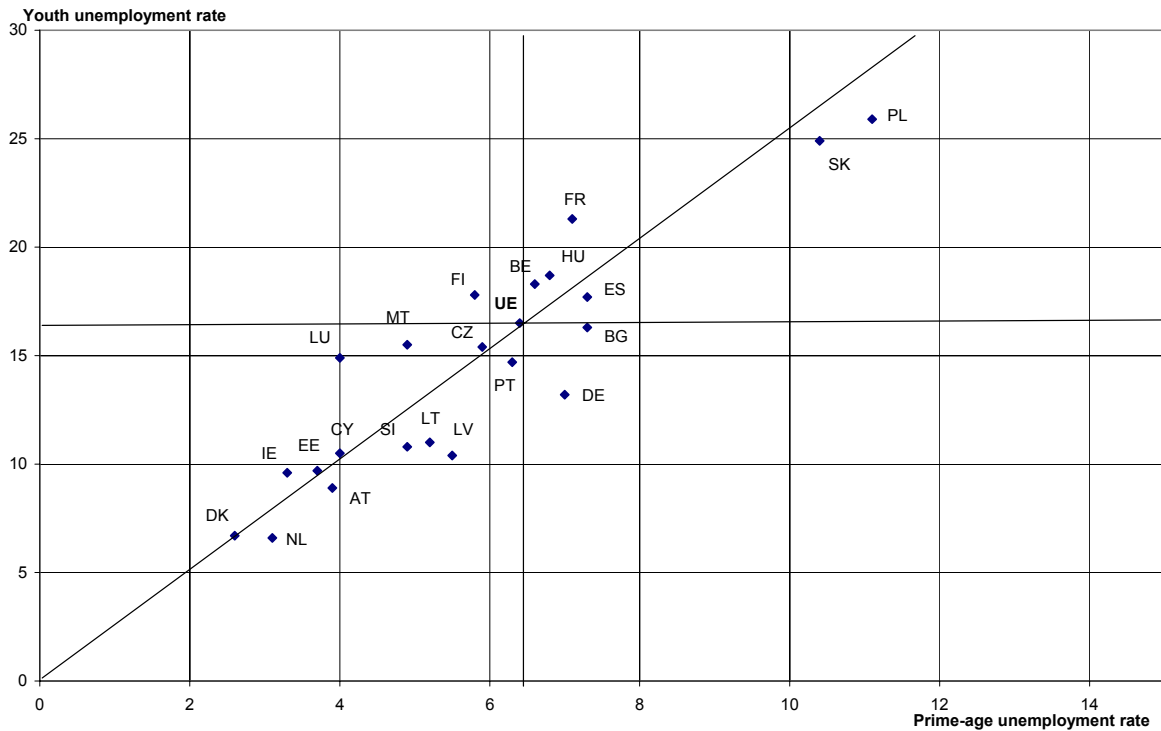
The impact of strict Employment Protection Legislation (EPL)⁴⁸ on total unemployment is theoretically ambiguous and small in practice. However, this result should not hide the fact that a strict EPL entails a decrease in the levels of job destruction and job creation. Consequently, it may alter the quality of matching between supply and demand. Research shows that strict EPL, by reducing labour turnover and hiring levels, tends to hamper the employment performances of those groups most subject to entry problems, such as young workers, women and the long-term unemployed (OECD, 2004a, and Jimeno & Rodriguez-Palenzuela, 2002).

Many countries have tried to modernise their labour markets but have often focused reforms on specific segments of the labour market. These partial reforms seem to have reinforced labour market dualism (i.e. there exist two segments of the labour market: one is concerned with fixed-term contracts, the other segment is permanent contract) in a number of countries and have favoured insiders over outsiders rather than improve the general functioning of the labour market (Cahuc & Kramarz, 2004; European Commission, 2006). In particular, it is worthwhile noticing that there is a positive correlation between the number of fixed-term contracts and the strictness of EPL on permanent contract (Chart 5-3). This is confirmed by in-depth analyses such as those of OECD (2006f). It explains why most young people are hired on a temporary basis with fewer elements to secure their trajectories in terms of unemployment benefits, training etc. Today, around one third of the employed young are on a fixed-term contract, while the figure is 15% for the entire population.

In some Member States, youngsters work for periods that are too short to qualify them for unemployment benefits. This dualism of the labour market has a more general impact on the living conditions of young people, for instance in terms of access to credit or housing in some countries (Cahuc & Kramarz, 2004). This clearly illustrates the interest of the concept of flexi-curity. Flexicurity should not be 'flexibility in disguise'. An increase in flexibility of employees and firms is more successful if people at the same time have confidence in their future so that they are prepared to invest in themselves. Flexicurity can imply that citizens will be better equipped for change

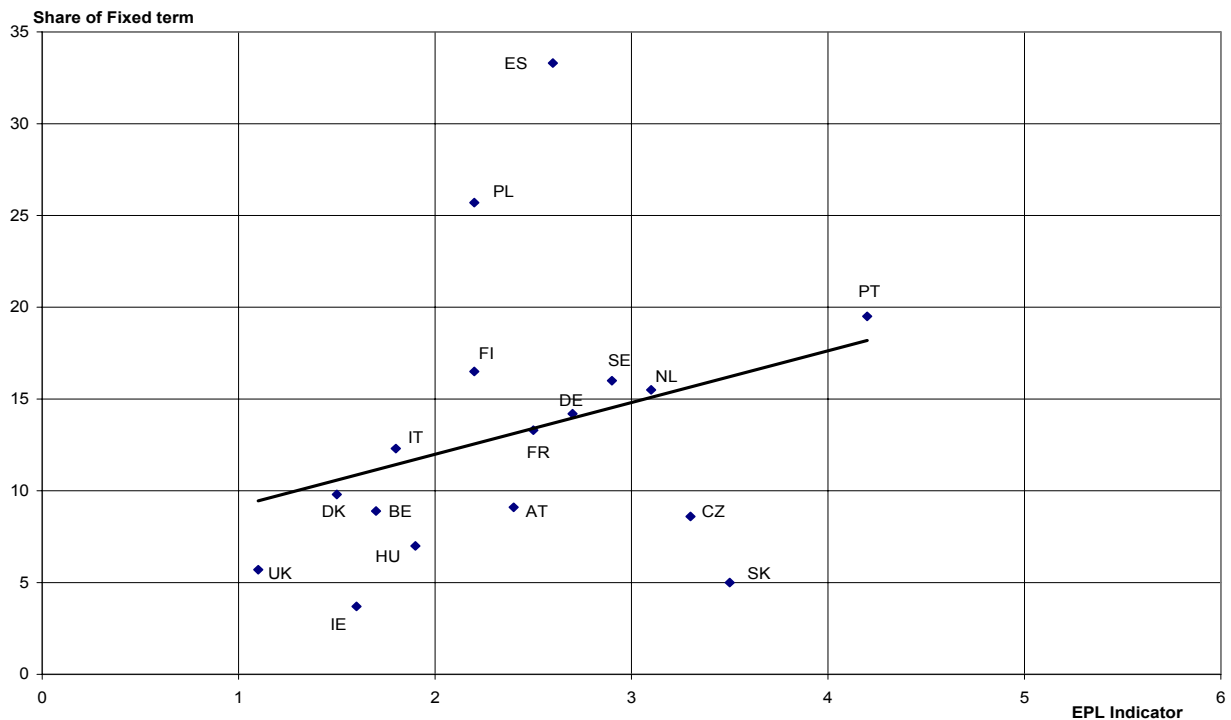
⁴⁸ EPL is an indicator developed by OECD that measures the degree of strictness of employment protection. It depends on the rules of the hiring and firing process.

Chart 5-1 Youth and prime-age unemployment rates Dec. 2006



Source : Eurostat.

Chart 5-2: Employment protection legislation and temporary work



Source: Employment in Europe, OECD.

5.2 Recent trends and changes in employment

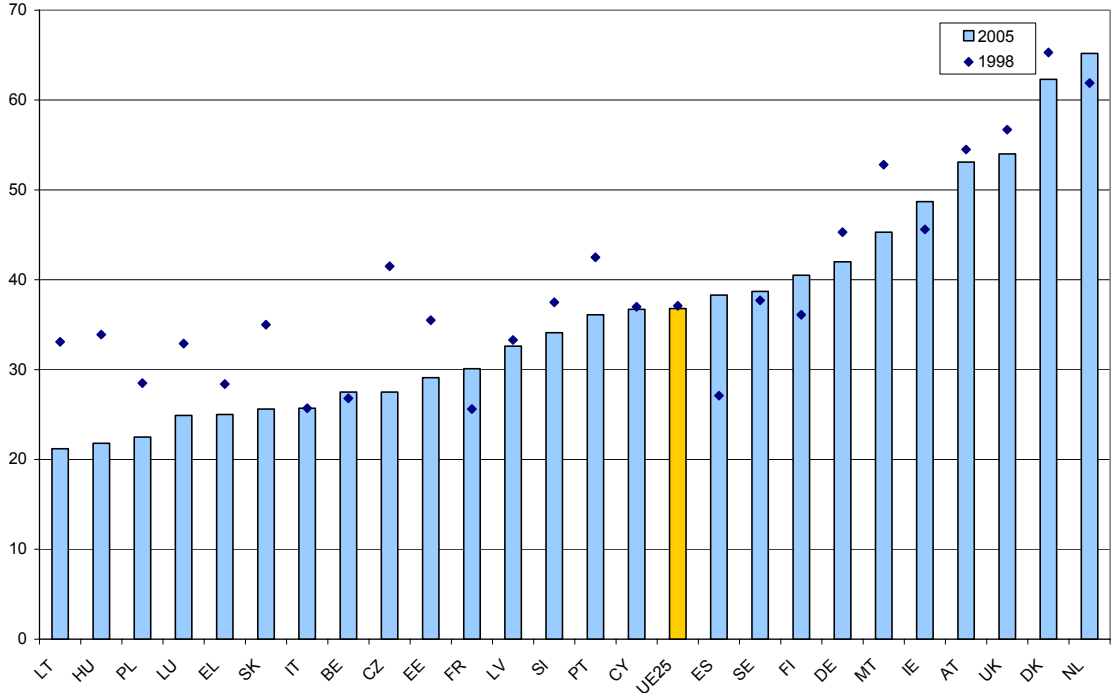
While the general level of attainment has dramatically increased and active labour policies have mainly focused on young people, the employment rate for 15-24 year-olds is low (37%) and is not significantly improving. In most Member States, relative youth participation in the

labour market has actually been declining. This is partly due to an increase in the number of students, but also hides a worrying upward trend in the so-called NEETs. Worrying, too, is the high level of unemployment: nearly 5 million young people are unemployed among a total of 20 million in Europe. The unskilled are more at risk, but a degree is no longer a guarantee to getting a good job (Table 5-2). Furthermore, despite better performance in education for girls, the gender gap remains significant: it is around 2 points for the EU on average and reaches 9 points in some Member States.

Let us mention key trends as regards the position of youth in the labour market:

- The EU-25 youth employment rate is about 37%, quite at the same level of 2000. In some countries, relative youth participation has been declining, reflecting mainly young people's spending a longer time in education. The employment rate figures differ significantly between countries, from 22% to 65% (Chart 5-3). Most of the new Member States have registered a sharp deterioration of this indicator. Some improvements have been registered in France, Spain and Ireland. The length of the transition to a first job is high in Europe: it ranges from 13 months to 35 months, and the result is more worrying if you take into account the usual length of a contract being 21 to 57 months (Quintini and Martin 2006; and table 5-1).
- The youth unemployment rate is around 18% and is very cyclic, but the ratio is far from perfect as it tends to exaggerate the problem since the active population is rarely numerous at this age (depending of the education system). Bearing this in mind, there remains great heterogeneity between European countries as regards youth unemployment. The Netherlands, Denmark, Ireland and Austria have a youth unemployment rate under or around 10%. In the UK, Germany, Portugal and Spain the indicator is around 10-15%, while it reaches 15-25% in Belgium, France, Sweden (recently) and Italy. Finally, some countries even register above 25% (Poland, Slovak Republic).

Chart 5-3 Youth Employment rate



Source : Eurostat, Employment in Europe.

- The best educated have the best performance in the labour market. The unemployment rate is around 5% for the higher educated, while it is around 12% for the less educated. The benefits of being educated are nevertheless not evenly distributed in Europe. Whatever the success in raising general attainment, there will be continuing difficulties to promote employment of the low-skilled and youth in many OECD countries because of competition for jobs as well as the general decline in demand for unskilled labour. Accordingly, certain migrants or foreigners face especially difficult situations. There is a question linked to efficiency of education to compensate for negative socio-background as well as an issue of dual labour markets, even discriminatory practices.
- Down-skilled jobs (*'Déclassement'*) may be another symptom of dysfunctional labour markets where jobs do not match education levels. Sometimes, young people (and more particularly young migrants, women) have to accept jobs well below their qualifications. It is not a problem if it is for a short period. If it lasts too long, this may act as a strong disincentive for adolescents to invest in (even basic) education and to develop an optimistic view of their future. According to Quintini and Martin's (2006) results, this phenomenon seems to be increasing in Europe. In 2005, 20% of the young employed were 'over-educated' – 1.5 percentage points higher than in 1995. Over-education is more usual among young workers in temporary or part-time jobs than amongst their permanent or full-time counterparts. Nevertheless, over-education may be part of the natural transitory process of transition from school to work. The challenge is then to facilitate transitions towards better jobs, although determining whether the effects of such measures will have a long-lasting impact or be only temporary in nature remains a complicated task.
- As firms are reluctant to hire people without experience, and because they feel that standard contracts may be risky, many young people are hired on a temporary basis. The latest longitudinal data at EU level – the European Community Household Panel (EHCP) trajectory statistics – provide useful information: the incidence of temporary contracts among employees is highest for those aged 16-24 (32.6%); the incidence of low pay is also by far the highest for youth at 40% and low-paid young people are also more likely to drop out of employment (over 22%).⁴⁹ If young people have a relatively good chance of moving up in the labour market *'there is a risk that, for young people, long spells of unemployment or highly intermittent, low skilled work experience may have a long term negative impact on the individual's employability'*. This phenomenon has been increasing over the past decade except for in Northern European countries, Ireland and Spain. However, the number of fixed-terms contracts remains high in all of these countries. Such jobs provide young people with fewer protections (in terms of unemployment benefits, training, etc.; cf. Employment in Europe 2003), which is a matter of concern for them as well as for their families who have to support them (when they can) and for society as a whole, as human capital is wasted. This high incidence of fixed-term contracts seems to be correlated to the strictness of EPL.
- The Joint Report on Social Protection and Social Inclusion (EC, 2006d) highlights that *'young adults are [...] the group with one of the highest [together with children] risks of poverty as support from their parental household diminishes and integration into the labour market is still at its early stage'*. The at-risk-of-poverty-rate for children aged 0-15 is 20% for the EU as a whole and 21% for those aged 16-24. In some Member States, the welfare state is less meaningful for youngsters than for adults. Factors associated with youth poverty are more diverse than for children, as young people can be in very different life situations: they can be in education, have a job, be unemployed, or already be parents; they can live with their parents but also alone. The main risk factors here are:

⁴⁹ *Employment in Europe*, 2004, chapter 4.

unemployment, low pay, low educational levels, leaving home early and living alone. Early departure from home – which is most common in Scandinavian countries – seems to be the reason for the high level of poverty of the 16-24 years old in these countries; youth from Southern countries on the other hand tend to live longer with their parents (leaving home at 29 is common for boys in Italy for instance; less so for girls). Single parenthood is a more important risk factor for girls than for boys, but everywhere parenthood is a main reason for youth (single or in couples) to fall into poverty traps. Early motherhood – which is more common in the UK than elsewhere – is one of the better researched areas of youth poverty.

5.3 Policy recommendations

Key recommendations on employment

- Reinforce the coordination between education and training institutions and employment.
- Reinforce apprenticeship schemes, diversify pathways to enter the labour market and consider how to encourage both students and employers to facilitate this activity.
- Develop compulsory job-search or training programmes for young people who remain out of the job market 6 months after leaving school.
- Revise security arrangements so as to take into account the new trends in labour market demand. This is all the more important in view of the rise in dualism of the labour market in some Member States.
- Produce a report on youth and the welfare state assessing inter-alia the feasibility of a safety-net for youth. Reinforce the analysis of youth poverty by regularly publishing more differential statistics.

From the employment perspective, interaction with education and training policies is crucial at all policy levels, from local to EU level. In many countries it is still a huge challenge to put such interaction into practice as performances of labour markets and education systems have shown. While the link between education outcomes and employment opportunities is generally recognised by policy makers, there is not always enough action to meaningfully improve education systems (and their governance). The EU already has a comprehensive package of policy orientations for education and employment in place (Open Method of Coordination in Education, Jobs and Growth Strategy), including targets and benchmarks. These targets are confirmed time and again by the Council. However, as underlined by the recent Annual Progress Report, there has been relatively little progress. The question of accountability thus remains decisive in this domain.

The determinants of youth unemployment are multi-faceted (EC, 2006c): they encompass individual incentives (wages, benefits, tax system...), the individual's socio-economic background (with a specific accumulation of difficulties related to child poverty, mental health, ethnic minorities), as well as institutional systems (education and labour market). However, the general situation of the labour market (and economic growth) is an overwhelming determinant of the level of youth unemployment. The question of securing the trajectories of young people along with having a general flexibility of employment is a cornerstone in facilitating entry into the labour market. So far, in many Member states social security systems and public employment systems have not been organised in a way to take into account the flexibility of the labour market.

Beyond general recommendations related to labour markets and education systems fitting with economic needs, it is also important to promote exchange of best practices to highlight solutions to chronic youth unemployment. One must acknowledge that some countries

(Denmark, Austria, Ireland) have better results than others (Hungary, Poland, Italy, Belgium, France) in youth employment. Some instruments that have proven fruitful in lowering youth unemployment include: apprenticeships have helped to tighten the links between education and employment; immediate activation (with job-search training, training in new skills or provision of jobs in a subsidised sector); the subsidisation of jobs for unskilled youth in some countries (e.g. Belgium, France) seems to curb the decrease in availability of such positions, and thus help the entry of young people who have not benefited from higher education. Countries with a high level of apprenticeship show that good practices to facilitate the entry in the labour market by reinforcing links between employers and education do exist in Europe. It is often essential for youth to obtain a first work experience as requested by employers; and all the more requested that the dismissal of a worker appear costly or difficult. Other countries have implemented a set of measures guaranteeing that no young people are left behind without any training or employment to help upgrade or maintain their human capital.⁵⁰ Others perform well in combining flexibility of the labour market and secure trajectories. In these countries employment issues have not been tackled by a single instrument and the general framework is for the labour market to have been modernised in general and not only by specific segments.

5.3.1 An efficient apprenticeship system, with pathways

Many young people do not enter university or similar tertiary education: it is even the majority in most Member States. People with the lowest qualifications are often channelled into training schemes that do not always match the needs of the labour market and neglect individual aspirations and strengths. This results in de-motivation and disengagement, as reflected by frequent high drop-out rates.⁵¹ The best solution is often to have better links with employers. Müller and Gangl (2003) show the importance of apprenticeship to help in particular disadvantaged youth to gain a foothold in the labour market. This could be more developed across Europe (more sectors, in particular in the services sector, could be involved) as it creates links between employers and employees. In some countries, there is a debate about the right age for guiding teenagers towards vocational trainings. Many Member States are engaged in reforming this system and in diversifying pathways into the labour market. Recent difficulties in the German apprenticeship system reveal that to succeed it is necessary to have sufficient supply (by firms) and sufficient demand (by students). This could be facilitated by subsidies for employers and by an advertising campaign to reach youngsters.

However, the need is to ensure vocational training programmes are relevant to the needs of the labour market, which are changing fast and often differ spatially. Employers must be able to understand the relevance of vocational qualifications to the labour market and the performance of their companies if clear pathways are to be established through vocational education and if it is to be considered an attractive learning route. This is already the case in some countries and/or sectors where employers are involved in the design of programmes and delivery of qualifications. In France for instance, apprenticeship schemes that combine vocational education with in-firm training have been found to be better suited than pure vocational schools to facilitate the school-to-work transition (Woessmann and al., 2006).

The apprenticeship system is not without risks. First, there is the risk of transferring too specific skills that might not be transferable to other sectors. If this is the case, the next transition could be harmful. Accordingly, special attention must be paid to the transfer of knowledge and the acknowledgment of 'qualifications'. The articulation with long-life

⁵⁰ These recommendations already feature in the European Employment Guidelines, are not sufficiently implemented by the Member States.

⁵¹ See Maastricht study. For French figures, see Association pour la Formation Professionnelle des Adultes (AFPA), Montreuil (F), 2002.

learning is essential. However, training is more concentrated on the well-educated. Life-long learning should try to compensate for this difference in training.

5.3.2 Activation: the sooner the better

In terms of content and design, successful programmes, notably toward disadvantaged youngsters, share some common characteristics (Martin and Grubb, 2001): (i) Some Job-search assistance programmes are very cost-effective for youth, providing positive returns in the form of higher earnings and employment; (ii) Training programmes must be adapted to local or national labour market needs. Accordingly, mobilising and involving the private sector to assess local or national demand for skills and commitment is crucial (See box on ‘Second Chance Education’); and (iii) Making participation in programmes compulsory for youth after a period of job searching of no more than six months seems to be essential to incite them to an active search and prevent from long period of unemployment that entails a loss of human capital.

Many examples can be singled out in the field of compulsory programmes. For instance, Sweden introduced a guarantee for youth aged 20-24 (Carling & very early on (Larsson, 2002) to prevent long-term unemployment by providing a labour market scheme within 100 days of unemployment. This programme is a mix of the conventional features of many other programmes. It consists of vocational rehabilitation (training), work schemes, and on-the-job training. It differs, nonetheless, from traditional youth labour market programmes in implying a guarantee for some kind of activity within a limited timeframe.

The UK, inspired by this example, introduced a New Deal for the Young Unemployed that has turned out to have positive outcomes. The New Deal aims to help young people (18-24 years old) who have been unemployed for six months or more, to find work and to improve their longer-term employability. The programme, initiated in 1998, combines initial job-search assistance followed by various subsidised options including wage subsidies to employers, temporary government jobs, and full-time education or training. Recent evaluations of the programme show that young unemployed men are more likely to gain jobs as a result of the New Deal (White and Riley, 2002; Wilkinson, 2003). Part of this effect is due to subsidised jobs and part is due to a ‘Gateway’ effect (i.e. the fact that they are accompanied to find a job or training).

At EU level, there is already a framework of policy orientations in place. Employment guidelines and the 2006 Spring Council conclusions have already fixed the objective to provide a new start within six months. However many Member States are still far from delivering this.

5.3.3 Design a more efficient safety-net for youth

The transition from youth to adulthood is further complicated to a great degree by youth unemployment. Young people’s unemployment makes them economically vulnerable if they are not financially supported by their families or by sufficient benefits. The political debate has often focussed upon the need to cut benefits and to introduce workfare. Research on youth unemployment in Denmark has nevertheless shown that, despite enjoying by far the best unemployment benefits in Europe, re-entry into the labour market remains strong. With an unemployment rate at around 9%, young Danes are also better integrated into the labour market as a whole than their counterparts in other countries. The reference to generous unemployment benefits for young people in Denmark needs, however, to be seen in the overall context of Danish flexi-security policies in the labour market: benefits are strongly conditional on participation in training and active job-search. In the absence of such a

counter-weight (conditionality of benefits), promotion of higher (unemployment) benefits for young people might entail new benefit traps.⁵²

Young people need on the one hand to be reassured of their (financial) independence, and on the other hand be incited to enter the labour market. So far, security arrangements have not been adequate, as they were based on the idea that there is a smooth entry into the labour market and a permanent job. This is clearly less the case than previously. The challenge is therefore to adapt the welfare system and the employment system to the new trends of labour markets.

Youth poverty deserves specific attention because the policy recommendations are rather different from childhood poverty: policies to directly address youth poverty touch upon questions such as labour market issues related to youth (including concerning minimum wages for the young, specific contractual arrangements, apprenticeships, etc.) as well as constraints experienced by young people in accessing credit (over and above 'asset endowment') and access to housing.

The relationship between unemployment and social exclusion is different as regards this age group. Some Southern countries present a paradox. There exists a high level of long-term unemployment among youth, but unemployed youth do not experience financial deprivation and enjoy high levels of well-being. In Italy, this stems from the fact that there is a high level of support: they are excluded from the labour market, but not from other areas of life, particularly thanks to familial solidarity. Hammer and *alii* (2003) suggest that such a situation may create a strong disincentive to geographical mobility as such youth are highly dependent upon their families.

The issue of a minimum income is rather a delicate one, due to concerns over 'benefit traps'. Some of the new Member States still report that part of the youth unemployment problem is that young people do not want to take up jobs, probably because they are unattractive and low paid. In Germany the introduction of a *de facto* minimum income for everybody ('Hartz IV') seems to have negative effects on young people's attitude towards employment, in particular among the low educated with limited labour market perspectives. The question of the conditionality of the benefit is absolutely decisive.

5.4 Conclusions

To facilitate the entry of young people into the labour market, and give them the best opportunities, the general functioning of the labour market is of paramount importance. In most countries, entry into the labour market is slow and difficult, and in some the situation of youngsters seems to be particularly precarious. Young people need to be reassured of their future (financial) independence and on the other hand be incited to find a way to facilitate entry into the labour market.

There is a pressing need to favour good returns on education, in reducing youth unemployment. A good functioning of the labour market is a priority. Current systems were designed with a view to security with the notion of life-long employment, and not flexibility.⁵³ Some flexibility has been introduced with regard to contracts for young people, but this is likely to reinforce dualism of the labour market rather than facilitate its general functioning. The recent French example of introducing contract reforms shows that there is a clear need to reassure young people. This means also to improve how they are covered by the welfare state. The literature shows that to avoid perverse effects and low participation rates, some 'two-way' involvement (by the youngsters themselves and the public employment

⁵² In Germany there is growing concern, and anecdotal evidence, that the Hartz reforms have this effect in particular on young people with low education levels.

⁵³ cf. National Plans for Reforms.

system) is absolutely necessary. A limitation of any NEET period to 6 months is absolutely essential as an incentive for youngsters to enter the labour market.

A European report should consider how well (or otherwise) young people are covered by the welfare state and its efficiency in covering new social risks. The conditionality status of benefits could also be elaborated upon. This will be a sign of Europe's engagement with young people and a first step to launch a discussion on a youth-oriented welfare state. Prior to this, however, we must acknowledge and deal with a statistical problem in the often-used dividing lines between children aged 0-15, the working-age population aged 16-64, and the elderly 65+; the specific situation of youth is often not apparent.

6. CITIZENSHIP AND PARTICIPATION: INCREASE SOCIAL CAPITAL

Participation of citizens in political and civic life is a necessary component of healthy democracies, responsive governments and successful economies. It helps policies to be more accountable to the needs of those they are designed for, broadens access of individuals to economic and social opportunities and favours social cohesion. Learning about institutions, rights and duties and participating in civic life at an early stage is a good investment for society as it correlates positively with the ability and willingness of citizens to engage in the future and develop a sense of responsibility for their education, their health and the accountability of governments. Institutions and policies have a role to play in broadening opportunities, enabling young people to engage into civic activities and opening spaces for their participation. This said, the active participation of young adults is, first and foremost, in their hands.

Key facts and figures

- The proportion of young people in ageing societies is decreasing (30% of less than 30 years old in 2000; expected 25% in 2025), so is their 'political influence'.
- Young people are much less likely to vote than adults, their voices are much less heard in political debates and they tend to turn to single issue groups to represent their interests.
- From 6 to 18 years old, young people spend more hours in front of a TV set than in a classroom (17000 v/11000hours).
- Young people are only moderately interested in politics in most countries. Generally, girls are less interested than boys, although this is not true in some countries.
- Only a minority of students believe that they are likely to engage in protest activities such as spray painting slogans on walls, blocking traffic and occupying buildings.

Economic participation and civic engagement are two critical indications of the success of investments in the development of knowledge and skills of children and teenagers. They also give a measure of the efficiency of institutions to enable participation and be accountable. There are more than 75 million young people (between 15 and 25 years old) in the EU27. They form a strategic age group for the integration of cohesive and dynamic national communities as well as for the creation of a European sense of belonging and political cohesion. Empirical research indicates that the mobilisation of young people's capacities in all fields is enhanced by the social capital they develop through their active involvement as citizens (World Bank, 2007). Vice versa, they are empowered by social capital to be more active and responsible citizens, workers, students, partners, parents. The low participation of young adults in elections and traditional politics is problematic as it weakens the legitimacy of policies. It reflects a widely shared belief that, in a world which has undergone major changes which affects directly their situation, the majority of young women and men feel they do not fit in and/or do not wish to get involved with institutions they do not trust (EC , 2001, and Commissariat Général du Plan, 2001). On this ground, there are reasons to wonder if the 'bowling alone' symptom diagnosed in America by Robert Putnam (2000) is not gaining ground in Europe.

However, reality is haunted by an apparent contradiction: the Commission White Paper on Youth published in 2001, following a wide-ranging consultation, clearly relayed a demand on the part of young people themselves to become active participants in public life, and be

associated to the design and implementation of public policies, but also underlined the difficulties they met in becoming fully-fledged adults as well as their disinterest in politics. As a first step to overcome this paradox, the White Paper recommended to increase cooperation on youth public policies between member states and to integrate the youth factor in relevant policies. Five years later, actions to improve the information and participation of young people were exchanged and analysed (EC, 2006i), research has improved knowledge about the diversity and common challenges of European youth⁵⁴ and the European Council adopted the European Youth Pact in March (2005).⁵⁵ While, by and large, these initiatives started to create a wide platform for exchange and development, the continued low participation in elections suggest a need for fostering young people's 'social capital' as a resource to move into adulthood and an asset for European economic and social development.

6.1 What is at stake?

'Youth citizenship affects economic outcomes through three channels: by enhancing the human and social capital of individuals, by promoting government accountability for basic service delivery, and by enhancing the overall climate for investment and private decision making.' (World Bank, 2007). Active participation is both the return of successful investments into childhood well-being, education and health and an asset for youth's employment and social integration through youth empowerment. To promote active participation is also an input into sustainable civic engagement as social capital tends to be transmitted through generations.

While the prime responsibility is with the individual, youth participation is typically an area where policy can make a difference by providing *education to citizenship and accessible information* (World Bank, 2007). Enabling institutions can also promote opportunities for youth to get used to '*have command over real resources*'. Because youth is a time of turmoil in identity formation, irrational choices and risky or unsocial behaviour (or simply apathy), policies may also help in creating *pathways to reintegrate the community* (second chance) after having stepped out.

Schools can play a crucial role in making young people aware of the merits of participation. EUYOUPART⁵⁶ project shows that young people who tend to be active within their school are generally active outside as well and after they leave school and those who have been class representatives often get involved later on in electoral campaigns. Schools are also the main providers of the information and skills needed to be a rightful citizen. Developments in citizenship education in member states have been recorded in a recent survey conducted by Eurydice⁵⁷ on the school year 2004/05 in primary and general secondary level of public sector education. Providing citizenship education is gaining ground in all member states, though with very different approaches from one country to the next. Further planned research will look into the methods of teaching citizenship education and recorded outcomes.

6.1.1 Create social capital

Throughout the previous parts of this report, a case has been made for investing in 'human capital' through education. 'Social capital' is its necessary complement, as merely increasing the stock of human capital in a given society may not be sufficient to ensure economic and

⁵⁴ see list of youth related projects financed by FP5 and FP6 on <http://cordis.europa.eu/>

⁵⁵ The pact aims is to improve the education, training, mobility, vocational integration and social inclusion of young Europeans, while facilitating the reconciliation of family and working life. Presidency conclusions 22 and 23 march 2005. http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/ec/84335.pdf

⁵⁶ EUYOUPART European Research project financed under the 5th framework research program, conducted in 2003-2005 in 8 member states –Austria, Italy, Slovakia, Germany, Estonia, Finland, France and the UK on the factors that motivate young people to become active in politics.

⁵⁷ <http://www.eurydice.org/portal/page/portal/Eurydice/showPresentation?pubid=055EN>

social progress. Social capital is the fuel to make use of the assets in human capital or, as expressed by Robert Putnam (2000): 'As a tool (physical capital) or a university degree (human capital) increases individual and collective productivity, social networks (social capital) increase the productivity of individuals and groups'. The concept, initially introduced by Pierre Bourdieu (1964), arose in the academic and political debate around the works of Coleman (1990) and Putnam (1993 and 2000). In a major report on the well-being of nations, the OECD looks at social capital as a tool to guide public policy (OECD, 2001b). It depicts the relevance of the development of new indicators based not only on economic growth and income redistribution which would take into account the variety of resources that individuals or groups can deploy.

Social capital is generally defined in terms of networks, norms and trust and the way in which these allow agents and institutions to be more effective in achieving common objectives. The pursuit of shared objectives through active involvement, as established by Putnam (2000), in turn provides a way for people to experience reciprocity and thus helps to create webs of networks underpinned by shared values. The resulting levels of social trust foster further cooperation between people and reduce the chances of anti social conduct.

Trusting relationships are defined as generally good for social and political cohesion which contributes to economic performance. It is also directly relevant for economic growth as networks provide access to important information and ideas, give prominence to informal modes of learning and skills acquired in learning by doing and can produce material goods and services (informal services as child care, informal health care, language training) through information, reduced transaction costs, emotional support, reinforcement of positive behaviour.

The concept of social capital is useful for at least 3 reasons: (i) It deals with the social infrastructure which enables other policies to be effective; (ii) It inserts a longer term perspective into policy-making. It acts therefore as an important counterweight to the tendency to look for quick-fix solutions; and (iii) by emphasizing the value of the group (or relationships), it acts as a counterweight to excessive individualisation and fosters efficiency through cooperation in economic and social activities.

Many organisations have recognised that social capital can be a useful tool for improving the effectiveness of public interventions in a number of areas. In 2003, the Canadian government, for instance, launched a major research exercise on the relevance of social capital as a tool for public policy. Investing in 'social capital' was recognised as an asset in this context, too, as social ties produce a range of possible benefits. When trying to answer the question on the role of government in building social capital, researchers concluded that (i) Governments' existing interventions could be more effective if the role of social capital would be taken into account in the development of relevant programs and initiatives; (ii) On the question whether it is governments' role to influence people's choice to invest in their own social capital, it was said that some policies inevitably already influence the creation of social capital (policies which have an indirect effect on how social relations are formed i.e. public transport, housing, parental leave, day care, recreation facilities; and policies which implicitly promote social capital building activities (specific training, mentoring, organising support networks). At the end of the exercise, it was concluded that 'there could be a public benefit from a more explicit and deliberate focus on social capital within governments' policies and programs, and in particular in helping populations at risk of social exclusion, supporting major life course transitions (entry in the labour market, divorce, children, etc), promoting community development efforts'.

The measure of social capital consists of attitudes and values, i.e. levels of active participation in civic and political networks. In a context where the revitalised Lisbon Strategy has put social cohesion at the heart of the European Policy agenda, the Commission's Centre for

Research on Lifelong Learning (Hoskyns and al., 2006) has developed a composite index for 'active citizenship' to measure and compare one aspect of social capital among Member States: 'active citizenship' at EU level. It covers 19 European countries and it is based on a list of 63 basic indicators organised in 4 dimensions (political life, civil society, communities, and values) and built on data mostly drawn from the European Social Survey. The Active Citizenship Composite Indicator (ACCI) shows a heterogeneous Europe where Nordic countries lead and Southern European Countries display positive performances in values and political life but lag behind in civil society and Community life dimensions.

6.1.2 Citizenship and political and civic participation

Citizenship covers three key elements which cannot be dissociated as they interact to reinforce each other: a sense of belonging, certain rights and responsibilities, and participation (Lister, 2007). Citizenship is subject to different interpretations in national social and political contexts according to historical traditions, institutional arrangements and political regime. Different types exist in the EU Member states, from the more liberal tradition of a mere relationship between the individual and the state (UK) to more complex systems in which citizens tend to be organised as a collectivity (Scandinavia). According to the 1999 Council Resolution on Youth,⁵⁸ the dynamic part of citizenship, i.e. participation, has been an issue of common concern for a while. The declining participation of youth in elections has been observed in all middle and high income countries and in the EU it has begun to exercise the minds of policy makers in the nineties (Eldin Fahmy, 2006). In parallel, research for more efficient design and delivery of policies is also an issue of concern which has turned the attention of public authorities towards citizens' participation to improve their governance. At European level, the need to give citizens, in particular the younger ones, the tools to actively participate in those processes that shape European policy decisions and to reinforce their sense of ownership with regard to the European project has been reaffirmed by the Commission on a number of recent occasions (EC, 2006g and EC, 2006h) and was confirmed by member states at their highest political level.⁵⁹ The main objective of 'Plan D' is to build a new political consensus about the right policies to equip Europe to meet the challenges of the 21st Century.

6.1.3 Legitimacy and efficiency of governments

The active participation of citizens in the decisions that may affect them is part of the promotion of new forms of governance initiated by the Commission in its White Paper on Governance (EC, 2001). As education was gaining ground and scientific progress was opening new areas of uncertainties, citizens became more willing to be informed, consulted and involved in public decisions. New modes of involvement of stakeholders for the design and implementation of specific policies (as green papers, citizens panels, on line consultations, citizens juries) have proliferated at European, national, regional and local level. Their effect on citizens in general has not yet translated into high voters turnout or renewed trust in public authorities. Young citizens remain even more sceptic. In a recent research on the political participation of youth in 8 EU countries, nearly half the respondents (46%) associated politics with 'empty promises', 35% with corruption and 30% believed it is an 'old men's game' (Box 6-1). Distrust has strong and cumulating negative implications for the economy and for politics. In 1997, J.K. Galbraith noted that the growth in the number of 'discontent', who abstained or used protest votes in western type democracies, could result in a biased system of representation in which those who vote (the 'content') vote for their peers, leaving aside an increasing fringe of low income and low status amongst which young people are overrepresented.

⁵⁸ adopted on 8/2/1999 (OJ C 42 17/2/99).

⁵⁹ Presidency conclusions of the European Council of 15-16 June 2006.

6.1.4 Cohesion of an increasingly diverse community in the EU

The perception of a European identity is more frequent among young people than concerning their elder counterparts (Eurobarometer on the future of Europe, 2005). In the European context, the idea of a public sphere is especially attractive, because it underpins the consolidation of a European citizenry able to deliberate on common policies and objectives and to hold institutions accountable for their decisions (EC, 2006f). As political science points to the delegitimisation of traditional politics and the rising demand for renewed participation by citizens in public affairs, the potential for commitment by its youth is an opportunity for the EU.

Values that are shared between all citizens, like respect, tolerance and solidarity, are also becoming more necessary as Europe is becoming increasingly diverse in ethnic terms. Belonging to the EU has changed the boundaries of citizenship. Travelling, studying in other countries, making friends or working with colleagues from other cultures and speaking several languages – all these possibilities form part of the experiences to be made by all Europeans if we want to live in a harmoniously united Europe and if we are to be an active participant in the globalised economy. This applies to the majority of young people living in Europe, whether they belong to migrant, native or ethnic minority communities, girls as well as boys. The acquisition of these skills is a basic need for young people themselves, who expect more from European integration than their elders,⁶⁰ but, as many observers repeatedly tell us, even stronger for Europe itself, in order to consolidate a European identity and to make sense of our world (Castells, 1999).

A research project on the 'orientations of young men and women to citizenship and European identity'⁶¹ identified language skills, travel and mobility programmes, but also opportunities to learn about European history, culture and 'life' in Europe as priority factors which contribute to a positive awareness of European citizenship. One of the strong recommendations of the project was to further develop programmes which maximise opportunities for the creation of connections and friendship across national boundaries or positive experiences of shared cultures and an appreciation of diversity on a much wider scale than is done in existing programmes.

6.2 Recent trends and changes in citizenship and participation

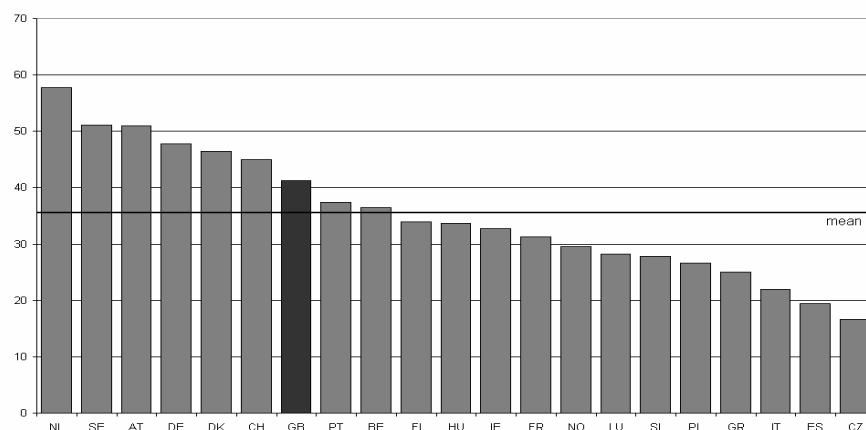
6.2.1 Youth participation and civic engagement

Citizens' declared interest in politics is one of the strongest predictor of voting (Dalton, 2006). Voter turnout in European and National elections which had increased between the 1960s and the 1990s together with citizens' declared interest in politics in most western industrialised countries has plunged in most countries in the nineties (Torney-Purla & al., 1999). The drop has been particularly pronounced among young people whose disaffection with traditional forms of political representation has been a cause for concern in Western Europe since the mid nineties. In Eastern Europe, after an important mobilisation of young voters at the time of political change, the same drop was observed a few years later as a consequence of 'the disillusionment with the democratic system' (Oswald, 1999). Interest in politics has fallen below the EU average in all eastern European member states (Chart 6.1).

⁶⁰ 55% of Europeans aged 15 to 24 would like the EU to play a more important role in their daily life against 49% for the older. 'Youth takes the floor', background note based on Eurobarometer data- December 2005.

⁶¹ conducted under the EC 5th framework programme coordinated by Lynn Jamieson. For more see <http://www.sociology.ed.ac.uk/youth/>

Chart 6-1 Interest in politics amongst young Europeans (%)



Source: European Social Survey (2003).

While the overall trend goes towards a regular decrease in voters' turnout, a research project conducted by SORA⁶² on a sample of young people from 8 European countries revealed important differences between countries: while in Italy more than 9 young people out of 10 voted, not even 5 out of 10 did so in the UK. Turnout in the other 6 countries is located between these two extremes. These results are part of a broader investigation of youth political participation, the main findings of which are summed up in box 6-1.

Young Europeans' sense of *political trust*, *regime satisfaction* and *political participation* is deeply dependant on socio-demographic factors as could be expected on the basis of existing theory and evidence. Data analysis from the European Social Survey 2003 by Eldin Fahmy (2006) suggests that social status is positively correlated with all three outcome measures. The higher a respondent's net household income and the longer they have remained in full-time education, the greater their levels of political trust, regime satisfaction, and political participation. These data also suggest that male respondents are more trusting of public institutions and more satisfied with government and democracy, although no significant gender differences are evident with respect to the extent of participants' political participation. The effects of literacy and educational attainment on both voter participation and support of free speech are confirmed by the Commission (EC, 2006b): 'it increases the frequency of newspaper readership and thereby the quality of civic knowledge'. Higher educated people also contribute more volunteer time and more financial resources to community service and charity, thereby fostering social cohesion.

6.2.2 Changing values

Social sciences theory suggests that growing levels of economic prosperity gradually induces a shift from materialism to post-materialism in advanced industrial societies. This means that less emphasis is put on money and material possessions with a stronger search for meaningful and fulfilling pursuits. This shift is more pronounced among young Europeans than among older generations (Halman & al., 2005). From 18 to 30, young citizens are more post-materialistic⁶³ than their parents and grand-parents were in all European areas, except in Northern countries, where they are at the same high level as adults. However, wealth does not explain all variations at all levels of post-materialism. Regarding the different regions of Europe, one notices that in 2000, youngsters from the South were more post-materialistic than

⁶² SORA Institute For Social Research and Analysis (Vienna, Austria) conducted the project EUYOUNGPART.

⁶³ In year 2000, in a scale of Post-Materialism from 1 to 3, younger Europeans from 18-30 score 2.1 in North and West, 2.25 in the South, but only 1.75 in the Eastern countries. Adults from 31 to 61+ score 2 in the North and South, 1.75 in the West, 1.60 in the East.

their counterparts of the North, East and West. Young people from Spain and Portugal are more post-materialistic than in all the other European countries. As mentioned earlier, they tend to invest more in 'alternative' activities like for example in NGOs or community solidarity actions, than older generations did.

This shift in values is reflected in a shift in young people's attitudes towards political participation: While they have a very low participation rate in traditional politics, the 'under 25' tend to be much more supportive than their elders of ecology, anti-nuclear energy, disarmament, human rights, anti-racist and women's movements.⁶⁴ Hence a shift away from traditional forms of politics which has implications for the relations of youngsters with the public realm, be it local, regional, national or European.

Box 6-1 Findings of EUYOUNG on Youth attitudes and values in 8 EU Countries

On Youth voting behaviour. Youth interest in politics varies greatly among countries: it is highest in Germany (51%) and lowest in Slovakia (28%). Interest increases with the standard of living, parental education and the level of education.

Trust and closeness to institutions. Trust in NGO's comes first. Higher trust is reported for European Institutions than for national institutions. National politicians and political parties are trusted least.

Youth engagement in politics. To work for a party is most common in Italy, Finland and Austria. Activities like contacting a politician, collecting signatures or writing articles or emails with a political content is rare (10% and below). Participation in legal demonstrations is highest in Italy, then Germany and France. Illegal and violent forms of participation are rare (3% and below). Membership of a political party is most common in Austria but not in other countries. Participating in voluntary work is more common than becoming a member of a political organisation in Slovakia. In Estonia and the UK membership as well as participation and volunteering are least common.

Political socialisation. Politically interested and active parents do have interested and active children who also show a higher trust in political institutions. The political socialisation by parents is most effective on the political attitudes and the ideological orientations of the young people while political socialisation by peers is most effective on the political behaviour of the young people. Schools are a major place for political socialisation everywhere. The more active young people are at school, the more active they are outside school and the more active they are after they have left school.

Influence of media. Politics is followed most frequently on TV. In Germany and Austria the radio still has an influential role, whereas in Estonia and Finland the internet is used more than in all the other countries. There is a relationship between the choice of a certain mass media and the young people's participation activity: - Active media reception, which is necessary for newspapers and the internet, strengthens political participation. - Passive media reception, which is common for TV and radio, leads to lower participation rates. Even non-democratic attitudes are more frequent among them.

Understanding of politics & attitudes about political participation. In general, the youth has an idealistic understanding of politics (lowest in Slovakia): Politics is seen as a way to solve international problems, social conflicts and to create a better world. Idealism and a feeling of responsibility seem to be the prime source of motivation for being active.

⁶⁴ European Value Systems Study Group (based in surveys every ten years : waves in 1980, 1990 and 1999).
<http://www.europeanvalues.nl/index3.htm>

6.2.3 Youth in transitions

Youth is a transition. It is generally agreed to be the passage from a dependant childhood to and independent adulthood but it is increasingly argued (Walther, Moerch Hejl, Berchman and Jensen, 2002) that young people are in transition between a world of rather secure and standard biographical development to a world of choice and/or risk where individuals have to choose and plan their own orientation and social integration. Altogether, young people are educated better than they have ever been and they benefit from a greater variety of information resources. However, decisions are also more complex and require knowledge as well as skills. In order to acquire these skills, investment in one's human and social capital is necessary in the most judicious way. The demands faced by young people if they want to build their own future are more diverse, with less landmarks and more instability and higher risks to drop out.

'To participate or not to participate', this question for a large number of young people in Europe is at the heart of a paradox: Young Europeans claim to be 'responsible citizens' and wish to be 'active and representative participants' in public decisions, from the local to the international level (EC, 2001), but they show an extremely low degree of involvement in traditional politics. This can be interpreted in the light of the somewhat uncomfortable position of a large number of young people as they approach adulthood without the help of the traditional landmarks in a linear development. Because of longer studies, a difficult employment situation, the rise of the service-economy, plus changes in the gender contract, young men and women live prolonged and fragmented transitions from education to the labour market and tend to postpone having a family with children as they never seem to reach a stable position. Their attitude to politics is also hanging on the granting of rights and social status which normally comes with the first stable job contract. The more disadvantaged, the more pronounced is their instability.

A characteristic of this new reality is a specific reliance of the empowered individual to develop his or her 'capabilities' to organise his or her own life-course. In this context, citizenship, as an active process which uses the socially integrative force of communicative action (Habermas, 1996), is the most relevant concept where education and communication are prevalent. It requires *well informed individuals* who have *command over real resources* and the *ability to process and act on the information*. On all three grounds, policies can help (World Bank, 2007)

6.2.4 Changing forms of political involvement

While voting and participating in elections remain the most obvious and universal measure of political participation, the forms of political participation have expanded over the last 50 years to include such activities as signing petitions, collecting money for a social cause, participating in protest marches, joining problem-oriented organisations, taking part in humanitarian work, engaging in illegal actions like spray painting, blocking traffic or occupying buildings. Over and above all other forms of participation, the use of the New Information and Communication Technologies has created a slow but irreversible transformation of the world of personal, social and political communication (Hubert & Caremier, 2000) which young people have embraced in large numbers. Children and teenagers use computers and the Internet widely for many of their daily activities at home and school in much greater proportions than adults, with no significant quantitative distinction of family income, gender or ethnic origin. The percentage of young people who claim to have a home computer varies from 20% to 90% throughout Europe; this is strongly correlated to the number of computers at school. In some countries (e.g. Estonia, Finland), it is their main source of information and a way to create social links (they engage in chat rooms, exchange information or bond with others and even engage in political action on blogs or sign on-line petitions). The Internet has become integrated into children and youth's daily routines

(school, entertainment, communication), and as children get older, they become far more likely to use the Internet to engage in political activities, and they can be encouraged to do so (Anderson, 2005).

6.2.5 *The challenges of multiculturalism*

The political integration of children from families of poor educational background and/or from immigrant families in Europe is often a matter of concern. Their situation frequently follows a vicious circle of exclusion which needs to be reversed.

As referred previously, studies on young people's political attitudes and behaviours indicate a strong correlation between participation and education and socio economic factors: those grown up in families with a higher level of education and higher cultural standards tend to develop a better level of civic culture and have a more active political behaviour. Special mention must therefore be made of children from families of poor educational background and/or from immigrant families or immigrants themselves in Europe whose situation frequently follows a vicious circle: (i) They often do less well at school and develop less knowledge and skills as their parents cannot participate or be supportive of school education. Their parents are seldom participants in the political life of the host country; (ii) Children who do badly at school (having low skills in writing, counting, reading, and understanding the language of the host country) have very little chance to continue on to higher education, or to find a job after school; (iii) Unemployment, as well as un-occupation, may easily lead to marginalisation and to problematic behaviour; and (iv) Political and civic apathy or cynicism of the youth in question result from these situations, due to a feeling of helplessness vis-à-vis 'powerful' or 'those who decide' and due to their lack of knowledge about the rights and ways to escape from this situation.

The majority of research on the subject points to the same type of factors to reverse the vicious circle: (i) Knowledge and behavioural influence of school and education; (ii) Practical and positive influence of the media, including the Internet; (iii) Behavioural, knowledge and affective support of parents and friends; and (iv) Parents, relatives, school, friends, and mass media are important socialization agents for 'making a citizen'. If one of them fails, resigns or contradicts the other, the main-streaming of political and cultural socialisation is distorted, but still recoverable, because young people have many resources for adaptation, although they might require assistance to identify them (Melich, 1979).

6.3 Policy recommendations

Four actions could be given priority for initiatives to be conducted throughout the EU to encourage the civic participation of young Europeans: (i) Improving education and training to active citizenship from an early age; (ii) Integrating young girls and boys into formal politics and opening new avenues for their participation; (iii) Investing in learning and teaching languages and promoting multiculturalism; and (iv) Develop social capital, promote exchanges and monitor progress.

Key recommendations on citizenship and participation

- Promote and monitor 'active citizenship programmes' in schools and assist parents where needed.
- Encourage political parties and executive bodies to increase the representation of youth (in particular young women and migrants) in formal politics and acknowledge new structures/avenues for their participation in shaping and implementing public decisions.
- Monitor the exercise of citizenship in all its forms and its evolutions with a particular attention for the integration of migrant communities.
- Institutionalise language teaching at a very early age and promote meetings of youth groups and common European projects within and outside the EU.
- Develop 'social capital' through European exchange programmes and value social skills and networking in the curriculum of schools and universities.
- Further develop indicators related to social capital to compare and monitor progress.
- Empower young people with the rights and resources that enable them to take responsibility for their transitions.

6.3.1 Education and training to active citizenship from an early age

An active knowledge of their rights and duties, an ability to organise, filter and assess the mass of information they receive from an always wider range of sources, and providing them with real opportunities to exercise their citizenship are main components of a framework enabling the youth to create a culture of active citizenship. In stable and tight communities, these tasks were traditionally left to schools. In the age of television and the internet, and with increasingly changing political and social environments (with regard to, more particularly, the situation of migrants), as well as wider horizons, the school system has to fulfil this role from an earlier stage (see Early Education and Care), be more systematic and efficient (measurement of outcomes) and needs to be complemented by the media (mainly TV and on line), local communities and associations (including sport and culture clubs).

It is important to arouse interest in community life. This can be undertaken in pre-primary schools - if possible, with the involvement of parents - and increased in secondary schools and youth centres. The European dimension can help schools to develop 'citizenship education' in the official curricula, exchange experiences and contribute to raise interest in foreign languages in primary and secondary schools in member countries. It could aim to provide children and young people with information about their rights and duties, a basic knowledge of the structure of institutions, values like respect for 'others', a good knowledge of IT and decision-making skills than (i.e. skills that enable him/her to participate effectively in decision-making and a good understanding of decision-making processes). Active citizenship is contained in the second education objective⁶⁵ of the Lisbon strategy and the 'open method of co-ordination' has been used to move towards common European objectives. Efforts in this field may be boosted in an enlarged Europe. A monitoring of existing citizenship education courses (started by Eurydice) and initiatives throughout the EU and exchanges between projects would highlight the importance of the issue and engage a networking process. Three different types of activities to encourage civic participation are to be distinguished: (i) Civic education courses taught at school (experience proves that the impact of courses is limited by the formality of the learning environment); (ii) 'Learning-to-learn' systems in which the pupils are active participants in class committees or manage a dedicated budget; and (iii)

⁶⁵ Facilitating the access to all education and training systems (i.e. providing learning opportunities towards the development of civil society and reduction of disparity of opportunities).

Opening of the school structure to different activities linked to themes (human rights, environment, health) or work in the community at different levels (local, national, European).

6.3.2 *Opening new avenues for youth civic and political participation*

The disenfranchisement of large parts of the young population will not be stopped with a ballot bulletin alone or simply with the right to vote. For most young people today, the feeling of belonging to a collectivity is best experienced in action, be it in formal or informal politics. Giving them a voice in formal politics would improve the quality of public decisions by taking youth concerns onboard and rally the interests of large fringes of the disenfranchised. It requires opening up the formal political spaces of representative institutions (political parties, social partners, local councils etc.) to an increased number of young people, and in particular to those coming from minority and disadvantaged groups, but also to create new modes of involvement in issues of direct concern to youth, and to support them in opening non-traditional channels of information and communication at different levels (local, regional, national and European) and different issues (including elections, legislation on issues of direct concern to them like fighting discrimination, racism, xenophobia, sexism, education or leisure budgets, etc.). A number of initiatives have been carried out in recent years by organisations like the UN, the Council of Europe, and individual regions or cities, mostly in a consultative mode (youth councils, youth parliaments, etc.). While a number of these experiments have been greatly beneficial, in particular to train young people to politics that matters, they remained segregated and the proportion of young MPs or members of elected executives remains extremely low in most member states and in European institutions.

The same active role that the Commission has had in the nineties in raising awareness, throughout Europe, of the democratic deficit created by the low participation of women in decision-making positions, could be played by her once again in the field presently in question. This could be promoted by multiplying encouragements to political parties to involve young politicians, promoting the exchange of practices showing the specific input of youth and in particular young girls and boys from disadvantaged groups, involving young people in Euro negotiations in which they have a stake (budget for the youth program), monitoring the process and publicising progress.

Several predominantly local initiatives aiming at the development of active citizenship of girls and boys have been sponsored by local or national bodies, NGOs, and the European Commission. Both formal and informal learning environments have been used.⁶⁶ They aim at facilitating civic integration and are often developed in the most marginalised or socially excluded districts as a matter of priority. They foster youngsters' participation through direct involvement in the policymaking process, in conjunction with local institutions. Young migrants seize this opportunity to take concrete steps to improve the life of their community. *In Molenbeek* (Belgium) for instance, a group of young people from the local youth club took the initiative to gather people of different ethnic groups to counter the negative image of this deprived urban area. *In Ghent* (Belgium), seven Turkish girls managed to produce a book telling about their dreams if they were not constrained by culture, age or sex.

Internet-based channels to debate public issues are developing fast, enabled by promoters in the EU⁶⁷ and in the US (Anderson 2005) or promoted by young people themselves. They are effective in generating youth interest and participation.

⁶⁶ See for example: Active citizenship: National case study England on <http://www.nfer.ac.uk/research-areas/citizenship/>

⁶⁷ <http://www.european-citizens-consultations.eu>

6.3.3 *Learning about other cultures and multilingualism*

The migrant population from outside Europe represents 18 million persons and is increasing. They are often young. Internal economic migration between the 27 Member States is also likely to increase in the coming years. Europe will irreversibly be an increasingly multicultural society with a need to be able to integrate larger proportions of young workers coming from a variety of origins. The role of schools in promoting values like tolerance and respect of 'others', and the teaching of languages is central for a peaceful and productive cohabitation of a wider variety of persons.

The ability of future generations to travel, study and work abroad is a key to responding to the needs for adaptability on the labour markets. It will be reinforced if it builds understanding and cohesion among young people of different Member States and promotes language skills. Only about one half of all European citizens speak one or more foreign languages (Eurobarometer, 2006), and linguistic knowledge is distributed among Member States very unevenly. The EU has therefore been promoting the teaching of languages and student exchange between Member States. Linguistic and cultural exchanges at compulsory school level and the Erasmus/Socrates Programme at tertiary level play an important role in promoting understanding and exchange on a European scale. It must be acknowledged in a positive way that even 75% of outgoing students from EU countries go to another EU country (EC 2006a), and that Erasmus rates increased by 6.3% between the academic years ending 2004 and 2005. More than 1.3 million students have now taken part in the Erasmus scheme since its inception in 1987/88. However, on the one hand, mobility varies widely between countries, with some receiving far more students than they send abroad (EC, 2006a). France, Germany and the UK receive the bulk of foreign students (EC, 2006a). And, on the other hand, it only concerns 'students' and not those who, being from a disadvantaged background may need even more to be given opportunities and access to engage with other nationalities.

6.3.4 *Develop youth social capital and empower young people in the EU*

Developing youth's 'social capital' is a priority for their own empowerment in order to provide them with the wings to fly by themselves and to ensure enough social and political cohesion for the ground in which they are to plant their roots. Most young people will develop social capital by themselves. The role of institutions is to help create opportunities by encouraging youth civil society organisation or collective endeavours, to engage youth in their governance processes and to help those who encounter material, cultural or social obstacles to overcome them. Personal strength comes from the stability in social and civic life acquired through the set of rights and obligations granted to citizens. While national citizenship remains the more meaningful concept to them, it may be useful to consider extending the rights linked to European citizenship to non nationals who have been residing in the EU but are not yet in a position to obtain a national citizenship.

The basis for being an active citizen is a sense of belonging which is acquired by living the experience of exchange and responsibility. Initiatives of youth councils taken at local and national level create advances in this field. So will the 'Structured Dialogue' with young people to be implemented in the coming months. A very large and regular event as an EU youth agora giving a space for expression to youth organisations and many thousand young people or a permanent youth assembly could provide young people with a voice and institutions with useful inputs.

Monitoring the situation is all the more important for youth because awareness of their situation is part of the attention required by an investment strategy. The 'Open Method of Coordination' has, so far, been a very soft tool to encourage member states to monitor the situation of their youth in a few areas. Meanwhile, measuring tools such as active citizenship indicators, which are likely to add rigour to the process, are being developed.

6.4 Conclusions

All over Europe, 'the personal motivation of young people to study, to stay in good health and to get engaged in productive activities requires that they trust institutions, that there are spaces for experimentation, that non-formal learning approaches start from individual strengths and interests rather than demanding the compensation for individual deficits. Most importantly, they should have the possibility to choose, therefore be provided with rights and resources that enable them to exert their responsibilities' (Walther; Moerch; Hejl; Berchman; Jensen, 2002).

Turning 18 is still the symbolic passage to the status of a 'full citizen' with rights and obligations. Its main marker today consists in being granted the right to vote in elections. It helps to give an aim for investing in his/her personal 'human capital'. However, as the age of legal majority has decreased from 21 to 18, the age of economic and social autonomy has increased under the effect of being a student for longer and/or having difficulties to find a proper job. The blurring of the borders between childhood and adulthood tends to lengthen this process of identity-formation in which girls and boys have evolved from their teenage years without clear markers of maturity and access to responsibility. While education and training on citizenship and participation in society are enabling factors for youth to develop into active citizens, their empowerment as responsible citizens will be encouraged even further by being given practical responsibility and resources to make their own choices and decisions.

As described above, policies can help in a number of ways, but economic autonomy (through scholarships, capital grants, special loans or through an income from employment) will most often remain the decisive landmark for becoming adult, in order to be in a position to return to society the various investments provided up to that point. Young people today have considerably more means and reasons than former generations to become active participants in their society. Global communication and the European Union have the potential to become empowering factors for new generations of Europeans. They are essential bonds in a world where trajectories are more individual than they used to be and where the participation of citizens is an engine for economic as well as social development. The strength of Europe today and in the future depends decisively on its young energies.

7. GENERAL CONCLUSION: A ROLE FOR THE EU

This report has illustrated that, in the domains of child poverty, healthcare, education, labour market and citizenship, early actions are both efficient and equitable. Best practices are available in many areas, but they are not always widely known or broadly followed. A set of recommendations for each of these areas has been put forward, most of them resting on a combined responsibility of EU Member States and the EU itself. In many cases, they draw attention to the need for early investment in human and social capital, and for taking into account the various interactions between these areas. 'Investing early' supposes, for instance, reinforcing the cognitive skills and meta-skills that will be useful throughout the entire life-course; teaching good health habits and fighting child poverty. It also means improvement with regard to the entry of young people into the labour market by providing the right incentives to them, and means the provision of the right framework for their active participation as citizens. Even with proper incentives, there remains a need to offer second chances (as early as possible) to favour a good use of human capital for those who have been discouraged: by reinforcing second chance education and by favouring a variety of pathways to higher education and to the labour market. Meanwhile, actions are needed for young people's better involvement in the political arena. Despite differences in performance as regards young people, it is a common challenge for all Member States to develop a proactive policy rather than a curative one. All these actions involve the young themselves, their families, communities and various layers of government, from local to European. With this in mind, what action can the EU take?

First, we must recall that youth has already featured frequently on the EU agenda since the White Paper on 'A new impetus for European Youth' was released in 2001. An EU consensus now exists on the need to take action to back up young people with education, employment and civic participation. Commendable efforts have been made through EU programmes in the field of education and youth policy (Like Erasmus, Leonardo, Comenius, Youth Programme), the Open Method of Coordination (OMC) for Youth and Education, and under the Strategy for Growth and Jobs, as well as the OMC for social protection and social inclusion. While these initiatives are laudable, there are still substantial challenges, and not all Member States seem fully aware of the urgency.

Initiatives that have been taken include the European Youth Pact, adopted by the Council in 2005, and the connection it establishes with the Strategy for Growth and Jobs and the EU Cohesion policy. As a consequence, some 'concrete actions' and good examples have been developed. Moreover, at national or regional level, some Member States have begun to provide answers to the 'malaise' expressed by youth. All this provides a strong foundation upon which to develop a new policy vision for youth and an investment strategy in line with the objectives of the Lisbon Agenda.

In Member States, some national or local initiatives have also been taken, most often in reaction to specific events rather than by building up a long-term strategy to invest in youth. Hence, there is a need to create a new political momentum to mobilise the energies of all those who 'invest in youth', starting with young people themselves and with their organisations. What is suggested here is not a new targeted policy (or set of policies) for youth, but a shift in the paradigm to account for the importance of building up, all along the life-line, a healthy, adaptable, confident and knowledgeable pool of human and social capital. We argue for a policy that takes the trajectories and long term effects of social investment in youth better into account.

Now is the time to build upon these initiatives. An across-the-board policy vision and investment strategy in youth is needed to fully develop the potential contribution of young

people to growth, jobs, and the future of Europe. The present vulnerability of young people – girls and boys – too often results from insufficient or poor quality investment in their development during childhood, and consequently in their future.

A role for Europe

The EU can help to improve this policy approach on investment in youth by highlighting the issues, mobilising knowledge and actors on the question of youth across Europe. Take, for instance, the issue of child poverty: it is necessary to facilitate access to high quality Early Childhood Education and Care for all pre-school children through the introduction (where they do not exist) of educational programmes, while paying specific attention to quality (hygiene, food, staff training). In this field, Europe can support local initiatives and provide guidance to improve the quality of early education favouring cognitive and non-cognitive development.

An EU initiative could also assist Member States' central, regional and local authorities in their use of existing resources and increase co-ordination and impulsion mechanisms, and define a common strategy/framework where necessary. Flagging the issue at EU level should be, in itself, a catalyst to promoting partnerships between Member States, other political and institutional levels, private stakeholders, the media etc., and to raise awareness of those concerned most directly – young boys and girls themselves and their parents – about what the EU can do for youth.

As regards youth investment, there are three areas which are of importance for an action at European level: (i) Mobilising Community programmes and funding instruments to help Member States investing better, and improving the quality of this investment; (ii) Exchange of best practices; and (iii) and Co-ordination of youth policy in the 5 fields mentioned above. This could inspire Member States to deal with youth as a cross-cutting issue that needs particular attention. The existing OMC on youth with its 4 priorities and 14 objectives, as well as the OMC for Social Inclusion, the Employment Strategy and the Lisbon Process with its European Youth Pact, are all highly relevant; still, they could hold public authorities more accountable. Nonetheless, these measures are not sufficient. Good co-ordination with all relevant stakeholders (as parents, education, employers) and the assurance of a highly visible strategy are also necessary measures in order to assure this issue being acknowledged as a top priority in policy decisions at all levels.

Social and cohesion policies

The Structural Funds could be mobilised better and further for investment in youth. There is high potential for the European Social Fund (ESF) and the European Regional Development Funds (ERDF) to play a greater role. The Community Strategic Guidelines on Cohesion⁶⁸ and the regulations on the Structural Funds⁶⁹ include references to youth unemployment, and so does the European Youth Pact. In line with the Lisbon Agenda's focus on growth and jobs, Member States could be encouraged to strengthen the youth priority in the programming exercises for the Structural Funds in the upcoming period. This may mean devoting more money to developing the human capital of youth through education, training and participation, alongside investment in childcare facilities, schools.

Co-ordination

Over the years, the European Commission has given the proof of the effectiveness of developing an extensive expertise and mobilising a wide diversity of resources and tools

⁶⁸ OJ L 291 of 21 October 2006.

⁶⁹ OJ L 210 of 31 July 2006.

towards the achievement of an objective, sometimes even local in nature (e.g. 'Second Chance Schools').

The existing coordination mechanisms (Open Method of Coordination on Youth, on Social Inclusion and on Education and the Youth Pact already mobilise energy on some of these issues (participation and information, poverty, ESL, labour market entry etc.). Nevertheless, it is worth being more wide-ranging and systematic in order to favour cross-cutting issues and translate research findings and actions into precisely measurable outcomes. Strong interactions exist between policy areas and the correspondent levels of intervention, which have to be fully exploited. For instance, coordination policy on inclusion and social protection has a major role to play in promoting child well-being. Youth investment here could be reinforced.

Exchange of experiences

Exchange of experiences/best practices can contribute to improve the investment made in youth. These exchanges could be carried out at different levels: at a general level (OMC) as well as in the case of concrete projects. This could be one of the roles the EU policies and programmes can play by exercising leverage on various kinds of stakeholders, including observers/experts from other European countries, helping to design projects and extending experience in relevant domains.

On the basis of its knowledge-based approach, the European Commission can also contribute through reinforcing the development and publication of a regular report on the 'Situation of Youth in Europe' (child well-being, education of migrants, welfare for European youth, health etc.) which could identify which further actions are needed. This should be backed-up by an improved data system including breakdowns for sex and age tracts. This should be high on the agenda, visible, and involve young people themselves.

Accordingly, a highly publicised annual review on the situation of children and youth could stimulate the public debate on these issues. As well as representing a stock-taking exercise on the social situation of children and young people in Europe, this review could provide relevant information on the contribution of resources from the EU budget towards this objective. It is one way to improve monitoring and to influence all Member States' policies. This report would be prepared for each Spring Summit. It would need to be discussed before and during the Youth Council with young people's representatives. This is likely to put 'investing in youth' high on the agenda, and to help keeping up the pressure for delivery on promises. To conclude the process, the European Council would have to consider the report and make new commitments where necessary. The first publication should touch some of the topics of youth and the welfare state.

A research programme, to make the case for investing in youth in a concrete and measurable way, should support this regular publication. This may imply: (i) Developing inter-generational accounting for social expenditures; (ii) Developing research that helps to measure returns of investment in childhood and youth; and (iii) Developing measures to promote and monitor the well-being of children and youth, and life-long well-being.

For an efficient investment strategy, stakeholders must be involved

The EU can be a catalyst as it has proved on many common endeavours, but the key to getting proper results is the widest mobilisation of all stakeholders concerned. An EU momentum around common objectives is essential, but it will not be sufficient if stakeholders are not involved enough in the investment strategy. For that reason, what is needed above all is a strong call to public authorities, the private sector and communities, but first and foremost to young people themselves and their parents for 'more and better investment in youth.'

The success of most of the measures to be taken within the 'investing in youth' parameter relies on the active and responsible involvement of children and young people in every Member State, region and locality. Policies should consider the way young people think, behave and communicate, and involve them. This should be taken into account in a strategic communication approach. It also entails that we need to continually reinforce the dialogue with young people, while, at the same time, the EU needs to keep its promises. There is perhaps no greater danger than to gain the confidence of youth but then fail to deliver.

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Lists of abbreviations

BRICs Brazil, Russia, India and China
EAC Education, **A** and culture
EC European commission
ECEC Early childhood education and Care
ESL Early school leavers
GDP Gross Domestic Product
ICT Information and Communication Technology
IQ intelligence Quotient
ISCED International Standard Classification of Education
LFS Labour Force Survey
LICO Low income cut off
MST Maths, science and technology
OECD Organisation for Economic Co-operation and Development
OMC Open Method of Co-ordination
PISA Programme for International Student Assessment
R&D Research and development
UNICEF United Nations Children's Fund
WHO World Health Organisation
NGO Non-Governmental Organisation
NEET Neither in Employment, Education nor Training
EPL Employment Protection Legislation
ESF : European Social Fund

EU European Union

BE Belgium
CZ Czech Republic
DK Denmark
DE Germany
EE Estonia
EL Greece
ES Spain
FR France
IE Ireland
IT Italy
CY Cyprus
LV Latvia
LT Lithuania
LU Luxembourg
HU Hungary
MT Malta
NL Netherlands
AT Austria
PL Poland
PT Portugal
SI Slovenia
SK Slovakia
FI Finland
SE Sweden
UK United Kingdom
BG Bulgaria
RO Romania
JP Japan
NO Norway
IS Iceland
TR Turkey