The youth in the European labour market. Is it lost generation?

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Abstract. Young people, school leavers, graduates and those who have not completed education, belong in many countries of European Union among the disadvantaged in the labour market. Because of that, they often face serious social situation. This paper focuses on the situation of young people in the labour market in the European Union, for whom the term lost generation is used in the media. It is investigated whether the concept of a Lost Generation is an adequate name for the situation or it is just journalistic hyperbole. The paper is a systematic review. It includes a meta-analysis component which involves using statistics. The methods of analysis of statistical data, synthesis of researched findings and monitoring of press and media are used.

Key words: youth, European labour market, Lost Generation, unemployment.

1 Introduction

The concept of Lost Generation in literary science is associated with a group of writers who lost their life ideals under influence of atrocities of World War I. It was a group of authors which consisted of American writers (e.g. J. Steinbeck, W. Faulkner), compatriots from the USA living in Paris (F. Scott Fitzgerald, E. Hemingway, G. Stein) and other authors (some theorists include in group also E.M. Remarque). They all had never met each other at one time and one place. Their common features are unstable values, disappointment, and disillusionment after the war [1]. The term comes from the statement of Gertrude Stein expressed by Ernest Hemingway: “You are all a lost generation.” Hemingway used the statement as the epigraph in work The Sun Also Rises (1926). The concept of the Lost Generation is also used in sociology: the Lost generation is, according to generation theory of W. Strauss and N. Howe, a label of group born between 1883–1900. This generation grew up as inadequately protected children; they entered lawful age as alienated from the society [2]. In the twenties of the 20th century, they were 20 and 30 years old. Historians use the term for period since the end of the World War I until beginning of the Great Depression. In scientific articles and in the media, there was a transfer of the term Lost Generation to other areas as well [1, 3]. This paper focuses on young people in the European labour market who are by the media, politicians, economists and other experts labelled as the Lost Generation. The aim of the paper is to examine whether the term Lost Generation is adequate for indication

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of the age group 15–24 situation on the labour market in the European Union. The research tasks are:

  To monitor the occurrence of the term Lost Generation in papers and publications in scientific databases and in English-language mass media, focusing on the meaning of the term in texts.

  To analyse the unemployment of young people in the European Union and its member states from two perspectives: 1) view over the period 2000 to 2016 and 2) monitoring of youth unemployment rate in three different periods: at the time of expansion before the crisis, during the economic crisis and after recovery.

  The paper is a systematic review including a meta-analysis component which involves using statistics. The methods of analysis of statistical data, synthesis of researched findings and monitoring of press and media are used.

2 Lost Generation as a concept of mass media and scientific articles

In print and electronic media, we can also meet with the concept of the Lost Generation in other contexts apart from concept of literary generation and historically demographic cohort. The presence of huge number of children in unsupervised streets and in unprotected situations reflects the unprecedented social problem of deep deprivation and inequality, say Rizzini and Lusk, who use term Lost Generation to label children living in streets of South America [4].

In 2017, the term of Lost Generation is used for selected part of Syrian refugees as part of one of the largest movements of forced migration in contemporary history: it is estimated that there are 2,000 university professionals and 100,000 students qualified enough to go studying to college among Syrian refugees [5].

Other examples of the use of the concept of Lost Generation are the situations of Maori children under care of the state in New Zealand [6], or the label for children from Nigeria, who are often emotionally and physically atrophic when they reach their fifth birthday. They do not have chance to attend school, get a job and live in a safe and stable environment [7].

British daily newspaper The Guardian in summer 2009, in the initial phase of the crisis, spoke about the expansion of the problems of young people without work experience [8]. In connection with the great depression in August 2009, German leading business newspaper Handelsblatt labels like this German graduates, pointing out that companies through the crisis minimize outlays on education, and therefore they do not want to hire graduates without any experience. According to the journal, workers in companies are afraid of graduates because they perceive them as competitors [9]. In 2009 Hospodárske noviny, which is Slovak business newspaper, devoted itself to graduates, focusing solely on graduates of universities, and labelled only graduates as Lost Generation [10].

In 2015, The Guardian wrote that young people in the UK are facing the worst economic outlooks for several generations; their lives have deteriorated over the last five years. During the recession and until 2013, the sharpest drops in wages and employment hit people under the age of 34, they had limited access to dignified living and better paid jobs, and they experienced a deteriorative level of poverty [11].

According to Forbes from November 2016, the European Commission eventually admitted that fiscal policy in the Euro zone is too strict. Some Euro zone countries are drowning in deep depression, but their governments tied with fiscal rules reduce their economies. The result is high unemployment and economic stagnation. Unemployment among young people is so high that Generation Y in the Euro zone is described as a Lost
Respected journals and magazines published in both English and local linguistic mutations use term Lost Generation for young people on labour market across Europe.

Apart from media sphere we can also see the label of Lost Generation for young unemployed people also in scientific articles, but in smaller extent. Lynch used the collocation Lost Generation to label unemployed young people back in 1985, discussing in article the possibilities of re-employing of young workers in the UK [13]. The incidence of this term intensified with the onset of the economic crisis. Allen and Ainley in 2009 said that the number of students getting on colleges grew in the UK but, on the other hand, according to the media, a Lost Generation of graduates without work has arisen. In addition, in 2009, there were the first graduates who had to pay higher tuition fees with record high student debt [14].

None of the scientists in Europe has explicitly said since the crisis in 2008 that the generation of young people is lost. Scarpetta, Sonnet, and Manfredi are talking about the measures that are needed to be taken not to make school leavers a Lost Generation [15]. Eichhorst, Hinte and Rinne also talk about the risk of a Lost Generation: In addition to all the statistical facts, it is necessary to state the rule that at a time of economic crisis young people in employment or job seekers are the weakest group in the labour market and require special attention in terms of employment policies [16].

### 3 Situation of young people in the European Union in the labour market from the point of view of statistics

Unemployment is the key economic factor for the country. Unemployment among young people is monitored separately in the European Union, as it tends to be higher than unemployment among older age groups and the entire population. When we examine youth unemployment, we think of EU citizens from 15 to 24 years old. 15 years is the earliest age at which compulsory schooling ends in the European Union. According to the OECD definition, the youth unemployment rate is the number of unemployed aged 15–24, expressed as a percentage of youth, which is a workforce [17]. Unemployed people are those who state they are out of work, are available for work, and have taken an active step in the last four weeks to find a job.

The economic crisis has embossed many young people, including school leavers, who would in their pre-crisis conditions did not have problems with their placement on the labour market, into the position of hard-to-start job-seekers. The dramatic increase in youth unemployment, deepening of the structural failure to meet the qualification requirements for work of young people have put pressure on governments to implement reforms and adopt innovative measures in the field of education, employment and social policy. Governments should ensure adequate training and education for the labour market, so that everyone who leaves the education system has the qualifications and skills, which the labour market requires. A comprehensive solution to the transition from school to the labour market is needed as well as its interconnection with social and economic policies, and the stabilization of young people’s participation in the labour market [18].

Figure 1 shows the development of youth unemployment (seasonally adjusted) in the European Union and the Euro zone for the period from 2000 to 2016, mapped over the quarters of each year. It shows two interesting phenomena. The first is that youth unemployment started to rise as a response to the outbreak of the crisis late and gradually, and it reached the highest value more than four years later from the start of the crisis. Only in the first half of 2013, it started to decline and at the end of 2016 it did not reach the
pre-crisis level yet. Two theories help to clarify the situation. Unemployment is seen in theory of equilibrium unemployment as a hysteretic phenomenon: when unemployment is rising, it tends to remain at a high level even after the cause of unemployment has perished. Therefore, the original employment will not recover. Although production and economic indicators have returned to pre-crisis levels in some countries, unemployment of youth has not corrected its height. This phenomenon also relates to long-term unemployment – the longer are young people unemployed, the more difficult it is to employ them. The second theory, the theory of structural unemployment and the disparity in qualifications, is based on the assumption of heterogeneity of people (different qualifications, abilities, sex, etc.) that existed even before joining unemployment. By shifting and changing of demands of the labour market, a certain group will not hold on. For example, low-skilled groups are becoming more difficult to employ on the labour market under the influence of technology development or wage competition from developing countries [19].

The second interesting phenomenon seen in the chart is the change in youth unemployment in the Euro zone and across the European Union. Until 2007, the unemployment rate for young people in the Euro zone was below the unemployment rate across the European Union. The situation has gradually begun to reverse, and since 2012, the unemployment rate of young people in the Euro zone has been higher than in the European Union. Higher unemployment amongst young people in the Euro zone is a continuing negative situation in the labour markets in the South: in Greece, Spain, Italy and Portugal, all of which belong to the Euro zone. Higher youth unemployment rate is a long-term problem that is not rooted in the economic crisis, but it is observable even in 2000, at the beginning of the period under review.

However, according to Eurostat, it cannot be forgotten that a large group of people at this age are out of the labour market (because many young people are studying full-time and therefore they are not available for work), which explains why the youth unemployment rate is generally higher than the overall unemployment rate of other age groups [20]. For this reason, the unemployment rate of young people is sometimes used as the percentage of
unemployed young people, compared to the total number of inhabitants of this age group (not only in the labour market but also the inactive population as students).

The labour market is very dynamic, besides the economic cycles, demography, and measures of the European Union states, as well as the technological progress are influencing the labour market. Technological changes in the form of higher performance of computers, artificial intelligence, and the Internet of Things allow machines to carry out activities in the past linked exclusively with the human work. Examples of activities that are currently managed by computers are autonomous vehicles, gathering of information or performing of agricultural work. Undoubtedly, machines will increasingly replace people in some work activities. However, new technologies will create new job opportunities that will require specific types of skills [21].

Figure 2 on youth unemployment in the member states of the European Union includes year 2016, from which the latest data on youth unemployment is available. It includes the year 2013, when the global economic crisis reached the highest figures of the unemployment rate of young people in the European Union and the year 2007, when the European economy was not yet affected by the crisis, and the labour market situation was favourable for the entire population including young people. The chart shows the figures about the member states of the European Union ranked downwards according to the unemployment rate in 2016. In addition to the individual countries, it also shows an average figure for the whole European Union. However, it has to be noted that although most countries reached record low unemployment in 2007, there are also countries where this was not the case, and the low youth unemployment rate was reported in other years. In addition, the highest youth unemployment rate in the European Union in 2013 does not mean that this year was the highest unemployment rate for young people in all member states.

* Croatia joined the EU in 2013, in the previous period it was not a member.
The dynamics of the labour market has been different in the three years under review; member states have been divided into five groups according to their development:

The first, the largest group is composed of the states with the highest unemployment rate for young people in the reference years in 2013. In 2016, the youth unemployment rate has fallen but has not reached the pre-crisis level of 2007. These include Greece, Spain, Italy, Croatia, Portugal, Cyprus, Belgium, Latvia, Ireland, Slovenia, Estonia, Lithuania, Denmark and the Netherlands. The same development took place in the Euro zone and the European Union.

The second group consists of countries where the highest unemployment rate for young people was also in the post crisis year 2013. However, youth unemployment in 2016 was lower than in 2007, which means that the current youth unemployment figures are even more favourable than the pre-crisis rates. These include Slovakia, Sweden, Poland, Bulgaria, Great Britain and Hungary.

The third group is comprised of countries, where the development of youth unemployment is unfavourable, which means that the highest youth unemployment rate reached 2016 and the lowest in the reference year 2007. These include France, Finland, Luxembourg and Austria.

The fourth group of countries recorded the exactly opposite course of the situation compared to the third group, i.e. during the monitored years. The unemployment rate of the young declined its tendency as the crisis did not affect it. These include Malta and Germany.

Only the Czech Republic belongs to the fifth group. Unemployment among young people reached the highest levels in 2013, while in 2007 and 2016 it was at the same level of 10.70%.

Slovakia is also successful in overcoming of youth unemployment. The unemployment rate of young people in Slovakia has declined recently, falling to 20.4% in December 2016 from 20.8% in November 2016. The average youth unemployment rate since 1998 (when Mečiar’s isolationist government crashed and Slovakia began missing integration processes) to 2016 was 30.55%. The highest value of 40% hit in April 2001, when the economy underwent a transformation, a record low of 18.70% in August 2008. At present, youth unemployment is close to the record from 2008, when the record low unemployment rate was also reached for the whole population.

The countries most affected by the unemployment of young people (Greece, Spain, Italy, Croatia and Portugal) are also the most affected by the unemployment of the entire population. In the course of 2013, Greek youth unemployment has hit 60%, which is more than half, so in the case of this year in Greece, the concept of Lost Generation does not have to be an exaggeration. On the other side of overview, there are countries with a tradition of dual education (Germany, Austria) and industrially oriented countries (Czech Republic).

Unemployment statistics is one of the indicators of the labour market situation of young people. However, sometimes, the situation is distorted in member states because they only register people who are not in schools, but not the entire population. At the same time, countries such as Slovakia and Poland have a large share of the population at university and a number of young people abroad. When we talk about the situation of young people, it is useful to look at the statistics of people who are NEET, so they do not study and do not work. Their rate is monitored by Eurostat in four cohorts: 15–19 years, 20–24 years, 25–29 years and 30–34 years. The proportion of NEETs till 24 years in the European Union has not exceeded 20% since 2000 so this statistic gives us a less menacing and more realistic picture of young people in the labour market [23].
4 Unemployment of young people and measures to reduce it

Young graduates are at a disadvantage mainly because they do not have the work experience and practice in the field they have studied [24]. A young person starts her/his career at a new job usually in a lower position. The social role of a beginner has a low social status with low-wage, in the hierarchy of steady labor relations she/he is on the lowest level and she/he has to be in line with the norm, even if it seems nonsensical. The first job does not have to last long, because it is just an “attempt”. Graduates have a high percentage of turnovers [25]. Such staff is often dismissed as the first. Possible unemployment brings psychological, economic, social impacts for the individual and her/his surroundings. A person who cannot find a job for a long time loses working habits.

This contribution is dedicated to young people who are not older than 24 years old. This age structure is linked to the transition, which is the process of integrating young people into the world of work after the end of initial school education [18]. This is matter of millennials, Generation Y, the later part of the demographic cohort that came to the world from 1992 to 2000. Some authors also talk about the gradual entry of the Z generation into the labour market. This cohort began to be born at the end of the 20th century. The group of millennials is associated with several characteristics. According to research, they are looking for career progression in their work; they have realistic expectations about the first job after graduation. They want to work with good colleagues and in an evolving working environment. They strive for balance in both work and personal life [26].

Young people are often called population at risk: they have little work experience and are often employed as the last one and released as the first ones during economic downturns. During recessions, they face higher unemployment than older workers do. This also affects their fortune and wealth. S. Hur found out that during the last crisis, young people suffered loss of wealth that accounts for 7% of their lifetime consumption [27]. The American analysis has shown that millennials earn 20% less than the older generations at the same stages of their lives, although they are better-educated [28].

Manpower Group, in collaboration with Reputation Leaders, has accomplished a quantitative global study of 19,000 working millennials and 1,500 recruitment managers in 25 countries to understand what would have helped generation Y to succeed in the current world of work. The Millennials were identified as those who were born between 1989 and 1996. The main findings are that the millennials count with a long career. More than half of them expect to work after reaching the age of 65. 27% expect to work after seventy. About 10% think that they will work until death. The millennials work longer and harder than the previous generation. They are also planning longer working breaks, which should last for more than four weeks. Up to 84 percent of them consider such breaks [29]. Millennial also do not avoid alternative forms of work. More than half of them are open to forms such as self-employment, short-term engagement, or several jobs at the same time. More than a third thinks of own business [29].

Generation Z, which follows the generation Y, is even more used to Internet and technology. Unlike the generation Y, they cannot remember a life without technological advances.

The European labor market, under the influence of globalization, outsourcing and automation, cannot absorb all young people. Employers also report that young people often lack skills and competencies [30]. That is why the labor market has to be stimulated for young people. Support for new jobs for young people and the development of their competencies is coordinated at European Union level, but exemplary initiatives also come from member states. In the table below, an overview of selected actions is provided, some of them targets
for the whole population, and partly for young people, others on behalf for the employment of young people. Some of the selected actions are rather declarations, others are practical applications. The individual member states also implement national programs and active employment policy measures for the benefit of young people.

Most of these measures involve interventions in the economy, labour market competition, and various forms of support. However, the most important stimulus for employing young people is a healthy economy in the state.

## 5 Conclusion

The concept of Lost Generation in relation with the situation of young people on the labour market is mainly used in the media – in news, interviews, analyzes. The aim of this paper is to examine whether the term Lost Generation is adequate for indication of the age group 15–24 situation on the labour market in the European Union. The Lost Generation is a metaphor combining both literal and emotional significance. In scientific and scholarly articles, this term is rare in this context; it only serves to name the future threat unless effective action is taken in favor of this target group. Based on expert analysis, youth unemployment and NEET statistics, we argue that the concept of a Lost Generation is not adequate for describing the real situation, it is exaggerating. Moreover, according to the generational theory of Strauss and Howe, the millennials are not the same archetypes as members of the Lost Generation after the Second World War.

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