

A Young Generation Under Pressure?

Joerg Chet Tremmel
Editor

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The Financial Situation and the
“Rush Hour” of the Cohorts 1970–1985
in a Generational Comparison

 Springer


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Preface

Justice between generations is still not as prominent on any agenda as justice between the rich and the poor or between men and women. For the first time, this three part book explores the labour market situation of today's young generation in comparison with that of their predecessors. The first part of the book, *The Financial Situation of the Young Generation in a Generational Comparison*, deals with the financial situation of the young generation and the second part, *The Rush Hour of Life*, with their time restrictions. Both are considered from a life-course perspective. The third part, *On the path to Gerontocracy?*, addresses the demographical shift in favour of the elderly in ageing Western democracies.

Regarding the first part: older employees in the public service – as in many branches of the private industry sector – receive higher salaries, profit from a significantly higher level of dismissals protection, enjoy more days of vacation and work less hours per week than their younger colleagues. As far as distributive justice is concerned, redistributions among age groups are not unjust as such, because everybody ages. After all, in 50 years, today's youth might also benefit from all these nice things.

But will they really? Some of the articles in this anthology show that today's younger generation is at a disadvantage compared to their direct predecessor. The relative level of income of young adults has diminished constantly in recent decades. For continental Europe, several studies show an increasing percentage of graduates partaking in at least one internship after their academic degree; half of them are uncompensated. Because of the difficult situation on the labour market, the young cohorts are forced to enter precarious, temporary jobs or internships to avoid unemployment. These jobs are characterized by working overtime and on weekends, minor holiday entitlement, low or no wages, nor social security. Key questions for the first part of the book are:

- *How can precariousness be defined? What empirical evidence is there for precarious employment for the young generation? In an historical comparison with the youth of the 1970s, is the situation for today's youth worse?*

- *Are young cohorts – with a delayed entry in the labour market – supposed to make up for this in later stages of life, or can we assume there will be “scarring effects” over the course of the lifetime?*
- *Which policies should be implemented to improve this situation? On which level should they be implemented?*
- *How do legal regulations like the seniority principle and age-biased dismissal protection respect the principle of intergenerational justice in the labour market?*
- *Using common typologies of welfare states, which political system is best in coping with the challenge of inter- or intracohort inequalities?*
- *How has globalisation changed the state of affairs? Has it increased the level of job insecurity for young and old workers, for men and women alike?*

Regarding the second part: even though life expectancy continues to rise, many people feel that they do not have the time to combine work, children and leisure. The book focuses on the easing of the so-called “rush hour” of life between 28 and 38 years of age. In this period, people finish their studies, take decisive career steps and have to decide whether or not to start a family. It is important to examine this crucial period of time, in order to understand why the actual birth rate is lower than the desired figure across various industrialised countries. Key questions for the second part of the book are:

- *How can the phenomenon known as “rush hour of life” be defined?*
- *How can motherhood at a later stage in life support easing the rush-hour? With the knowledge that their life expectancy is higher than that of previous generations to what extent should individuals change their life plans?*
- *How can the public sector and/or the private sector support a balance between every domain of life?*

Regarding the third part: Are we on the path to gerontocracy? In numerical terms, the political balance between different age cohorts has shifted in favour of the elderly in ageing Western democracies. For about 15 years, political scientists have considered the possibility that these states are on the path to gerontocracy. That is, they are increasingly likely to reflect elderly power. A correlate of this is that governments which represent ageing populations increase old age related expenditure, for instance for pensions, health and care. Key questions of the third part of the book are:

- *Are we shifting from a democracy to a gerontocracy?*
- *How is the party formation process affected by the ageing of modern welfare states?*
- *How is the political participation process affected by ageing?*

Most of the articles stem from a symposium that the Foundation for the Rights of Future Generations organized on the topic of the “rush hour of life” in Berlin in July 2008. Many thanks go to the sponsors Volkswagen Stiftung, Robert Bosch Stiftung and Haniel Stiftung who supported the symposium financially.

Joerg Chet Tremmel

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Prof. Dr. Louis Chauvel is professor at the Institut d'Études Politiques de Paris (Sciences-Po Paris). He was born in 1967, studied at the École Nationale de la Statistique et de l'Administration Économique (Master 1990), completed a Ph.D. with distinction at the University of Lille (1997) and habilitated at the Institut d'Études Politiques de Paris. His main research interests are analysing social structure and the life chances of generations. His book *Destin des Générations* (1998, PUF) caused a vivid debate in France. Since 2005, Chauvel is General Secretary of the European Sociological Association. He is also a member of the executive committees of the International Sociological Association (ISA).

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Silja Häusermann studied political science at the Universities of Geneva, Lausanne, Zurich and Harvard. She holds a Ph.D. from the University of Zurich. Her forthcoming book with Cambridge University Press, entitled *The Politics of Welfare Reform in Continental Europe: Modernization in Hard Times*, explains the adaptation of continental welfare states to post-industrial risk structures. Silja Häusermann has also published in journals such as the *Journal of European Public Policy*, the *Journal of European Social Policy*, *European Societies* and *Socio-Economic Review*.

Dr. Seán Hanley is senior lecturer in politics at the School of Slavonic and East European Studies, University College London, having previously worked in the Department of Government at Brunel University, West London. His research interests principally cover politics and society in Central and Eastern Europe, the formation and organisation of political parties, the comparative politics of the European centre-right the political representation of older people in Central and Eastern Europe. He is co-editor (with Aleks Szczerbiak) of *Centre-Right Parties in Post-Communist East-Central Europe* (Routledge, 2004) and author of the *The New Right in the New Europe: Czech Transformation and Right-Wing Politics 1989–2006* (RoutledgeCurzon, 2007). He has additionally published widely in journals such as *West European Politics*, *Party Politics and Perspectives on European Politics and Societies* and *The Journal of Communist Studies and Transition Politics*.

Dr. Steffen Hillmert is professor of sociology with specialization in research methods and social stratification at the University of Tübingen. He studied sociology in Bamberg, Cambridge, UK and Berlin, was a doctoral research fellow at the Max Planck Institute for Human Development, Berlin, and received his Ph.D. in sociology from Free University Berlin.

Over the last few years, Professor Hillmert's research has focussed on various aspects of social inequality and the life course. He investigated mutual relationships between life-course developments and structural changes in social collectivities, i.e. relationships between micro and macro levels of society on the basis of quantitative empirical data. He is particularly interested in links between education, employment and social stratification (e.g., group-specific chances of education, risks of unemployment, labour-market mobility and long-term changes in transition patterns). Applying and further developing adequate analytical techniques has also been part of this program.

Dr. Ute Klammer is professor of social policy and vice rector at the University of Duisburg-Essen, Germany. She graduated at Cologne University, Germany, in philosophy and literature (1990) as well as in economics (1991) and holds a Ph.D. in economics of Frankfurt University, Germany (1995). She was awarded the *Matthöfer Science Prize* for her Ph.D. thesis on old age security in Italy. Ms. Klammer has worked at several German universities and at the University of Louvain-la-Neuve, Belgium, as a researcher and lecturer before she changed to her current position in 2007. Ute Klammer's main fields of interest and research are social policy, labour-market research, flexicurity, European and comparative social policy research as well as gender research. She acted as a consultant for the Council of Europe, for several political parties in Germany and for the German Trade Unions.

Ms. Klammer's list of publications contains more than 100 titles on different aspects of social security and social protection. She is board member of the section "social policy" within the German Sociological Association and of the Society for Social Progress. She is also co-editor of the scientific journal *German Review of Social Policy*.

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Prof. Dr. Martin Kohli, born 1942 in Switzerland, is professor of sociology at the European University Institute (Florence) and emeritus at the Free University of Berlin. He is a member of the Berlin-Brandenburg and the Austrian Academy of Sciences, and was president of the European Sociological Association from 1997 to 1999. He was a fellow of the Institute for Advanced Study (Princeton), the Collegium Budapest and the Hanse Wissenschaftskolleg. Moreover, he was a visiting professor at Harvard, Stanford and Columbia University. His research focuses on the life course, aging, generations, work, family and welfare. Currently he is engaged in a MacArthur Foundation Network on the aging society and in an Academy Group on fertility.

Dr. Lefteris Kretsos is research fellow at the Coventry University, Faculty of Business Environment and Society. He is also an associate lecturer in Human Resource Management and Employee Relations at the Robert Gordon University (RGU), Aberdeen Business School. His research interests focus on employees' experience of work and their response to organisational change and restructuring. Recent research projects have addressed the nature of change in a variety of work

organisations, how this has impacted on employees, and how industrial relations processes shape the nature of outcomes of restructuring. A large part of his research is also dealing with the issues of union revitalization strategies, migration and labour market segmentation in the framework of flexicurity employment policy guidelines. Before joining the academia he used to work as a researcher and policy advisor for the trade unions in Greece. He was also working as a national correspondent for the European Foundation for the Improvement of Living and Working Conditions in Dublin.

Harald Lothaller is a social psychologist from Graz (Austria). Currently, he is responsible for statistics, data analyses and reporting at the University of Music and Performing Arts Graz as his main job. Aside, he is still engaged in different research activities in the fields of social psychology and medicine. Furthermore, he is lecturer at the Department of Psychology of the University of Graz and at Health Sciences area of the University of Applied Sciences Joanneum Graz. Until 2006, he was research assistant of Prof. Gerold Mikula at the University of Graz and worked in several research projects that focused on the reconciliation of life domains.

Prof. Dr. Melinda Mills is adjunct professor for Sociology of the Life Course at the University of Groningen, a Rosalind Franklin Fellow and editor of the journal *International Sociology*. She received her master of sociology at the University of Alberta in Canada and wrote her Ph.D. thesis on *The Transformation of Partnerships. Canada, the Netherlands, and the Russian Federation in the Age of Modernity* at the University of Groningen. She was associate professor at several Universities in Germany and the Netherlands between 2001 and 2008. Her research field include life course studies, gender studies and demography studies.

Dr. Tomáš Sobotka is research scientist at the Vienna Institute of Demography (Austrian Academy of Sciences) and managing editor of the Vienna Yearbook of Population Research. He received his Ph.D. in demography from the Population Research Centre, University of Groningen (the Netherlands) in 2004.

His research deals mainly with fertility trends in the developed world; his work focuses especially on the postponement of childbearing and very low fertility, changes in family and living arrangements, childlessness, fertility intentions and assisted reproduction. Sobotka's work has been published regularly in major demographic journals and selected monographs; recently he has co-authored a three-volume monograph on *Childbearing Trends and Policies in Europe*.

He has been lecturing at the Max Planck Institute of Demographic Research in Rostock and, together with Joshua Goldstein and Vladimir Shkolnikov, he has initiated a *Human Fertility Database Project* that aims to provide access to detailed and standardised data on births and fertility in countries with high-quality data.

Dr. Joerg Chet Tremmel is a research fellow at the London School of Economics and Political Science. Tremmel studied business administration (MBA, 1998) and politics (MA, 2003), and thereafter finished two Ph.D.s in sociology (2005) and philosophy (2008). In winter semester 2009/10, Tremmel is a visiting lecturer at the Johann-Wolfgang-Goethe-Universität Frankfurt, the Georg-August-Universität Göttingen, the Heinrich-Heine-Universität in Düsseldorf and the University of Stuttgart. A selection of taught courses: Intergenerationally Just

Policies, Normative and Empirical Justice Research, Epistemology, Population Sociology. He has published five monographs (e.g. *A Theory of Intergenerational Justice*, London: Earthscan) and about 70 articles in journals and edited anthologies.

Patrick Wegner is research associate at the Foundation for the Rights of Future Generations and editor for *the new police in Europe* and the *Intergenerational Justice Review* journals. He studied political sciences, sociology and public law at the Justus-Liebig-University in Gießen and the University of Leicester in England. His research fields include generational justice and armed conflicts, the assessment of social and political consequences of climate change as well as state failure and terrorism. Recently he has published a monograph and journal articles on the ideology of Islamist terrorism.

Summary of the Chapters

This interdisciplinary anthology is composed of chapters by sociologists, political scientists, demographers, economists and social psychologists. The contributors come from a number of different European countries, namely Germany, the United Kingdom, Switzerland, Austria, France, the Netherlands and Greece.

Part I The Financial Situation of the Young Generation in a Generational Comparison

Usually, you do not make a mistake if you clearly define your key terms at the beginning of your research, and if you take a look at the history of the issue at hand. Both tasks are undertaken in the first chapter of the first part of the book where Lefteris Kretsos (Coventry University) discusses the issue of precariousness at work for young people in Europe. His chapter, *The Persistent Pandemic of Precariousness: Young People at Work*, aims to show that young workers have become permanent “outsiders” of the labour market in the last 30 years.

The author examines the employment situation of young people using data from Eurostat and OECD for all the “old member-states” of the European Union (EU-15). Rodgers’ definition of precarious employment is also used as a disciplinary device in the analysis and the selection of the data. According to his definition, there are four dimensions to establish if a job should be called precarious or not, namely: (i) the degree of certainty of continuing working (temporal dimension), (ii) the control over working conditions, hours, wage and working intensity (organizational dimension), (iii) the absence of trade unions and the employers’ control over the labour process (social dimension), (iv) issues of decent salary and pay rises and the level of income (economic dimension).

The chapter first discusses the historical dynamics of precarious employment. As it is argued there, the economic theory considered atypical work two centuries ago as a problem attributed solely to the low morality and the immature work ethos of the unemployed and the temporary workers. Atypical work (nowadays understood as part-time and temporary employment, irregular and unsocial working hours) was synonymous with unemployment and the individual characteristics of the

unemployed. Today, fixed-term and other types of flexible contracts are part of the official European Employment Strategy, and instead of constituting a problem, they are actually promoted as the solution to the problem of unemployment.

This development is the result of the abandonment of the target of full employment and the social democratic consensus reached between governments and social actors after the Second World War in Europe. The dominance of neoliberal policies across Europe in the last three decades has promoted the expansion of atypical forms of work and has spread more risk and insecurity among the young workforce. Young people in atypical contracts are asked to be flexible and to always bear in mind that planning their lives in the long-term is not a wise option given the current conditions that prevail in the labour markets.

Such conditions indicate that precarious employment is a structural characteristic of European labour markets for young people. According to the author, both the data on atypical employment and the conceptualization of precarious employment from a historical perspective are alarming and create a sense of urgency for change that should be based on a new social consensus that takes seriously into account, young workers' interests and needs.

In the next chapter, *Comparing Welfare Regime Changes: Living Standards and the Unequal Life Chances of Different Birth Cohorts*, Louis Chauvel (Sciences-Po Paris) focuses on inter- and intra-cohort inequalities of living standards in a comparative perspective, comparing a corporatistic (France), a liberal (United States), a universalistic (Denmark) and a familialistic (Italy) welfare regime. Chauvel underlines the diversity of national responses to the challenges of economic slow down, stronger economic competition and globalisation and their implications on different age groups. The aim is to make a connection between national welfare regimes and the emergence of specific cohort-based economic constraint patterns in different countries, which are about to produce specific social generations. In this chapter, the emergence of "scarring effects" is highlighted; that is the irreversible and definite consequences of (short term) social fluctuations in the context of socialisation on the (long term) life chances of different birth cohorts. These "scarring effects" can affect specific birth cohorts in countries where the welfare regime provides the context for increasing polarisation between middle-aged insiders and young outsiders. Chauvel shows that the first years on the labour market are often considered to be crucial for future life chances.

While in the liberal and the universalistic regime all age groups face a similar life course, both the corporatistic and the familialistic regime fail to treat younger generations equally to the older ones. This is due to the success of the "68's Generation" to exert political pressure to create a welfare state in their interest, which is now on the retreat. So now, for the first time in a period of peace, the younger generations are no better off than their parents were, creating an atmosphere of dependency. The social value of generations changed from a relative valorisation of succeeding generations, as a positive future we have to invest in, to a valorisation of the protection of the senior citizens. The main problem, thereby, is that these developments are not protested against, because they are not well known and they are not politically recognized at all.

Hans-Peter Blossfeld (University of Bamberg) and Melinda Mills (University of Groningen) show in their chapter *How Does Globalization Affect the Life Course of Young Men and Women in Modern Societies?* that increasing uncertainty about economic and social developments is a feature of globalization in all advanced economies. However, increasing uncertainty does not impact all regions, states, organizations or individuals in the same way. There are institutional settings and social structures, historically grown and country-specific, which determine the degree to which young people are affected by rising uncertainty. In his contribution, Blossfeld and Mills develop a multi-level theoretical framework and summarize the main empirical results from the GLOBALIFE project. There is empirical evidence that youth in all countries are clearly exposed to more uncertainty in the course of globalization. However, because of strong insider-outsider markets in some countries, youth are particularly affected. In addition, uncertainty is unequal among young people, with risk accumulating in certain groups, generally those at the bottom of the qualification pyramid. Labour market uncertainty among young adults also strongly impacts family formation. Young people in more flexible positions are more likely to postpone or forgo partnership and parenthood. Youth and young adults also develop rational responses to this uncertainty, which are identified in the form of diverse behavioural strategies. The paper suggests that – in terms of social policy – it is important to help young people to reduce the level of uncertainty and to support women’s employment through better pre-school and day care arrangements.

The chapter by Steffen Hillmert (University of Tübingen) looks at long-term developments in the transition from school to work. The question is whether and to what extent there has really been a de-structuring of the transition to the labour market – and linked with it of the transition to adulthood – as it has been proposed by theories of individualization. Empirical life-course data allows long-term comparisons across West German birth cohorts to be made.

The results indicate that significant changes in transition patterns can be related to the expansion of education and training since the 1950s. This is especially obvious in the case of young women. Both attaining a vocational or an academic degree and entering the labour market have become universal life events. One of the consequences is the prolongation of educational careers, which has led to later entries into employment. Hence, transitions to the labour market can no longer be equated with “youth transitions”. Another consequence is increasing selectivity of educational tracks which has contributed to the deteriorating labour market position of the low qualified. Entry to (stable) employment has become more difficult, but after a period of “settling in” and increased mobility at the beginning, most people have experienced relatively stable employment careers. Differences in career patterns remain highly correlated with formal qualifications, with deficits in formal education carrying risks of exclusion. As a consequence of both social inequality in education and significant returns to education, social inequality is transferred across generations through the educational system. These “traditional inequalities” have remained strong.

School-to-work transitions are among the first events in the sequence of transition to adulthood, and are decisive for success later in life. In spite of the clear

qualification-related differentiation of labour market risks, however, subjective uncertainty – deriving most prominently from the labour market – has been experienced by a large share of younger cohorts including the higher qualified. Such “new insecurities” are a likely cause of external effects like the postponement of biographical decisions in other spheres of life.

The last chapter of the first part of the book presents an exploratory survey with the members of the German Bundestag on the situation of the young generation in the labour market, carried out by Joerg Chet Tremmel (London School of Economics and Political Science) and Patrick Wegner (Foundation for the Rights of Future Generations). Their article, *German Bundestag Survey on Intergenerational Justice in the Labour Market*, first highlights changes in income and wealth distributions between 1980 and today that are disadvantageous for the young generation. The authors then introduce the theoretical groundwork for comparisons between generations on which the design of the survey was based. The survey covers general topics of generational justice in the labour market with a special focus on the “rush hour of life” and the situation of young employees at the point of career entry, as well as potential legislative measures to improve the situation of the young generation.

The second part of the chapter consists of findings of the survey. A *Generational Justice Awareness Index* is constructed on the basis of indirect comparisons between chronological-temporal generations. Moreover, the influence of outside variables like age and gender are analysed.

The authors find that the deputies’ awareness of the concrete problems that the young generation faces in the labour market is generally high. Nevertheless, this does not translate into full support of decisive legislative action, for instance, introducing an age neutral dismissal law.

Part II The Rush Hour of Life

The chapter *On the Way to Life-Domains Balance: Success Factors and Obstacles* by the social psychologist Harald Lothaller serves as a starting point in the second part of the book. In a certain stage of life that we call the “rush hour of life”, people face various challenges from different life domains simultaneously: they have to fulfil obligations at their workplace, at home, and elsewhere (e.g., getting a job and starting a career, establishing a family, moving towards getting their own home, but also meeting people, part taking in leisure activities, etc). As a corollary to this, they need to keep several life domains in balance. Lothaller first introduces the term “life-domains balance” and shortly explains why the more commonly used terms “work/life balance” and “work/family balance” do not meet the topic adequately. Subsequently, keeping life domains in balance is defined as the absence of negative effects (“conflicts”) between life domain on the one hand, but also the presence of positive effects (“facilitation”) between domains on the other hand.

In the second part of this chapter, different causes of both conflicts and facilitation between life domains are presented systematically. Dyadic aspects as well as

gender aspects are considered additionally. The third part illustrates why the “rush hour of life” and the issue of life-domains balance are major challenges nowadays, in particular, and more people have to face them as compared to former generations.

In the next chapter *Shifting Parenthood to Advanced Reproductive Ages: Trends, Causes and Consequences*, Tomáš Sobotka from the Vienna Institute of Demography argues that the decision on the right timing for having children has become increasingly difficult for men and women who try to balance their education, career, and leisure activities with their partnership and family plans. The chapter outlines a remarkable shift towards later parenthood across all advanced societies and discussed determinants and consequences of this trend.

Medical literature shows that late childbearing is associated with increased risks of infertility, miscarriage, pregnancy complications, stillbirths, preterm deliveries and foetus malformations. Many of these findings have been repeatedly confirmed for mother’s age, but more evidence is being gathered on the negative effects of parental age. However, social and behavioural development of children later in life does not seem to be affected by the late timing of parenthood. To the contrary, families of “late parents” often show higher stability and better family functioning. In addition, there are strong economic and career advantages for parents, especially higher-educated mothers, from postponing childbearing. Also burden-sharing within the family might be better organised if couples postpone childbearing towards the point when their parents retire and thus become available for caring about their grandchildren. Thus, the individual social and economic advantages of late parenthood may outweigh the biological advantage of early parenthood, as older parents are more experienced and knowledgeable, have more secure economic position, face lower risk of divorce, and can more easily afford childcare.

Although many people believe that medically assisted reproduction may provide a solution to infertility problems associated with postponing family formation for too long, the evidence shows that assisted reproduction is particularly ineffective at higher maternal ages and it has a very limited role in helping prospective older parents to realise their reproductive plans.

In conclusion, the author outlines possible policy actions that may support childbearing decisions at both younger and older reproductive ages. Such policies should recognise wide heterogeneity in needs and lifestyle preferences of individuals, and should not explicitly aim to encourage early parenthood.

Ute Klammer (University of Duisburg-Essen, Germany) in her article *The “Rush Hour” of Life: Insecurities and Strains in Early Life Phases as a Challenge for a Life Course-Oriented, Sustainable Social Policy* discusses the “rush hour of life” in terms of the stresses and strains in early life phases caused by uncertainties in employment, and raises this as a challenge for producing a life-course oriented, sustainable social policy. She aims to connect the question of life courses of men and women to the debate about a readjustment of social politics in view of demographic change.

In the first section, empirical data on the structure and change of life courses of both men and women are provided on an international scale. The difference in ways of handling the “rush hour of life” by different countries are shown and a

comparison is made between Germany, Sweden and the Netherlands. Through this empirical data, Klammer demonstrates that the “rush hour of life” for women does not have to be resolved by a withdrawal from the labour market, as is often the case in Germany. Also discussed in this section is that unlike in past decades, women are no longer at a general disadvantage just because of their sex. In fact the vast majority of labour market flexibility risks, i.e. fixed-time contracts, temp work, unemployment etc., are taken by the young generation, the newcomers to the labour market, irrespective of their gender. The resulting insecurity, particularly in light of the increasing number of involuntary job changes, appears to be having a significant influence on young people’s decision of whether or not to have children. In addition to this, periods of unemployment and temporary positions are resulting in a decrease in the accumulation of labour years during the life courses of men which will significantly affect the already delicate pensions of the young generation.

In the second section, approaches for a sustainable, life course orientated social policy are discussed. Klammer claims that what is needed are schemes that allow working time adjustments according to one’s changing needs over the life course, as well as social and political support of transitions in and out of the labour market. The urgency of such a policy is required in order to alleviate the “rush hour of life”. This and a general obligation to pay into the social security systems can help to make it possible for everyone to obtain pension entitlements, at least as high as the socio-cultural minimum.

Klammer concludes by stating that if social policy was geared in this direction, then it would raise awareness of the risks of such discontinuous employment and help to avoid old age poverty. Above all this would mean that young people would be encouraged to trust and rely upon the social system.

Part III On the Path to Gerontocracy?

Part III starts with an article by Martin Kohli (European University Institute, Florence). He discusses in *Age Groups and Generations: Lines of Conflict and Potentials for Integration* the extent of generational conflict in today’s society and whether or not such a conflict will lead to a gerontocracy. The social question of the twenty-first century is no longer how to integrate the industrial workers (as it was at the end of the nineteenth century), but how to maintain a balanced generational contract protecting the elderly and investing in the young, while being financially sustainable and just. Differential treatment of age groups according to needs is morally acceptable, providing that each generation can expect the same at each life stage. However, this is usually not the case, which creates potential lines of conflict between the generations. As a result of demographic and economic changes, some generations are more fortunate and better-off than others all through their life course. Why, in light of this potential for conflict, are age-group or generational conflicts not more pronounced? One explanation lies in the difficulty of identifying with a particular generation when there are so many internal differentiations with regard to class, religion, ethnicity and gender. This makes any attempt to establish a feeling of “being in the same boat” almost impossible. In addition, the mediating

function of political parties, unions and families explains why such conflicts do not dominate society. Elderly people are not only interested in their own well-being but also in that of their descendents, which manifests itself in the financial and social support they give to the following generations. In terms of political decision making, there is no evidence for a trend towards gerontocracy.

The next chapter *Who Wants What from the Welfare State? Socio-structural Cleavages in Distributional Politics: Evidence from Swiss Referendum Votes* comes to quite different conclusions. The authors Giuliano Bonoli (Swiss Graduate School for Public Administration, IDHEAP) and Silja Häusermann (European University Institute in Florence) investigate socio-structural cleavages in relation to social policies in Switzerland. Their article examines the extent to which vertical stratification or class, age and gender explain variations in individual social policy preferences. The goal is to investigate the pattern of multiple intersecting conflict lines, and to examine the relative weight and specific impact of each of these conflict lines. The analysis is based on survey data (VOX surveys) on reported voting behaviour in 22 direct democratic referenda concerned with distributional social policy issues between 1981 and 2004. These reforms were selected because they generally have clear distributional consequences for voters. In other words, it is relatively easy for voters to understand if they are likely to be winners or losers of these reforms.

The two main findings are the following: (1) age, i.e. a generational divide over resource allocation, seems to be the most relevant line of conflict in most distributional issues. Older generations not only massively endorse improvements in the benefits they receive, but they also tend to reject social policy proposals aimed at improving the situation of the actively employed and of young families. (2) Vertical stratification (income and education) and gender are less important in explaining individual voting decisions. The findings also suggest that material interests based on socio-structural characteristics account for only part of the variation in social policy preferences, and that value cleavages are also important.

In the next chapter, Achim Goerres (University of Cologne) analyzes demographic and survey data and reviews major findings on age-related differences in political participation in order to assess how demographic and participatory developments play out for the current young generation in Europe and what these findings mean for European democracies.

In his chapter *Being Less Active and Outnumbered?* that the political participation process in Europe is currently skewed in favour of middle-aged people who dominate in terms of their pressure potential (measured through their participation levels and demographic size) over other age groups. Young people have the lowest pressure potential due to their low participation rates and their small demographic weight. Since age groups differ in their political preferences, young people may be less able to convey information about their different preferences to, and to exert pressure on, political elites than other age groups. This finding does not imply that there is an antagonism between young and old, but the influence that young people can exert through democratic participation is more limited. In general, politicians interested in equality should not be concerned about the growing importance of

older people, but the diminishing significance of the young compared to both middle-aged and older people.

Again, another aspect of the issue of gerontocracy is highlighted in the last chapter of the book: *The Emergence of Pensioners' Parties in Contemporary Europe*, Seán Hanley (University College London) examines the origins, demands and prospects of the many small pensioners and retirees' parties, which have emerged at the margins of Europe's political systems over the past two decades. Such "grey interest" parties appear at first examination to be a purely fringe phenomenon of little consequence, as they lack the potential to attract *mass* electoral support or realign political competition along age- or generational lines. Age-based political identities have historically been weak in Europe, and many older voters can be assumed to have strong established party loyalties and pre-existing political identities shaped by class, ethnicity or geography rather than generational factors.

However, Hanley argues, "grey interest" parties are sufficiently widespread and persistent to merit closer examination. As with other new minor parties, even when electorally unsuccessful, grey-interest parties may be significant as a marker for the emergence of new issues or an indication that (wider) groups of voters may be (re)defining and (re)negotiating socio-political identities or seeking vehicles for protest. Moreover, in a small number of European states "grey interest" parties have already enjoyed sufficient electoral success to gain – or come close to gaining – parliamentary representation and in some instances have exercised real political leverage. In Slovenia, Serbia and Israel pensioners' parties even entered government as junior coalition partners.

This chapter maps the emergence of pensioners' parties in both established West European democracies and in the newer post-communist democracies of Central and Eastern Europe (CEE). It first discusses their origins and demands – both of which are typically rooted in the defence of older people's welfare rights – before reflecting on the reasons for their emergence and, in certain cases, relative success. Consistent with the wider political science literature on new parties, it argues that the emergence of grey interest parties can be explained through a mixture of the "demand" for such parties generated by changes in the demographic structure, and the welfare and the opportunities afforded to them by the stability (or instability) of existing parties and the generosity of electoral systems.

However, there are important variations in patterns detectable in established Western democratic states and the newer democracies of Central and Eastern Europe (CEE). While pensioners' parties in CEE are more akin to interest groups that take to the political arena and are generally aligned to the traditional left, self-styled retirees' parties in more established Western democracies often mix interest politics with a raucous populist, anti-establishment message. The chapter concludes with a tentative assessment of the growth prospects of grey interest parties. These, it argues, will be limited by competition from bigger parties and the difficulty of translating interest and single issue demands into a coherent set of ideological principles.

Part I
**The Financial Situation of the Young
Generation in a Generational Comparison**

Chapter 1

The Persistent Pandemic of Precariousness: Young People at Work

Lefteris Kretsos

1.1 Introduction

The emergence of a new underclass composed of young people usually described in the press as the “Precarious Generation” or the “Generation of 1,000 euros”¹ (and earning even less in certain cases) is, currently, one of the most widely discussed issues in the international discourse about the future of work. The obvious reasons for such a development are related to the dramatic expansion of jobs, which are precarious in nature in recent decades, as well as to the multiple and decisive ways that such a development affects the social and political inclusion of the young people,² as well as other vulnerable groups of the workforce, such as immigrants, women and other vulnerable groups. The contemporary context in Europe appears to be marked by an increase in economic inequalities and growing disparities in social participation and citizenship rights. In other words, current socio-economic forces have made work more *insecure*, *unpredictable* and *risky*.

However, speaking about precarious jobs today, the analysis should cover more working groups and has to reflect more, and different, working stories than that of low-paid workers or workers in atypical contracts and bad working conditions. The notion of precarious employment has become widespread and the term itself is

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¹The term, inspired by social movement activists, independent writers and radical political bloggers is currently used to describe the labour market situation of the young workers generations (18–30 years old), who have to make their own living and to organise their life under the restricted stream of low-paid and contingent jobs. Similar or associated terms used in the modern literature to describe the emergence of the new underclass include the following: *contracto a vassoura*, *mill-euristas*, *Generation P* (acronym from the Precarious), the *contrat première embauche* (CPE) generation, and *Generation Kangourou*.

²Age is a useful, but not sufficient indication to characterise the transition to adulthood. The focus of this paper is on the people age 16–30 years.

controversial. In essence, we have to talk about a combination of work precariousness elements that can be found probably in every job and working environment. However, some jobs have more elements of precariousness than others and certain social and age groups are more inclined to be found in more precarious jobs. In order to detect these elements, we have either to look on the daily biopolitics³ of precarious workers or to restrict the analysis on the statistics of atypical and insecure forms of employment.

Based on the data from Eurostat and OECD, this paper focuses on the investigation of the position of young people in the labour market of the “old member-states” of the European Union (EU-15). The departure point of analysis is that precarious employment is a structural characteristic of the labour markets across EU-15. The analysis starts by examining the development of economic theory about precarious employment from the early stages of capitalism to date. The analysis moves next to the discussion and the presentation of the data regarding young people at work. As it will be shown there is a definite generation effect, in the sense that the young workforce was *not* exposed 30 years ago to the same extent as today to atypical employment.

1.2 The Historical Dynamics of Precarious Employment

The debate on the consequences of precarious jobs to society in general and to individuals is not something new. Such an interest is inherent to the history of capitalism, as capitalism was always characterized by inequalities in the way work was regulated and income was distributed among the workforce (Garraty 1978; Schumpeter 1954; Thompson 1981). In economic theory, the issue of precarious/contingent jobs was, for a long time, synonymous with the problem of unemployment.⁴

For most of the history of capitalism, economic theory considered seasonal and contingent workers as punks, wastrels and people in general who had low moral values and were characterised by an unproductive work ethos (Garraty 1978). Unemployment and seasonal/contingent work was an anomaly of the economy and an obstacle to economic growth that could be reduced by forcing people at

³According to this philosophical approach of precariousness, such elements are distributed across the whole time and space of life and they form an existential condition that spreads beyond the boundaries of work (Neilson and Rossiter 2005). For example, Tsianos and Papadopoulos (2006) consider precarity (the state of precariousness) as a mean to exploit the continuum of everyday life and not simply the workforce. Precarity is a form of exploitation, which operates on the level of time and forms an embodied experience.

⁴For example, Marshall described unemployment as *inconstancy* of employment. In general, the definitions of unemployment used before Keynes' theory on employment (1936) usually implied a type of work or an employment pattern characterised by inconstancy, irregularity, variability and discontinuity. For further information, see the analysis of Winch (1972) and Dedousopoulos (2000).

work (e.g. work camps) and/or by implementing policies that reduced wages (J. S. Mill) or even control the growth of the population (Ricardo, Malthus). It was also an anomaly, the overcoming of which demanded the creation of a well-disciplined workforce to the factory production system norms. According to Marshall (1920), though, the more the factory system norms were established the more the available jobs would become predictable, stable, regular and typical.

It was not until 1909 that Beveridge provided a new insight on the issue by considering the problem of unemployment and seasonal employment as a problem of industry and not a problem attributed solely to the morality and the work ethos of the unemployed and temporary workers. Unemployment and contingent work was regarded by Beveridge as an economic problem strongly related to the fluctuations of the economic cycle and not mainly to the individual characteristics of the unemployed. The creation of stable jobs was thought to eliminate contingent ones and this process was thought only to be achieved by enhancing labour mobility, strengthening occupational training and other labour market institutions and welfare policies. However, it took more than four decades since the original conceptions of Beveridge (and to some extent those of Marshall) for work to become more standardised, typical and regulated.

Even in the 1930s, economic theory could not really disengage the discussion about precarious jobs from the problem of unemployment. According to Hicks (1932), there is a duality of the labour market in the sense that certain groups of the workforce are characterised by subnormal productivity and lower, than the average population, skills. These groups are either unemployed or temporary workers in seasonal jobs. Temporary workers are attracted by seasonal/contingent jobs because they are lazy and unable to find a better job. As such, precarious workers are like a group of socially unfit people.

As Mitropoulos (2005, p. 92) has argued: “Precarity has been the standard experience of work in capitalism the experience of regular, full-time long-term employment which characterized the most visible aspects of fordism is an exception in capitalist history that presupposed vast amounts of unpaid domestic labour by women and hyper-exploited labour in the colonies”.

During the first post-war decades (a period well-known as the “golden era of capitalism”), in most central and northern European countries, the gradual establishment of the welfare state resulted in the institutionalisation of the standard employment relationship (SEP). The concept of SEP was always commonly used to describe stable and full-time employment relationships or open-ended work contracts for full-time job and stable working hours (Michon 2009). The concept of SEP was also strongly associated with the philosophy that underlined the Declaration of Human Rights by the United Nations in 1945.

According to the content of respective Articles of the Declaration (Articles 22, 23, 24): “Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality”. “Everyone has the right to work, to free choice of employment, to

just and favourable conditions of work and to protection against unemployment". "Everyone, without any discrimination, has the right to equal pay for equal work". "Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection". "Everyone has the right to form and to join trade unions for the protection of his interests". "Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay".

Observing the modern landscape of employment and the trends in industrial relations across Europe, it can be easily understood that those rights established more than six decades ago should *not* be taken for granted in nowadays for a significant and growing part of the workforce. The supposed periphery (workers in atypical contracts) is growing in comparison to the core segments of employment (holders of decent jobs in terms of pay, security and working conditions). In essence, the distinction between the primary and secondary labour markets is progressively *disappearing* and secondary labour market conditions spreading across the board.

A burgeoning literature has developed to explain how and why job insecurity has spread throughout the 1990s, affecting a widening spectrum of workers including skilled professional workers. Examining the case of the US labour market, Sweet and Meiksins (2008) have noted that the spread of job insecurity has occurred because of: the decline of older, more secure types of work; the changing strategies for organizing work; and the changing composition of the labour force. All these dynamics have contributed to the deconstruction of the employment relationship in a way that results in an unbalanced distribution towards and among the workers of the insecurity and risks typically attached to the labour market (Frade and Darmon 2005).

A recent policy document by the European Trade Union Confederation (ETUC 2007) provides a clear picture on the trends of precarious and contingent work in Europe. More specifically, across the EU-25 member states:

- Some 30 million workers (or 14.5% of the workforce) were employed on a fixed-term contract in 2005. This means an increase of 5 million contingent workers since 2000.
- 37 million workers are now working part-time in contrast to 32 million in 2005.
- There has been a significant fall in the share of workers having received training from their employers (from 30.6% in 2000 to 27.3% in 2005).
- 33% of workers indicate that their duties are below their skills and that they could perform more demanding tasks.

In any case, the respective figures show that the unique heritage of the European Social Model and the target of full decent employment established under the Human Rights Declaration of United Nations after the Second World War are under threat. In reality, industrial relations have become more and more individualised and commodified, losing their collective character and nature (Hyman 2007). Employers discover day by day more flexible working practices and initiate various

experiments in the way work is organised and regulated at the workplace. This results in the gradual extension of atypical contracts against the normal ones.

In more political terms, other writers and academics suggest that the spread of work insecurity is the result of neoliberal economic policies to restore corporate low profit rates after the crisis of the 1970s (Callinicos 2003; Dumenil and Levy 2005; Shaikh 1999; Brenner 1998). According to Moseley (1999), several strategies were used for the wage reduction process, including: “direct cuts of wages (and benefits), the shift toward ‘contingent’ jobs (such as part-time jobs, temporary jobs, etc.), ‘two-tier’ wage systems (in which new employees are hired at much lower starting wages compared to existing employees)”. During the same period, the gap between earnings of high- and low-paid employees rose dramatically.

For example, in the Mediterranean member-states of the EU, the ratio of minimum wage relative to median wages of full-time workers showed an impressive fall from 62% in 1975 to 40% in 2006.⁵ Furthermore, according to Eurostat, the rate of part-time employment jobs in the EU15 economy has increased from approximately 12% in early 1980s to more than 18% in 2008 and the rate of temporary employment has increased from 8 to 15%, in the same period.

It is also important to note here the involuntary character of these growing contingent forms of employment. The distinction between full-time and part-time employments is not taken into account in the calculation of unemployment rates, but the reality is that low-registered levels of unemployment are hiding an excess supply of labour of those workers with part-time jobs. The majority of them would prefer a full-time job. Moseley (1999) and Bluestone and Rose (1997) argue that this excess labour supply is a reason for the downward pressure on wages and the “real-wage freeze impact” that are both observed in the last three decades.

1.3 A Definition of Precariousness and Young People’s Exposure to Precarious Jobs

In all European countries, young people appear to have a higher inclination than the rest of the population to such types of contingent employment (Biletta and Eisner 2007). There are, though, national variations in the extent of contingent employment across Europe. Nevertheless, in all countries, young people face more difficulties than older workers in getting an entry into the labour market and have much more difficulties in finding stable and well-paid employment despite their higher level of educational attainment. The available statistics from the Labour Force Survey indicate that education definitely matters in finding a job, as unemployment is always higher for the unskilled workers in all cases, but conversely it is also evident that high achievements in education do *not* necessarily guarantee a promising career.

⁵See <http://stats.oecd.org/WBOS/index.aspx>.