PRESS RELEASE
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Dutch Young Suffer Fifth Worst Decline in Prospects Since 2005

Unaffordable housing costs and a high risk of poverty among the young, combined with high spending on pensions and health services for the over-60s, mean that Dutch young people, when compared to the young in other EU countries, have suffered the fifth worst decline in their prospects since 2005, according to the first Europe-wide Index of Intergenerational Fairness launched by the UK-based think tank the Intergenerational Foundation (www.if.org.uk).

The main driver of the Netherland's poor scores in IF's EU Index is unaffordable housing costs for 18–29 year olds, with close to a quarter (23.6%) of young people having to spend more than 40% of post-tax income on housing. The Netherlands is exceeded only by Greece (45%) and Denmark (34.9%) on this measure.

The ratio of young people who are in this position compared to the population average is also the sixth highest across the EU28 at 1.53, above either of its neighbours, Germany (1.19), and Belgium (1.14). This tells us that, despite the Netherland's wealth, its young people heavily burdened by housing.

The Index also reveals that Dutch young people's income levels compared to the general population have declined since 2005. The ratio (1.12) is fractionally better than France (1.13), but worse than Italy (1.10), the UK (1.06) and Germany (1.06).

Added to these woes is the Netherlands's poor performance over the ratio of young people at risk of poverty compared to the population average. The Netherlands is the fourth worst country for this indicator (1.65), with a ratio that is a third higher than Germany (1.20) and significantly above the EU average. The fact that the ratio has worsened by 0.18% since 2007 suggests that Holland's young are lagging behind the rest of the population and much of the rest of Europe.

In spite of youth unemployment in the Netherlands (12.7%) being well below the EU average of 22.2% in 2014, Dutch young people are almost twice as likely to be unemployed as adults. Alarmingly, the Netherlands has the second highest score for this latter indicator, showing that young people across Europe have borne the brunt of joblessness.

At the same time, due to welcome increases in longevity, the Netherlands faces a rapidly ageing population, even though the current old-age dependency ratio is below the EU average at 26.4, – which means it has 3.7 workers to support each pensioner.

The cost of pensions as a proportion of GDP is also placing a further burden on younger generations, with the Netherlands currently the eighth highest pension spender in the EU at 9.8%. When ranked over time, the Netherlands has also increased its spending on pensions as a proportion of GDP by 2.1% since 2000. Spending on health services by the over-60s is more than half all health spending, at 56.3%, again placing the Netherlands in the top 10 spenders for this indicator.

Government debt is an area where the Netherlands has performed better than the EU average, with a figure that is 68.8% of GPD. This is more than half that of Italy, and almost three times less than the worst performer, Greece. However, with a 17.5% rise in government debt since 2000, the Netherlands, like many other countries, will need to reduce this if it is to abide by the 60% debt to GDP limit in the EU Stability and Growth Pact.

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The Netherlands spends slightly more (5.9% of GDP) on primary and secondary education than the EU average of 5.25%, and has increased its spending by 0.61% since 2007. The country is also the seventh best performer for those aged 25–34 participating in tertiary education, at 44.3%, which is almost twice as many as the worst performing country, Italy, where participation is as low as 24.2%.

Furthermore, the Netherlands is a top 10 investor in research and development (R&D), investing 1.98% of GDP in the future competiveness of its population, although a long way behind Sweden (3.30%) and Finland at 3.31%.

Finally, the Netherlands still has comparatively high Green House Gas (GHG) emissions, coming in the top six worst emitters based on the latest available data. This is in spite of the Netherlands reducing its emissions by 19.5% between 1990 and 2012.

Angus Hanton, IF Co-Founder, comments, "A key concern for the Dutch government should be the emerging intergenerational crisis that IF has identified, as young people struggle with high housing costs, low incomes, a high risk of poverty, and double youth to adult unemployment, while its population ages and pension and health spending increases. These findings should act as a wake-up call to policy-makers. Younger generations in the Netherlands are being disadvantaged. We cannot expect to the young to carry the burden of an ageing population if we do not give them decent jobs, decent wages and affordable housing. It is therefore in all generations' interests to prioritise spending on the young in these areas."

Across the rest of the EU three broad themes appear to lie behind the worsening position of young people: the impact of the 2008 recession, particularly increasing government debt and youth unemployment; the rapid ageing of Europe's population, which places a larger economic burden on younger workers; and the failure of too many EU members to secure their future competitiveness by transitioning to high-skill, low-carbon "knowledge economies". The overall performance of the EU in terms of intergenerational fairness has therefore worsened since 2005, increasing 5.5 points from the base figure of 100 to 105.5.

IF calls on both governments and the European Commission to embark on a programme of "intergenerational rebalancing" by assessing policies for their impact on younger and future generations. Policies that aim to achieve intergenerational rebalancing could include stricter adherence to debt-to-GDP limits, investing more in education, raising retirement ages further, copying Germany's successful apprenticeship model, encouraging greater democratic participation, introducing renewable energy sources more quickly and investing more in research and development.

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For interview enquiries please contact: liz@if.org.uk mob: 07971 228823

Note to Editors:

You can explore the data with IF's online visual tool available at http://index2016.if.org.uk

The IF EU Index is a quantitative measurement of how the position of young people has changed across the EU. Each of the 13 indicators used in the IF EU Index was chosen for its ability to reflect how countries treat younger and future generations. They include housing costs, government debt, spending on pensions, spending on education, youth unemployment, income levels, participation in democracy, access to tertiary education, poverty and social exclusion, investment in the future (R&D), environmental impact, usage of health services, and dependency.

1. Long-running open-source data series from Eurostat were used to compile the Index.
2. A rise in the Index score represents an increase in intergenerational **un**fairness…
3. …except for spending on education, tertiary education and R&D where a rise in the Index score represents a fall in intergenerational unfairness.
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The Intergenerational Foundation (www.if.org.uk) is an independent, non-party-political charitable think tank based in London that researches fairness between the generations. IF calls for policy to be fair to all: the old, the young and those to come.