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The youth of the Mediterranean and the challenges of a permanent crisis

Income, independence, housing and future challenges

SPAIN, ITALY, JORDAN, LEBANON, MOROCCO, PORTUGAL, TUNISIA

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NOVEMBER 2023

Executive Summary

The transition to adulthood for those born between 1980 and 2005 has been marked by multiple economic and social crises, particularly affecting young people in southern Europe and, more generally, in the Mediterranean basin. Our study updates and expands on previous research, incorporating data from a novel, comprehensive and ambitious multi-country survey covering young people (18-34 years) in Spain, Italy, Portugal, Lebanon, Morocco, Tunisia and Jordan.

DIAGNOSIS

The survey reveals a negative present outlook, but with an optimistic view of the future. It is more focused on opportunities than threats when it comes to the major challenges of the future: climate change, digitalization, population aging.

The diagnosis begins with the **negative current state** perceived by these young people:

- → In all the countries analyzed, less than half of young people consider that they can adequately afford their basic expenses: from 42% in Spain to 25% in Lebanon.
- → Between 48% (Spain) and 70% (Tunisia) of young people consider that they do not long-term savings capacity.
- → In Spain, only 30% of young people consider themselves able to cope with financial emergencies, while 40% face difficulties in saving in the short term.

Inability **to move out** of their family house is a determining factor:

- → Emancipation from the family home is remarkably late even today. In southern European countries, 23% (Portugal), 26.5% (Spain) and 29.5% (Italy) of 30-34 year olds still live with their parents. The figures are even higher in North Africa, for Tunisia (50%) or Morocco (57%).
- → In Spain, a majority of young people become independent around the age of 28.
- → Lack of income is a factor of high or very high importance for not becoming independent according to 66% of young Spaniards, 62% of Portuguese and 61% of Italians. The figure drops to 40% for Tunisia or Lebanon, and 30% for Morocco.

Within these countries, **home ownership** is particularly significant because of both family and economic context and constraints:

- → Renting is the most frequent form of housing in most countries: around 31% (Spain) and up to 36.5% (Lebanon).
- → For the minority who do own housing:
  - Nearly all received help from a family member, with an average of around 65% (Spain, Morocco).
  - Spain has the highest homebuying age of the countries considered, 25.3 years; Tunisia, the lowest (23.7).
- → The lack of savings capacity seems to link a lack of housing independence with the inability to buy a home, especially in European countries: around 6 out of 10 non-independent young people in Spain, Italy or Portugal give this factor a high or very high importance for remaining in the family residence.

Pessimism continues when asked about the future of the country as a whole:

- → In a majority of countries, at least 40% of young people anticipate a decline in their country's future over the next two decades. (48% in Portugal, 47% in Italy, 42% in Spain).
- → As for the percentage of young people anticipating progress in their country's future over the next two decades, in Spain it is 25.2%, 21.8% in Portugal and only 20.7% in Italy.

In contrast, young people's prospects for their own and their families' futures are positive:

- → The pessimism we reported earlier is lessened when young people of southern Europe project their nearer future. In Spain, 62% believe that their spending power will be good or very good. In Italy it is 56%, and in Portugal 53%. This outlook is slightly to significantly worse in North Africa (Morocco: 46%, Tunisia: 50%) and the Middle East (Jordan: 51%, Lebanon: 39%).
- → Similarly, a majority of young people expect their household will be better off in 25 years on each country's relative wealth scale than it is today.
- → Moreover, only a minority of 11% (Spain) to 21% (Lebanon) consider it unlikely or not at all likely that they will be able to buy a home in the next decade, underscoring the decoupling that exists between short and long-term prospects.

Young people's perspectives on key challenges are **rather positive** as well:

- → As a general rule, these key challenges (automation and digitalization; decarbonization policies; population aging) are more often seen as opportunities than threats by young people in these countries.
- → If any of these challenges shows a somewhat higher frequency of threat perception, it is automation and digitalization.

PROPOSALS

Based on this analysis, we offer a series of proposals aimed at meeting these demands, precisely by combining a focus on balanced prosperity and the creation of opportunities, on three fundamental fronts.

Human capital infrastructure

- Expand and improve universities and other post-secondary training centers as a public investment priority.
- Guarantee equitable access to education through reduced fees, income-based scholarships, or a combination of both.
- Foster academic quality and competitive research through university autonomy.
- Maintain continuous, market-informed updating of the academic curriculum.
- Define and consolidate professional training adapted to the needs of the market.
- Optimized and dynamic career guidance, based on data that facilitates skill matching for students/candidates and companies, with a focus on reducing early school dropouts.

Economic support from the outset

- Affordable minimum benefits for young people in low-income households.
- Notional accounts for young people from households without significant wealth, which grow through joint contributions from them and their employers, and can be used to cover adverse events, home purchases, or the creation of new entrepreneurial projects.

Access to housing

- Investment in public housing: increasing budget and streamlining approvals.
- Encourage the private sector by simplifying licenses and offering incentives, while also focusing on public-private partnerships with clear frameworks for joint projects.

Foreword

Dear Readers,

A lot has happened since EsadeEcpol and the Friedrich Naumann Foundation Madrid (FNF) published their groundbreaking study "The Double-Crisis-Generation" on the socioeconomic perspectives of generations Y and Z in Spain, Italy, Portugal and Germany in 2020. It was widely cited in national and international media and shed light on the disparities between generations and different European regions. We proposed a series of policies, some of which are being seriously discussed and hopefully to be implemented soon.

At EsadeEcpol and FNF, we are committed to equal opportunities for all, out of both moral conviction and a rational look at the dire consequences of a lack of the latter. That is why, in the months after the "Double-Crisis-Generation", we were looking beyond Europe towards the MENA region and were intrigued by the impact of the Covid (economic) crisis. We wondered how younger generations would be able to cope with yet another challenge in a region, where social differences tend to be more articulated and the social safety net is usually less developed.

It is common knowledge that demographics present very different challenges to countries in the North, South and East of the Mediterranean. While Europe is ageing at a dramatic rate, MENA countries have some of the youngest populations in the world. This affects everything we are concerned about, particularly migration and the urge for jobs and a fair income for everyone.

Our challenge? We faced a lack of data and teamed-up with YouGov to get an empirical picture of the situation in seven Mediterranean countries. Hence, today we are able to present to you the most comprehensive empirical analysis of the life of the youth in recent years. We expected some of the results, while being stunned by others. A little spoiler: The Mediterranean youth on all shores have more in common than you think. Finally, on the ground of that data we have come up with solutions that we believe could have a positive impact on millions of lives.

Yours sincerely,

David Henneberger,
Head of Office, Spain, Italy, Portugal & Mediterranean Dialogue,
Friedrich Naumann Foundation for Freedom

Introduction

The transition to adulthood for those born between 1980 and 2005 has been characterized by an unprecedented number of critical shocks to the economy: the Great Recession of 2008, the subsequent public debt crisis (2010-2014), the profound collapse of GDP during the pandemic (which also meant the closure of schools and workplaces at a crucial time for many people's careers), and finally the combination of inflation, the energy crises, the world trade crisis and the open economy and global security model on which it is based, which we have been immersed in since Vladimir Putin decided to invade the Ukraine in February 2022. Merely one of these events would have been enough to leave an indelible mark on the data that define the entry into adulthood of these generations. Above all, this is true for those living in countries whose socio-economic models had already had difficulties in offering sufficient opportunities in good times and protection in bad times to their young people. Such is the case in the southern arc of Europe, with economies characterized by an unequal distribution of income, capital and welfare protection mechanisms in favor of the older generations. And so, we observed with the first study in this series (Aumaitre and Galindo, 2021), which confirmed, thanks to data for southern Europe for the 2008-2014 cycle, how the new generations in Spain, Italy and Portugal had a negative earnings, income and emancipation disparity with northern Europe from it which would take years to recover.

In this paper we broaden and complete this work with new data from an ambitious multi-country survey. For this purpose, we chose seven representative states from the Mediterranean region: Spain, Italy, Portugal, Lebanon, Morocco, Tunisia and Jordan. These countries all share both unequal protection and poor access to the aforementioned opportunities. With a rigorous and precise methodology[1], in this study we gather evidence on their present perception, their future prospects, as well as the possible tools for improvement.

We will begin with a brief framework of the study that enumerates the key challenges facing the chosen countries. Then, in Section I, we will examine the present: how young people perceive their socioeconomic situation, in terms of spending capacity, savings, emancipation and housing. Then, in Section II, we will focus on the future: what are the prospects for spending or saving in the years ahead, as well as young people's expectations of progressing up the social ladder, and lastly, how young people perceive the fundamental socioeconomic challenges that await them in the immediate and distant future. Finally, in Section III, we will investigate a search for those responsible, as well as possible solutions.

1. The sample universe is all persons aged 18-34 (both included) residing in one of the following countries: Spain, Italy, Portugal, Morocco, Lebanon, Tunisia and Jordan. The sample size is 9633 observations, of which 1526 for Spain, 1530 for Italy, 1532 for Portugal, 1540 for Morocco, 1505 for Lebanon, 1000 for Tunisia and 1000 for Jordan. The sample was drawn online (website) and is a quota sample (gender, age and geographical region) in order to be representative of the society of each country. The questionnaire comprised 44 questions as well as the socio-demographic variables that were not asked as they were available in the panellists' database.

Framework

The beginning of the 21st century has presented a number of significant challenges for the emerging generations in the Mediterranean basin, which stretches from Southern Europe to North Africa and the Middle East. Before beginning the presentation of our study, we must highlight the nature and magnitude of these challenges. It is worth considering at least five of them from the outset, which inform the approach of this study.

1. **Lack of opportunities:** The current lack of adequate footholds to build stable and prosperous futures is a commonality across the region that varies depending on the country. In North Africa and the Middle East, young people aspire to a more prosperous life by contributing to more stable and sustained growth for their economies, but often find themselves with limited avenues for advancement. On the other hand, in southern European countries, previous generations achieved a degree of prosperity which allowed generational advancement. Now, the expectations of the young people to continue progressing are being frustrated by the current economic reality, which combines economic shocks of uneven impact with slow and arduous recoveries.

2. **Segmented labor markets:** The scarcity of opportunities translates into a segmentation of opportunities within the region's labor markets. In Spain, Italy or Portugal, this division is between stable and precarious jobs, which prevents quick access to a secure career path and imposes starting penalties in the form of high job turnover and irregular trajectories (Politikon, 2017). Meanwhile, in North Africa and the Middle East, the dichotomy between the formal and informal sector introduces even deeper segmentation (which is also present in certain regions of southern European countries) and poses additional challenges for labor inclusion and economic security.

3. **Demographics:** Here the challenges vary depending on the country. Southern Europe is experiencing a demographic decline, putting existing welfare systems at risk. In contrast, the economies of Morocco, Jordan, Tunisia or Lebanon face the daunting challenge of absorbing growing young cohorts. While this certainly provides a 'demographic bonus' from the outset, the public institutions will now have to prepare themselves, trying to prevent the current situation in southern Europe from becoming the future of the rest of the Mediterranean

4. **Gender gaps:** Gender disparities are especially pronounced in Middle Eastern and North African countries, where women face significant barriers to full participation in society. Opportunities in early adulthood are key to equalizing this participation, although there are still gaps to be addressed in Spain, Italy and Portugal, especially in labor markets.

5. **Strength and resilience of supporting institutions:** In North African and Middle Eastern countries, building and consolidating strong institutions is essential to support new generations throughout their lives. Again, the gaps in welfare systems in Southern Europe serve as a guide to what should be avoided and corrected.

This study is based on a survey we conducted to better understand the underlying situation of those facing these challenges. We aimed to shed light on these challenges, and to contribute to a deeper understanding of the specific situations in the countries analyzed.

For this, we present the results of a survey designed for this purpose and executed during 2023. The survey was conducted by YouGov in all the countries considered: Spain, Italy, Jordan, Lebanon, Morocco, Portugal, Tunisia. The sample is composed of respondents aged between 18 and 34 years (both included) residing in one of the countries mentioned above. The total sample size is 9633, corresponding to 1526 in Spain, 1530 in Italy, 1532 in Portugal, 1540 in Morocco, 1505 in Lebanon, 1000 in Tunisia and 1000 in Jordan. The survey was conducted online and uses a quota sampling (gender, age and geographic region) in order to better represent the society of each country. The questionnaire consisted of 44 questions, as well as sociodemographic variables available in the respondents' database. The result of this method is a complete overview of the present and future of the youth of the Mediterranean basin in the following areas: economic situation, emancipation, housing, individual and collective future prospects, as well as more attitudinal and institutional considerations.

1. The economic situation of young people

Key facts

- → In all countries analyzed, less than half of young people consider that they can adequately afford their basic expenses: from 42% in Spain to 25% in Lebanon.
- → Between 48% (Spain) and 70% (Tunisia) of young people, depending on the country, consider that they do not have long-term savings capacity.
- → In Spain, only 30% of young Spaniards consider themselves able to cope with financial emergencies, while 40% face difficulties in saving in the short term.

Table 1

Evaluation of ability to cover expenses.

% of young people who consider their ability to cover their expenses as bad or very bad.

	ES	IT	PT	JO	LB	MA	TN
Basic expenses	29.3	31.3	28.2	31.9	48	31.6	35.4
Leisure expenses	30.2	35.4	40	56.5	62.9	41.7	56.9
Savings for emergencies	38.7	43.1	49	58.1	64.6	45.7	62.6
Long-term savings	48.5	51.2	55.6	69.4	70.2	50.7	70.7

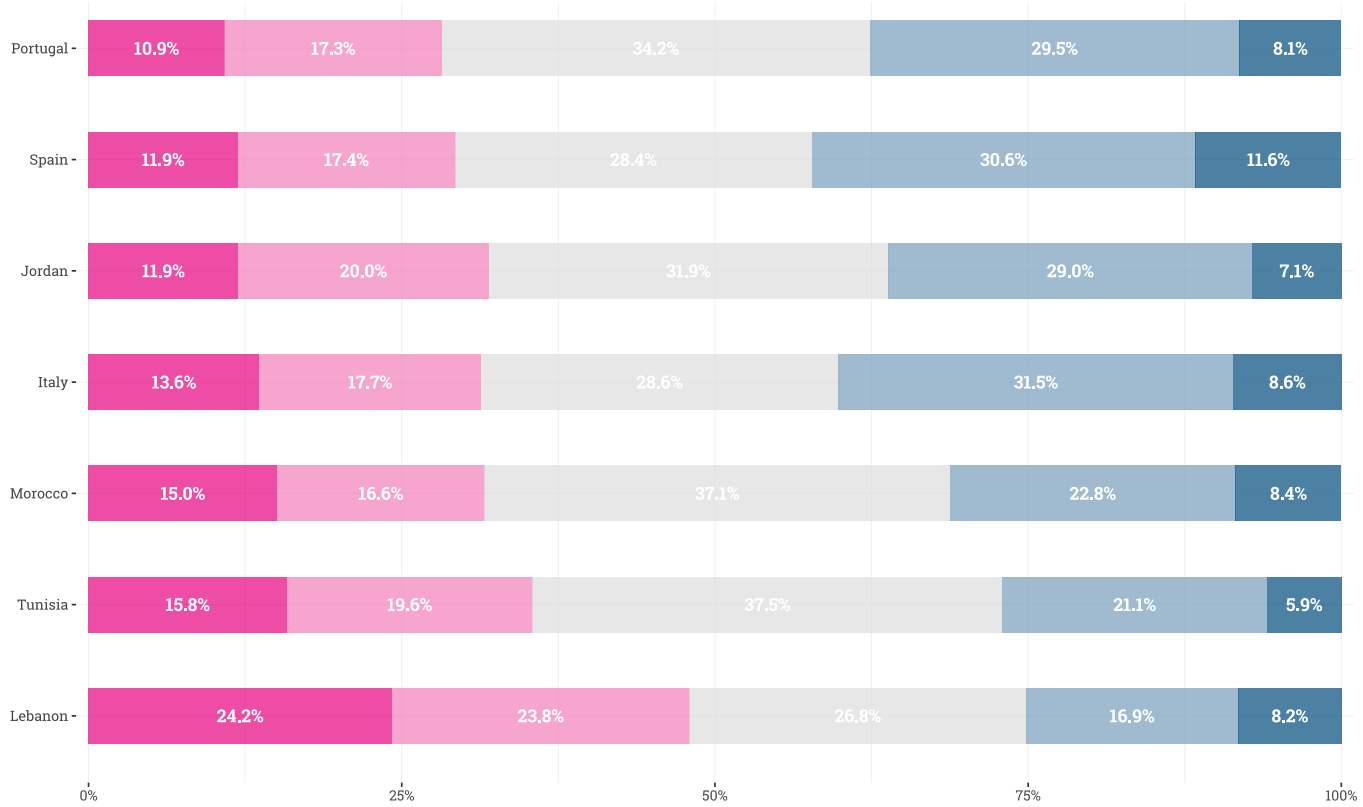
In order to begin to map Mediterranean youth in relation to their socio-economic situation, an ideal starting point is to analyze how they evaluate it subjectively. Southern European and Mediterranean youth are often characterized as a group in a difficult situation. First, the education system tends to expel a significant portion of its students early and those who continue their education do not always acquire the skills needed for the labor market. On the other hand, labor dynamics and the segmentation of the labor market between more stable jobs (usually obtained with age and experience) and precarious jobs (which tend to coincide with the beginning of working careers) make it difficult for young people to integrate quickly and gain access to steady jobs with competitive salaries. Youth unemployment levels in Southern Europe and North Africa are exceptionally high, as reflected in estimates by Eurostat (2023) and ILO (2022).

In this context, young people in the Mediterranean say they face considerable difficulties in covering basic living costs (Figure 1). In Portugal and Spain, almost 30% of citizens between 18 and 35 years of age claim to have a poor or very poor ability to cope with basic expenses such as food, housing, transport or energy. Even so, the young generation of the European Mediterranean has a comparatively better material position than the countries to the southeast. Young people in Morocco, Tunisia and, above all, Lebanon, evaluate their spending power much more negatively. In Lebanon, for example, 48% of young people say they have a poor or very poor ability to cover their expenses and only 25% consider that they can cover them comfortably.

Figure 1

How do you asses your ability to cover basic expenses (housing, food, transportation, energy)?

From very bad to very good.



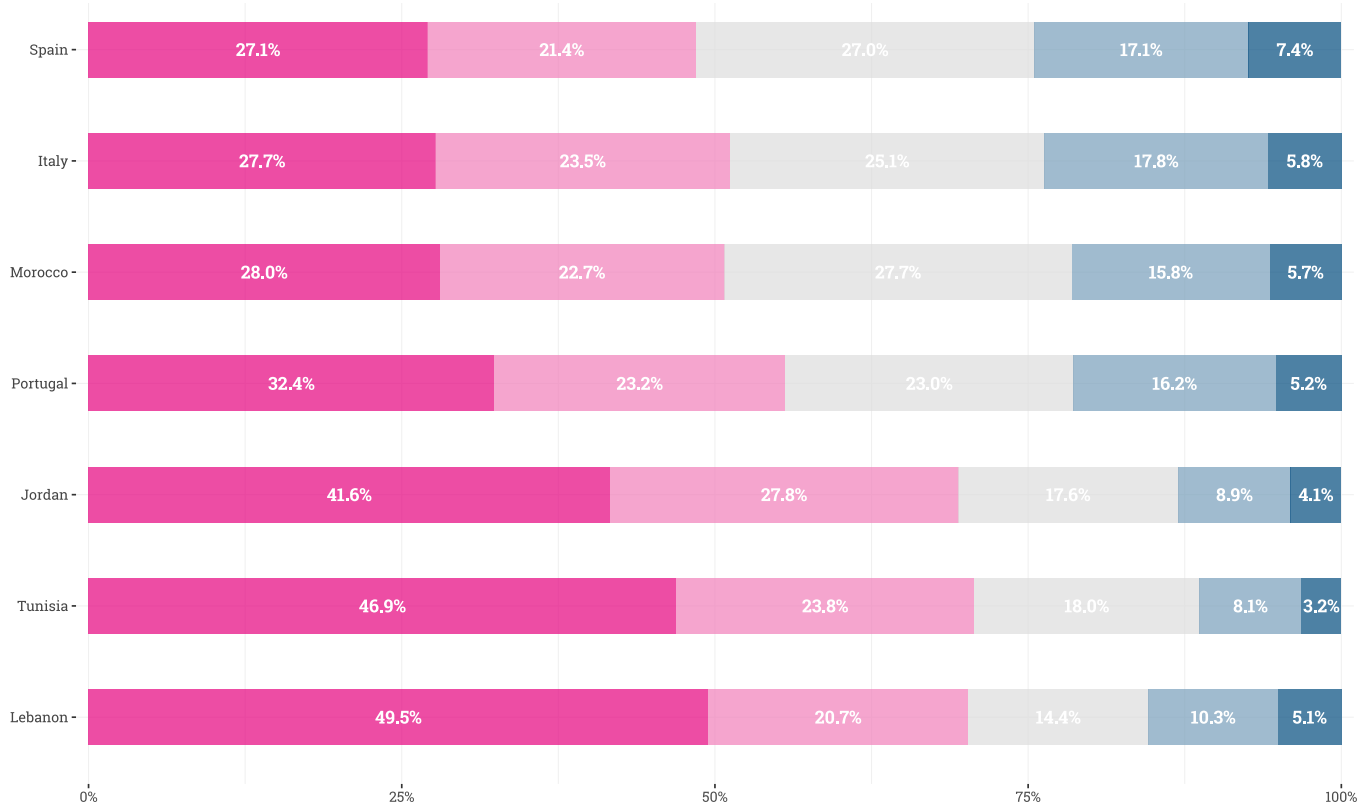
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The situation is even more challenging when we look at the current ability of young people to save in the long term for things such as housing or retirement. In all the countries analyzed, less than 25% of young people consider that they have a good or very good long-term savings capacity. Disparities between countries also widen. While in Spain and Italy approximately 50% of young people think that their long-term savings capacity is poor (48.5% for Spain and 51.1% for Italy), this figure rises to 70% in the case of Jordan, Tunisia and Lebanon. In the annex, we provide data on how young people assess their ability to meet expenses in other dimensions, but in general it is always perceived as limited (see Annex).

Figure 2

How do you assess your ability to save for the long term (housing, retirement)?

From very bad to very good.



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In summary, the consensus of young people about their own economic situation at present is rather negative, characterized by a perception of insufficient economic resources in both the short and long term. The levels vary from country to country, but without losing the common thread of pessimism.

Where can we look for the causes of this negative perception of the present? We propose to begin precisely with the transition to adulthood, which is characterized by emancipation from the family home. This independence is necessitated by availability of housing, which in turn is the basis on which the vast majority of households build their capital and savings base: in short, their financial security.

2. The housing independence of young people

Key facts

- Emancipation from the familial home remains remarkably late even today. In southern European countries, between 23% (Portugal), 26.5% (Spain) and 29.5% (Italy) of 30-34 year olds still live with their parents. The figures are even higher in North Africa, for Tunisia (50%) or Morocco (57%).
- In Spain, a majority of young people become independent at around 28 years of age.
- Lack of income is a factor of high or very high importance for not becoming independent according to 66.3% of young Spaniards, 62.4% of Portuguese and 61.2% of Italians. The figure drops to 40% for Tunisia or Lebanon, and 30% for Morocco.

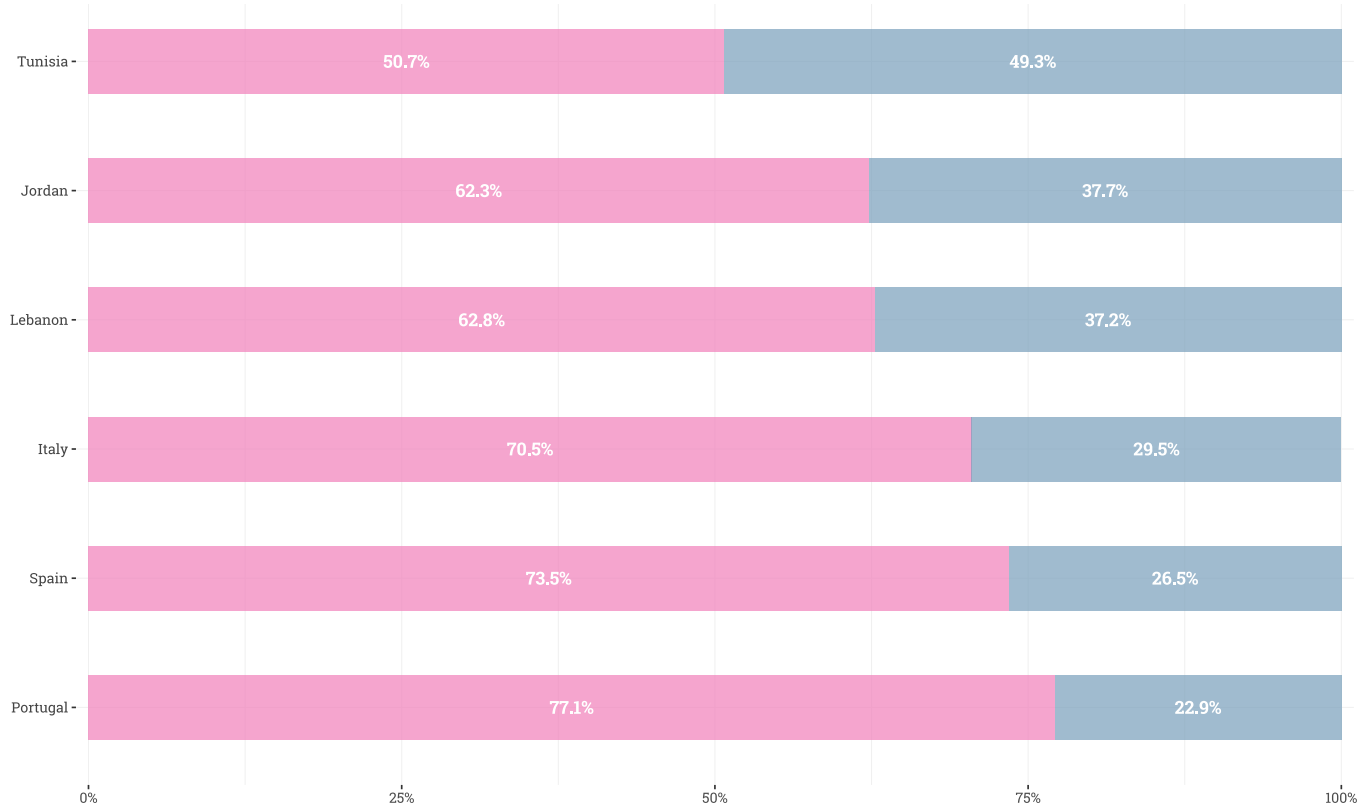
When we turn our attention to the gateway to adulthood, the first thing we observe in the responses to our survey is that young people find it very difficult to leave the family home and live independently. Most encounter various obstacles and many do not become independent until later in life.

The majority of young people between 18 and 35 years of age (54%) live with their parents or a family member from a previous generation. This may be expected among the younger age groups, given that they may be studying or taking their first steps in the workforce. However, restricting the analysis to young people between 30 and 35 years of age, our survey shows that a very significant percentage still live with their elders at those ages (Figure 3). In the European countries included in our study, between 23% (Portugal) and 30% (Italy) of young people between 30 and 35 years of age say that they live with their elders. In the Middle Eastern countries we analyzed, the percentage rises to 37%. The figures are even much higher in North Africa, reaching 50% in Tunisia and exceeding this figure in Morocco (57%). However, the figures in the latter countries are also due to a family structure whereby children continue to live with their parents even when they form a family. In these cases, emancipation is not such a dichotomous notion, and therefore does not necessarily involve leaving the family home or living without an adult.

Figure 3

Which is your housing situation?

For people between 30 and 34 years old: independent or living with his parents.



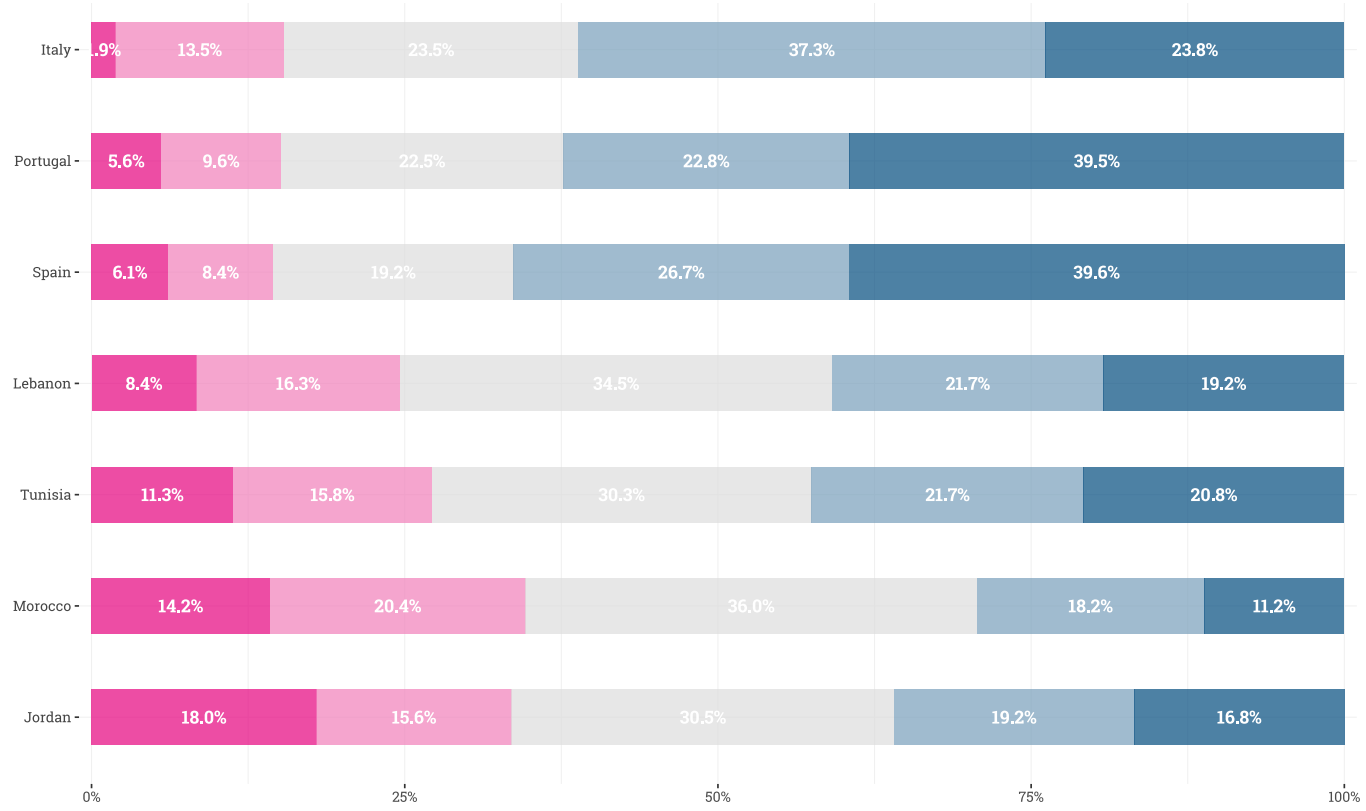
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When asked about the factors that are important for remaining in the family residence, young people are overwhelmingly financially motivated, especially for those living in European countries. Lack of own income is cited as being of high or very high importance by 66.3% of young Spaniards, 62.4% of Portuguese and 61.2% of Italians. In the countries of the Middle East and North Africa, where the family network plays another role, as mentioned above, income is perceived as a relevant but less decisive factor. In Lebanon and Tunisia around 40% of those who considered income to be of high or very high importance in their ability to become independent, and this percentage drops to 30% in the case of Morocco. In general, these figures point to the importance of promoting labor market reforms that allow young people to have the income and job stability that can facilitate their independence. This objective can provide meaning to policies that promote access to state-guaranteed income. In the appendix, we show the rest of the factors asked in the survey: educational situation, lack of savings and personal choice (see Appendix 2).

Figure 4

How important do you consider the lack of sufficient income of your own to continue in the family residences?

From very low to very high.



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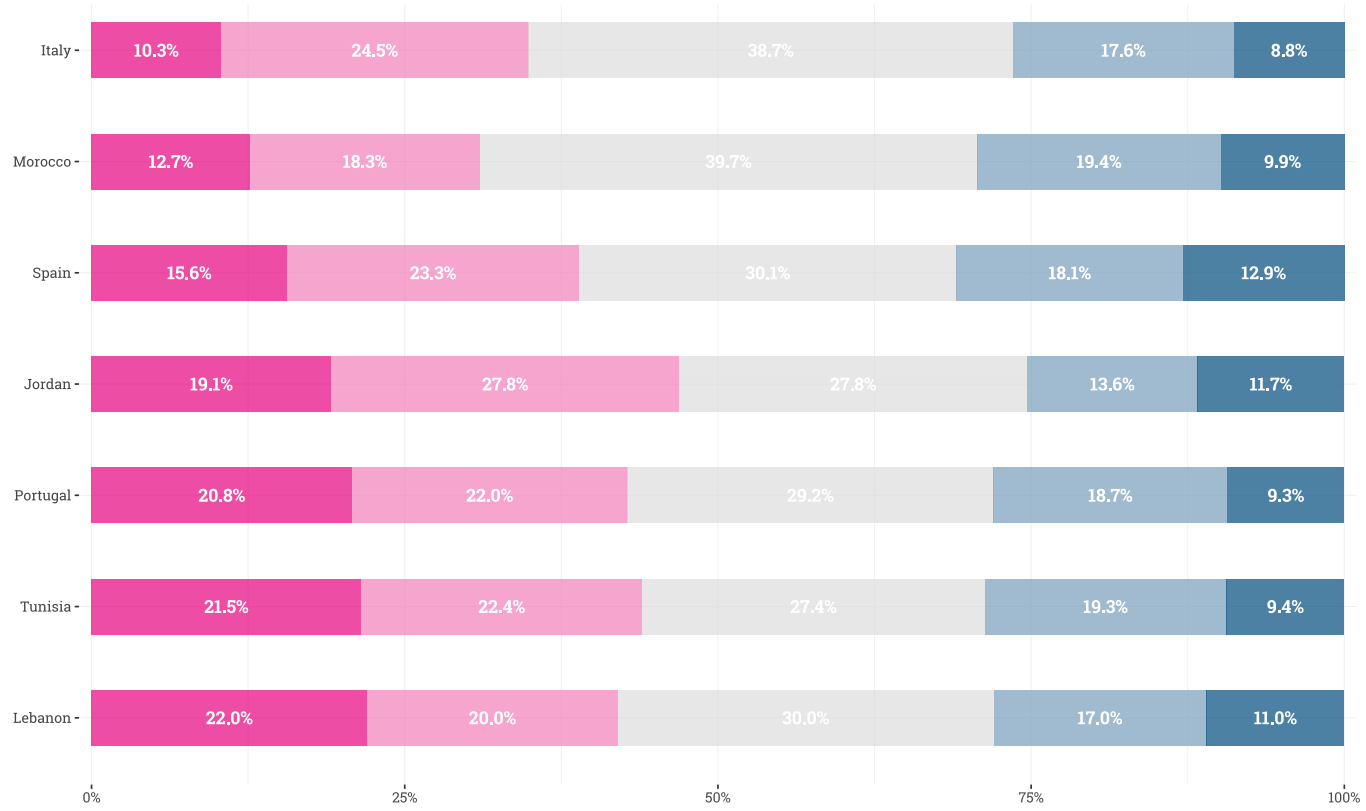
With these restrictions, the prospects for housing independence do not appear to be close. If we ask young people how likely they think it is that they will become independent in the next two years, their expectations are not promising. In the following graph (Figure 5) we show the two-year emancipation outlook for young people in the countries analyzed (in appendix 3 we show the expectations for different time horizons).

The widespread perception is that more young people see this probability as low or very low, rather than high or very high, with one group that does not see a clear probability (in Morocco this reaches almost 40%). In Spain, 39% believe that the possibility of independence in the next two years is low or very low, while 31% believe that the probability is high or very high. In Portugal, the contrast is greater. 42.8% perceive it as unlikely compared to 28% who believe the probability is high or very high. In Italy, there are also more young people who believe it is unlikely that they will become independent in the near future (34.8%) compared to those who consider this to be highly possible in the near future (26.4%). In the countries of North Africa and the Middle East, the percentages are also slightly lower (29.3%) for those who believe they will be able to emancipate soon.

Figure 5

How likely are you to become independent in the next 2 years?

From very unlikely to very likely.



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Therefore, the data show a duality in the youth perspective: a recognition of current and short-term difficulties, but with growing hope for the future. The percentage that expects to be able to become independent with high or very high probability rises as we move up the time scale for all countries, and the percentage that does not associate high probability to any of the periods is less than 4-5% in all countries.

Table 2

Probability of housing independence.

% of young people who do not think they could become independent in the next 10 years with a high or very high probability.

How likely is it that you will be able to become independent in the next... (12 months, 2 years, 5 years, 10 years)?	ES	IT	PT	JO	LB	MA	TN
Respondent does not show a high (4) or very high (5) probability in any of the levels.	3.8	4.1	3.3	3.4	3.4	4.9	4.8

Just to illustrate, if we take the remaining roughly 95% who do expect to move to with medium, high or very high probability of emancipation in the next few years and cross-reference them with the question on the assessment of current long-term savings capacity, it turns out that for any of the countries considered there is still a majority who rate it as bad or very bad.

Table 3

Long-term savings capacity.

% of young people according to their assessment of their capacity to save in the long term by country cross-referenced with those who think they will be able to become independent at some point in time.

	ES	IT	PT	JO	LB	MA	TN
Very bad	30.7	25.5	34.4	38.3	55.7	29	44.9
Bad	23.6	26	23.7	29.1	20.2	21.5	28.1
Neither good nor bad	20.8	25.5	17	21.6	7.2	29	17.3
Good	14.4	18	18.8	6.6	10.8	16.5	7.7
Very good	10.2	4.7	5.9	4.1	5.7	3.7	1.7

Resolving this disparity between short-term pessimism and long-term optimism suggests the need to help overcome the significant and immediate barriers that many young people may face in achieving familial independence. Therefore, it seems essential, therefore, to take these expectations into account when designing public policies, since they demonstrate the need to support young people in the initial stages of their adult lives and to create conditions that favor their emancipation in the future. In particular, it warrants focusing on access to housing, which constitutes both the main barrier and the threshold necessary to consolidate emancipation.

3. Housing

Key Facts

- Renting is the most common form of housing in most countries: about 31% (Spain) and up to 36.5% (Lebanon).
- For the minority who do own their own home:
  - Nearly all received help from a family member, with an average of around 65% (Spain, Morocco).
  - Spain has the highest homebuying age of the countries considered, 25.3 years; Tunisia, the lowest (23.7).
- The lack of savings capacity seems to link a lack of housing independence with the inability to buy a home, especially in European countries: around 6 out of 10 young people who are not independent in Spain, Italy or Portugal give this factor a high or very high importance for remaining in the family residence.
- Despite all of the above, only a minority of 10.6% (Spain) to 20.6% (Lebanon) consider it unlikely or not at all likely that they will be able to buy a home in the next decade, underlining the decoupling between short and long term prospects.

Table 4
Type of housing.
Distribution of young people by type of housing according to country.

	ES	IT	PT	JO	LB	MA	TN
Own home with mortgage	19.7%	19.5%	17.3%	7.8%	9.7%	12.3%	5.4%
Own home without mortgage	15.7%	23.7%	15.6%	18.6%	24.1%	19.0%	20.9%
Rental property	30.7%	30.0%	33.6%	20.3%	36.5%	23.5%	17.2%
Family residence	24.9%	18.3%	22.6%	11.2%	14.0%	25.4%	15.2%
Borrowed or ceded property	3.6%	2.3%	5.5%	3.0%	4.3%	4.6%	2.2%
Other	5.2%	6.1%	5.5%	4.3%	9.7%	15.8%	4.3%

Owning a home is both the backbone of one's familial emancipation and the foundation of one's own capital and savings: It is therefore a fundamental question for understanding stability, access to opportunities and the possible poverty traps in which young people can find themselves.

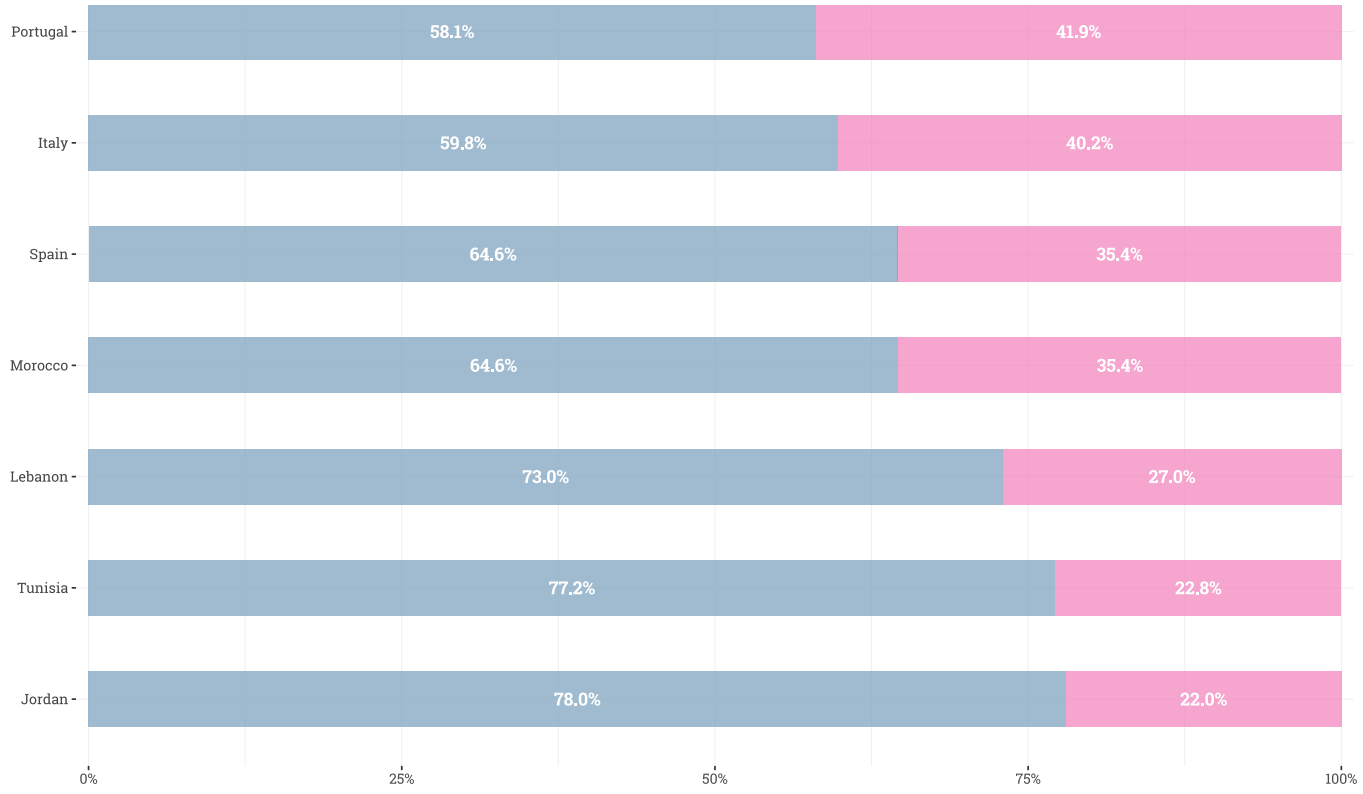
Of the categories considered, renting is the most frequent form of housing for most countries (in Morocco and Tunisia it is the second most frequent). In Spain, Italy, Portugal and Lebanon, it represents more than a third of the population. And in both Europeans and Morocco, residence in a family home is quite frequent. Owning one's own home with or without a mortgage varies between a quarter and a third of these populations, and in Spain and Portugal mortgages are more frequent than non-mortgages.

In any case, an overwhelming majority of the young people in these countries who own their own home received financial assistance from family members.

Figure 6

Did you have help from your parents or other family member in the financing?

Yes or no.



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In relation to the age of home purchase (among those who are able), Spain has the highest age of home purchase among the countries considered: 25.3 years.

Table 5

Home purchases.

Average age of home purchase by country

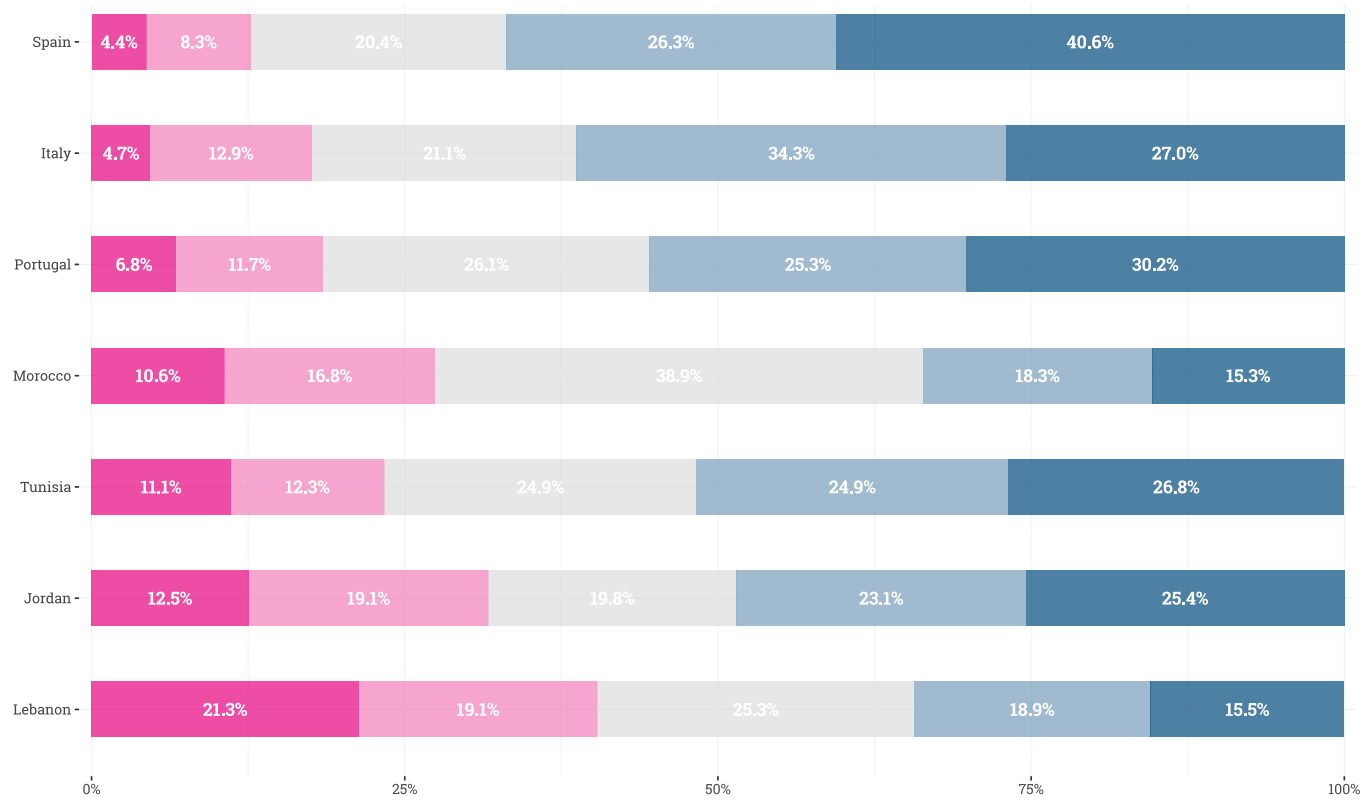
Country	Average age
ES	25.3
IT	24.7
PT	25.0
JO	24.2
LB	23.2
MA	25.1
TN	23.7

This is consistent with the prevalence of mortgages and also with the observed, and indeed growing, gap in Spain between real wages and the price per square meter (Galindo et al., 2023), a pattern observed in most major European cities in recent decades. Moreover, we asked young people about the relationship between their level of income and the possibility of homeownership. Indeed, the level of one's own income is indicated as an aspect of high or very high importance in most of our countries, especially in these countries (also in Tunisia and Jordan), and very notably in Spain and Italy, where two thirds of young people consider it to be so.

Figure 7

How important would you consider the level of your own income when buying your own house?

From very low to very high.



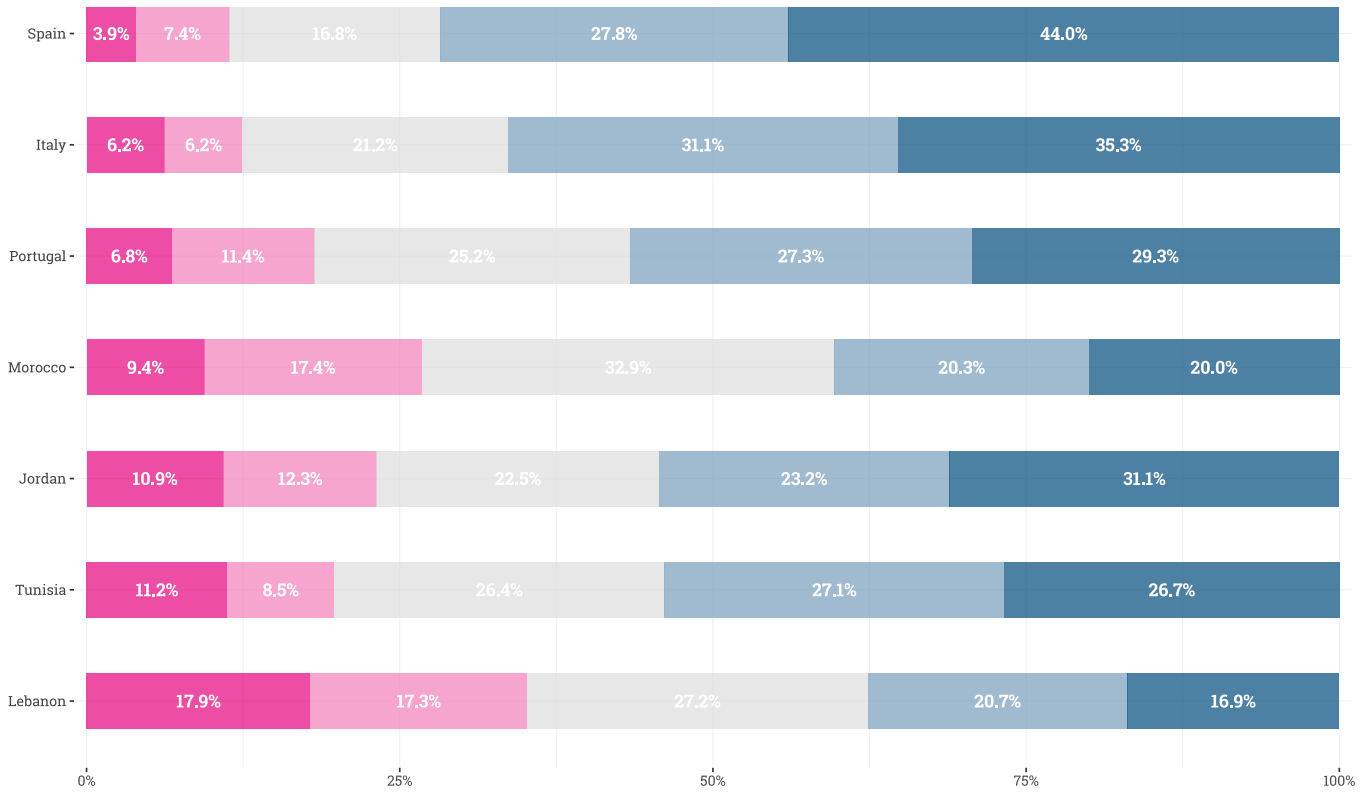
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Stability is considered similarly crucial in these same countries. Again, Spain and Italy stand out at the top of this list, as these labor markets have historically been noted for high employee turnover and inconsistent early-stage careers.

Figure 8

How important would you consider the job/income stability when buying your own house?

From very low to very high.



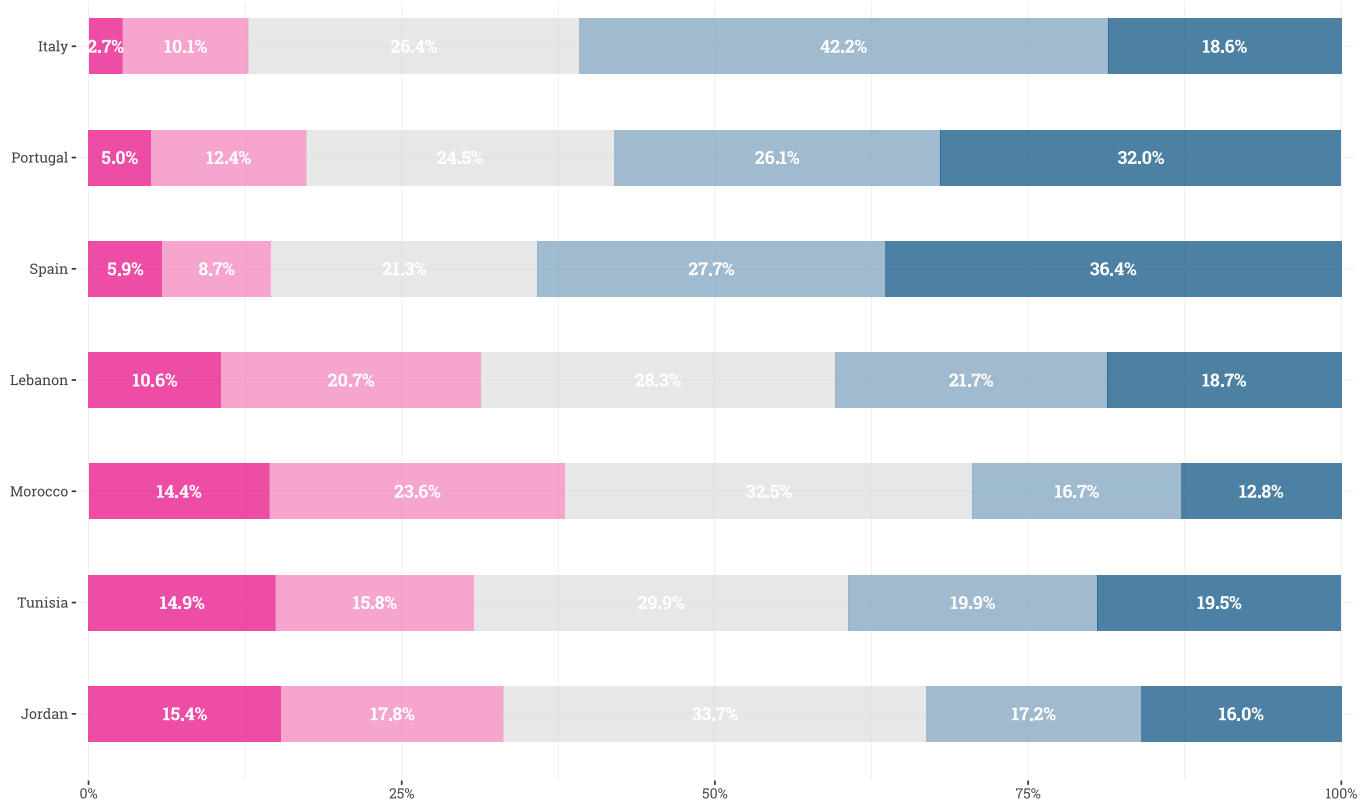
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In addition to this short and medium term bottleneck (covering current expenses with income and stability, respectively), there is a barrier of financing: the lack of savings capacity seems to link a lack of housing independence with the inability to buy a home, especially in European countries. Around 6 out of 10 young people who are not independent in Spain, Italy or Portugal give this factor a high or very high importance for remaining in the family residence.

Figure 9

How important do you consider the lack of sufficient savings of your own to continue in the family residence?

From very low to very high.



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All the data presented so far indicate the difficulties faced by young people in acquiring a home. Despite this, a minority of people consider that they do not have a high or very high probability of home ownership in the next few years: less than 11% in Spain or Italy, and at most 20.6% in Lebanon.

Table 6

Probability of buying a home.

% of young people who do not give a high or very high probability of home ownership in the next 10 years, by country.

¿How likely are you to buy a home in the next… (12 months, 2 years, 5 years and 10 years)?		ES	IT	PT	JO	LB	MA	TN
	Respondent does not show a high probability (4) nor very high (5) in any of the levels (scale 1-5)	10.6	10.4	11.7	14.6	20.6	8.44	10.7

Here once again we see decoupling. There is still an unavoidable majority of those who do not currently have long-term savings capacity, but who nevertheless expect to buy a home in the future.

Table 7

Long-term savings capacity.

% of young people according to their assessment of their ability to save in the long term only among those who expect to be able to buy a home at some point in time.

	ES	IT	PT	JO	LB	MA	TN
Very bad	30.7	25.5	34.4	55.7	29	38.3	44.9
Bad	23.6	26	23.7	20.2	21.5	29.1	28.1
Neither good nor bad	20.8	25.5	17	7.2	29	21.6	17.3
Good	14.4	18	18.8	10.8	16.5	6.6	7.7
Very good	10.2	4.7	5.9	5.7	3.7	4.1	1.7

This reinforces the need, mentioned at the end of the previous section, to think about policies to close this gap between the present and future expectations. Specifically, in the access to stable housing and the creation of savings/capital for the households that will form (and are already forming) the new generations. Those who, in light of the rather pessimistic view of the future that we will explore in the next section, are aware of this gap.

4. Collective and generational pessimism. Personal and family optimism

Key Facts

- The pessimism we reported in the first section diminishes when young people consider their near future in southern Europe. In Spain, 62% believe that their spending power will be good or very good. In Italy it is 56%, and in Portugal 53%. This outlook is slightly to significantly worse in North Africa (Morocco: 46%; Tunisia: 50%) and the Middle East (Jordan: 51%; Lebanon: 39%).
- Similarly, a majority of young people expect their household to be better off in 25 years on each country's relative wealth scale than it is today.
- However, pessimism reappears when asked about the future of the country as a whole: in all countries except Morocco, at least 40% of young people assess the future of their country in twenty years as one of decline (48% in Portugal, 47% in Italy, 42% in Spain).
- As for the proportion of young people who expect progress for their country in twenty years, the figures are markedly low in southern Europe. In Spain, 25.2% expect their country to progress in twenty years' time, 21.8% in Portugal and only 20.7% in Italy. To put it in perspective, in Italy and Portugal there is more than a 26-point difference between young people who expect decline and those who expect progress.

So far, we have analyzed the evaluation of the present, the barriers for young people to establish their life plan and the prospects for succeeding. We now turn to expectations about the personal and collective economic situation in the future, and we do so on two levels: the immediate future (five years) and the distant future (at least two decades).

First, we find important differences between countries in the way young people approach the near future. If we ask young people about how they think they will be able to afford basic expenses such as housing, food, transportation or energy in five years, there is an important contrast between southern Europe and the rest of the countries analyzed. The difficulties reported in the first section are lessened when young people project their near future.

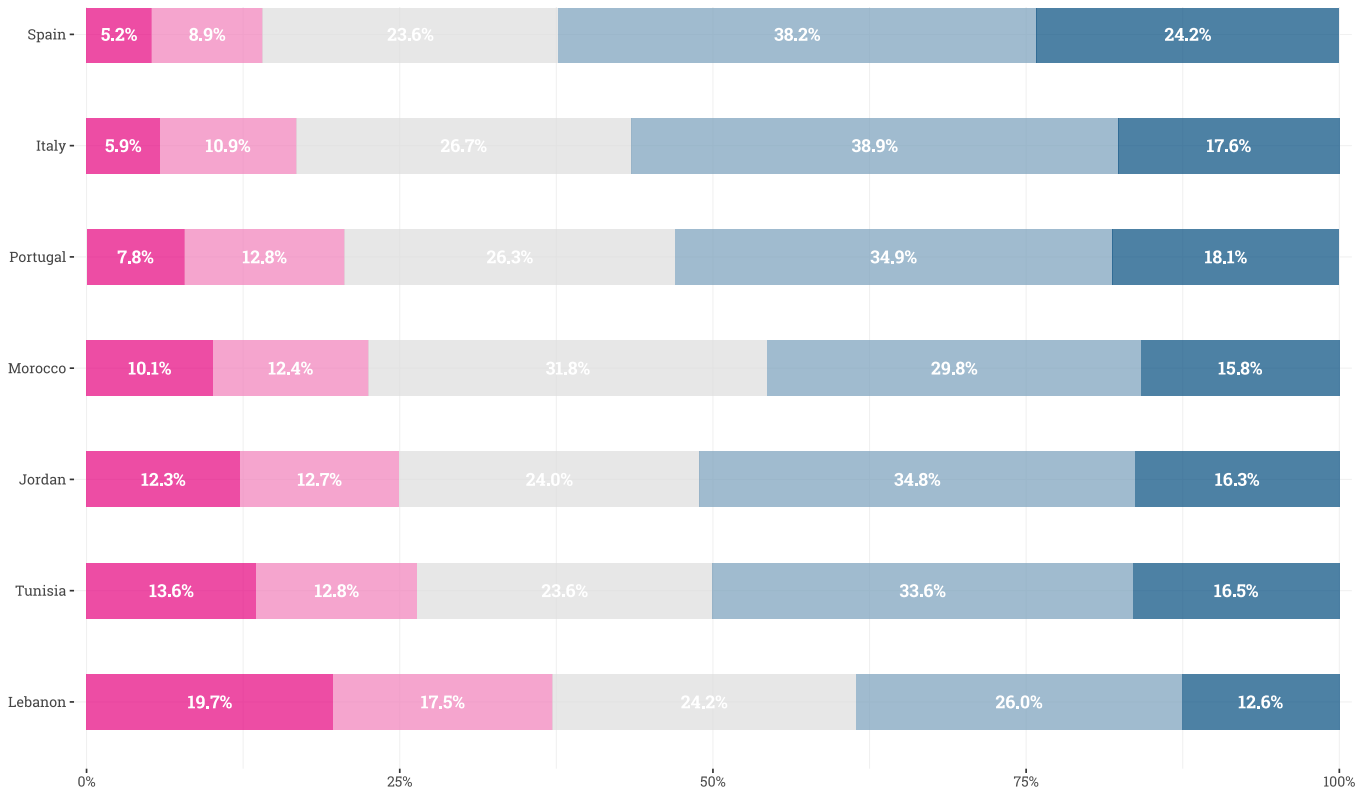
In Spain, 14.1% believe that their skills will be bad or very bad, while 62.4% believe that their skills will be good or very good. In Italy, the situation is not very different (16.8% versus 56.5%). The differences between those who foresee bad or good capacity are somewhat more compromised in Portugal (20.6% vs. 53%) and Morocco (22.5% vs. 45.6%). At the other extreme, the outlook is much more negative in Tunisia and Lebanon. In Lebanon, when it comes to basic expenses, 37.2% of young people see their five-year capacity as very limited and 38.6% believe it will be comfortable.

The situation is very similar if we look at the prospects of saving for large expenses in five years. Young Spaniards and Italians tend to think that in five years they will be in a good position for long-term savings. Whereas above, in Figure 2 of this policy insight we showed that young people are generally unable to save at present, the situation is reversed when we set the horizon at five years. Some 54.5% of young Spaniards and 48.5% believe that their ability in five years' time will be good or very good, while 18.3% and 24.9% see it as bad or very bad. This is not the case for all countries. In countries such as Jordan, Tunisia and Lebanon, more than 35% of young people (reaching 46% in Lebanon) expect their ability to save in the long term to be bad or very bad, while those who expect it to be good or very good are around 40%, and for Lebanon it is barely more than 30%. Overall, the view of the immediate future is much more polarized.

Figure 10

How do you expect your ability to cover certain basic expenses (housing, food, transportation, energy) will be in 5 years?

From very bad to very good.

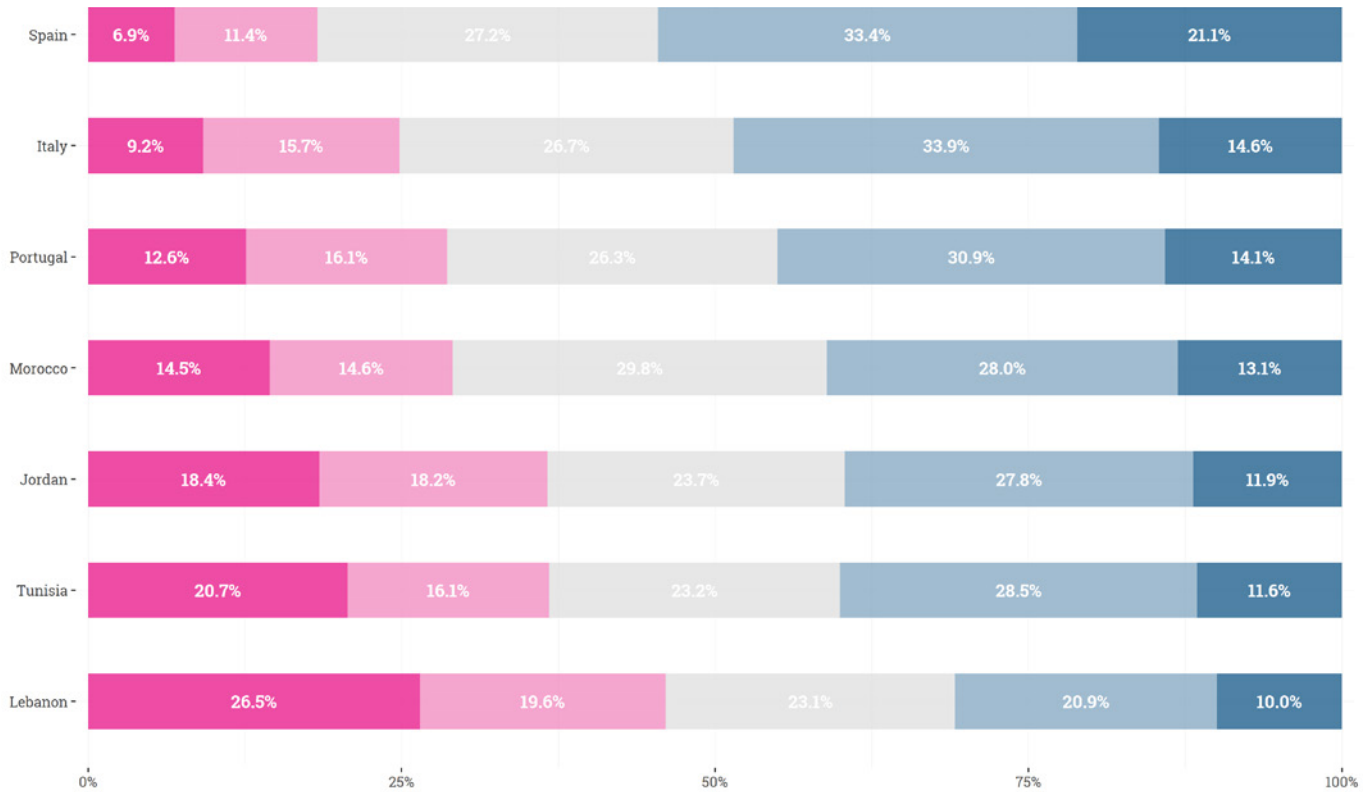


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Figure 11

How do you expect your ability to save for the long term (housing, retirement) to be in 5 years?

From very bad to very good.



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In the Annex we show the five-year outlook on how young people foresee their capacity to afford expenses such as leisure costs or to cover emergencies and major expenses. The outlook is quite similar to the one described here (see Annex 4).

In the previous figures we focused on the near future. We now turn to the longer-term view. When we ask young people to evaluate the more distant future, a mixed picture emerges. The survey results show a very pronounced split between the vision young people have of the collective future and their personal future. This type of duality is common in surveys when citizens are asked to assess the general economic situation and their personal situation.

We see this in more detail in the following graph, where young people in the surveyed countries are asked about their country's situation in two decades. For this, they have to respond on a scale between decline and progress. We can see that pessimism is particularly pronounced in southern Europe, which, if we do not count Lebanon, registers the highest levels. In Spain, 42.1% of young people aged 18 to 35 see their country's future in 20 years as one of decline, in Italy the figure is 46.8% and in Portugal it reaches 48% of young people. In fact, in all countries except Morocco, at least 40% of young people assess the future of their country in 20 years as one of decline. In fact, unlike the rest, in Morocco the figure is remarkably lower at 32.8%, which is probably explained by the fact that the assessment of the country's future is mixed with national pride.

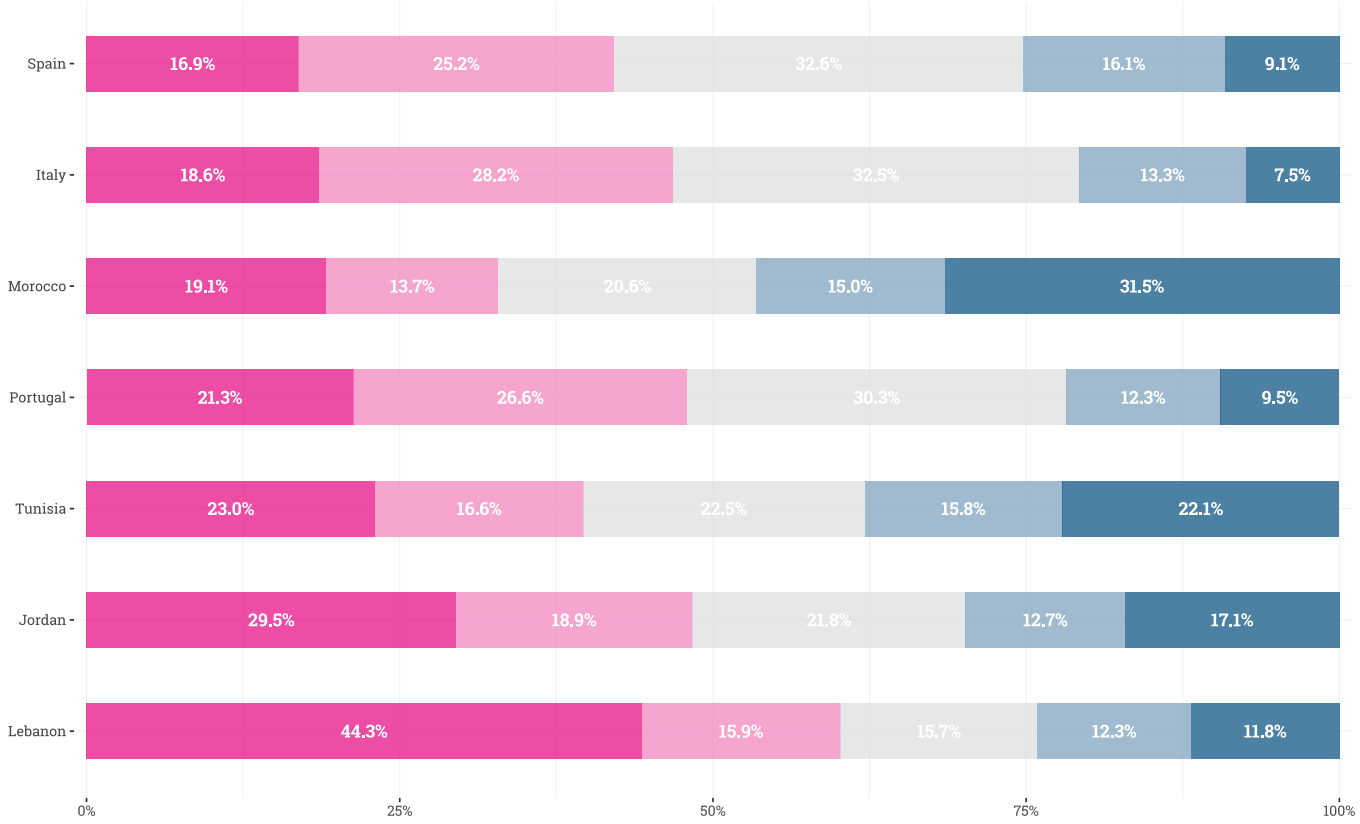
As for the proportion of young people who expect their country to progress in twenty years' time, the figures are markedly low in southern Europe. In Spain, 25.2% expect progress in twenty years' time, 21.8% in Portugal and only 20.8% in Italy. To put it in perspective, in Italy and Portugal there is a difference of more than 26 points between young people who expect decline and progress.

The panorama, on the other hand, is much more hopeful when young people are asked about their personal future. In contrast to the assessment of the country's future, in twenty years, the majority expect progress rather than decline. In all countries, at least 50% expect progress, while decline is, except in Lebanon, less than 25% and markedly low in southern Europe. In the Annex we outline expectations for the economic situation in two decades in other areas.

Figure 12

Which do you think will be the economic situation in the next two decades for your country?

Decline or progress.

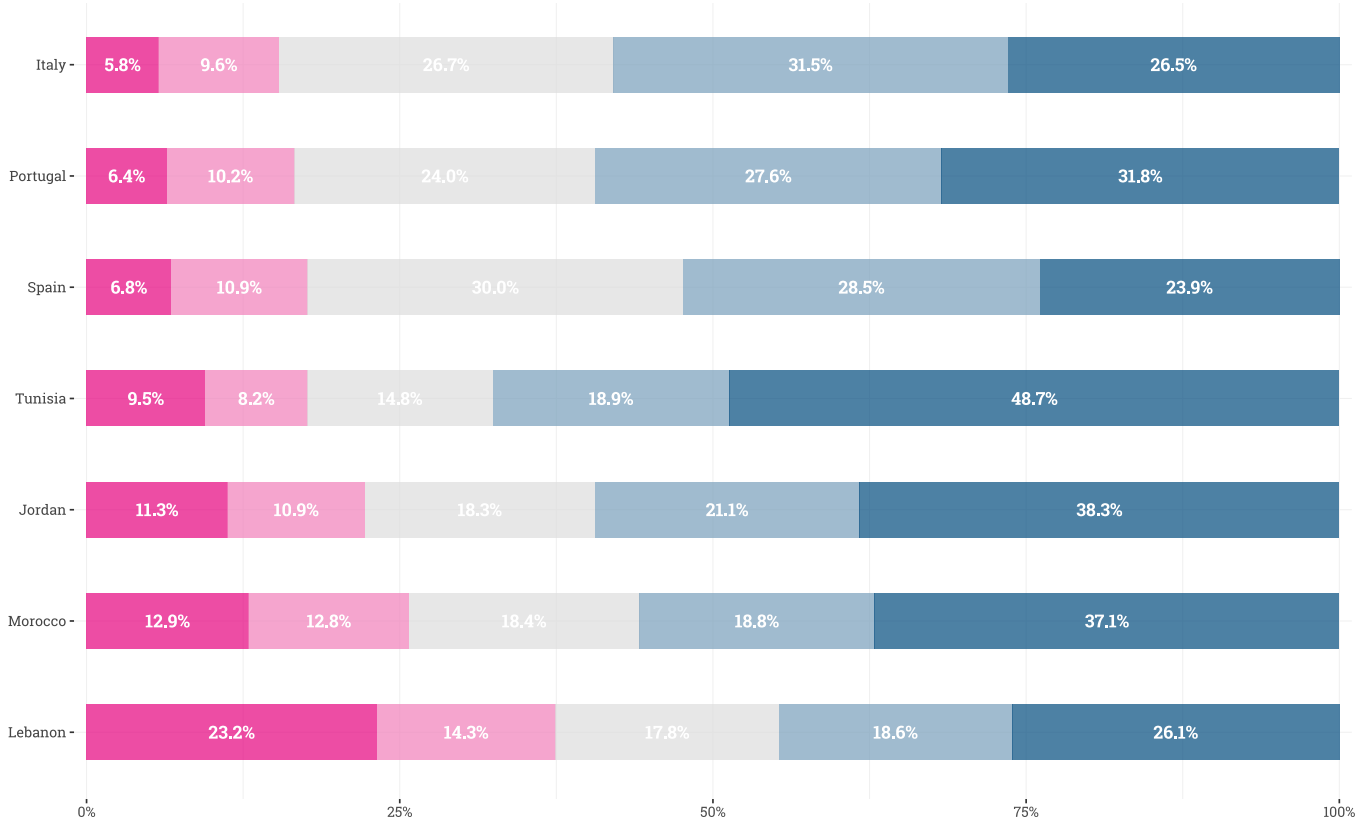


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Figure 13

Which do you think will be the economic situation in the next two decades for yourself?

Decline or progress.



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Another relevant aspect to evaluate the personal perspectives of young people about their expectations of social mobility. The survey first asks young people where they would place their household on a scale where 0 is the poorest household in the country and 100 the richest household. Young people tend to see their household as middle class. In the graph, if all young people were placed in their income decile, we should observe an even distribution. Instead, we see that more young people are concentrated in the middle of the distribution. This is especially true in southern European countries, where young people tend to see their household income at the country average. This is common in developed countries where the perception of higher income households is that their position in the income distribution is below the real one, while low income ones do not perceive themselves as low income (Fernandez-Albertos and Kuo 2018). In short, many see themselves as middle class and young people are no different in this regard.

On the other hand, in the countries of North Africa and the Middle East, the left tail of the distribution is more crowded. In Jordan, Morocco and, above all, Lebanon, there is a higher proportion of young people who perceive themselves as having a below-average income.

When we ask the same question regarding the future and ask young people to place their household in 25 years, the curve, as seen in Figure 14, shifts to the right. Young people tend to see their household in 25 years as better off financially than it is today. It is important to note, however, that the countries where the two curves overlap the most (and therefore young people do not see as much personal progress in twenty-five years) are Spain and, above all, Italy. It is in these two countries that young people tend to predict more stagnation. In the countries of North Africa and the Middle East, with special mention of Lebanon, personal prospects for social mobility are much more optimistic.

Figure 14

Where do you place your household on a scale where 0 is the poorest household and 100 is the richest?

At the moment or within 25 years.



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5. Challenges, threats, and opportunities

Key Facts

- Generally speaking, population aging is perceived as the least threatening challenge to young people, especially in Spain and Portugal, while automation and digitalization are seen as the most worrying challenge, especially in Lebanon and Morocco. Climate change occupies an intermediate position.
- When it comes to finding solutions, training is the only alternative that attracts clear majorities in almost all countries, both in the technological area and in decarbonization.
- The majority of young people in these countries perceive an unequal distribution of prosperity. By contrast, there is more divergence in the variation in the percentage who see the aggregate level of wealth as low or very low: from 37% in Spain to 77% in Tunisia.
- In Southern Europe, young people prefer to prioritize redistribution over aggregate wealth creation.

Up to this point, we have paid attention to the general perspective of young people regarding their present and future. Now, we will focus on their more vertical vision, centered on specific challenges for their generation. Three challenges already characterize the entry into adulthood of the new generations and are likely to remain with them throughout the course of their lives: the digitization and automation of work, the decarbonization of our economy, and the gradual aging of populations in both wealthy and middle-income countries. All three have specific features in the Mediterranean countries analyzed that are related to what we have seen so far: they represent slow but profound shocks to economies that, on the one hand, are not among the most dynamic or resilient in the world, but, on the other, are also factors that encourage this dynamization. In other words, they present both threats and opportunities. Thus, an optimal starting point for gauging the position of young people in the face of these challenges is precisely to ask them which of these two aspects dominates their perception. We do this for the three challenges, and at more than one level, considering concentric impacts: for the individual, their family, their field of study or work, their generation, and their country as a whole.

Table 8

Perceptions of job automation, transition to green economy and population aging by country.

		ES	IT	PT	JO	LB	MA	TN
The increasing presence of robots or other increasingly complex and self-sufficient automated systems in the production of goods and services could be a potentially important issue in the future. Do you think this poses more of an opportunity or a threat to...?	Scale of 1-5 (Most threating-most opportunity) Answers of 1-2 are added together.							
	For yourself	23.9	17.3	23.3	34.5	31.7	24.2	25
	For your family	23.5	17.7	24	38.6	33.1	26.3	27.4
	For your area of work/study	26.9	21.9	26.5	35.8	30.5	29.9	26.6
	For your generation	34	23.6	37.8	41.4	36.5	33.8	38.7
	For Spain	32.1	21	29.8	41	31.4	30.1	30.1
Now think about the gradual transition towards an economy with less climate impact. Do you think this change is more of a threat or an opportunity for...?	Scale of 1-5 (Most threating-most opportunity) Answers of 1-2 are added together.							
	For yourself	15.8	7.4	14.6	26.2	23.3	10.8	19.3
	For your family	15.9	9.4	17.3	28.6	25.3	11.7	20.2
	For your area of work/study	15.6	10	17.5	25.8	23.5	11.1	17.2
	For your generation	19.8	9.9	19.6	28.1	24.8	13.4	20
	For Spain	21	12.3	21.9	30.9	24.8	14	23.1
The gradual aging of the population is another factor that could affect your future and that of your surroundings. What effect do you think this phenomenon will have on each of these levels in the long term, for example in the next decade?	Scale of 1-5 (no effect-great effect). Answers of no effect (1) and Little effect (2) are added together							
	For yourself	14.5	12.9	32.1	36.9	36.1	18	38.5
	For your family	3.6	5.1	13.8	17.8	16.5	4.1	22.2
	For your area of work/study	17	14.5	30.8	34.9	32.1	18	34.5
	For your generation	13.1	9.1	28.6	31.5	31.6	11.2	31.1
	For Spain	9.2	7.3	26.2	30.1	28.5	6.4	25

The table above shows significant differences both between countries and between impact levels in the perception of the three key challenges: automation and digitization, the climate change and population aging. Overall, population aging is perceived as the least threatening to young people, especially in Spain and Portugal, while automation and digitization is seen as the most worrying challenge, especially in Lebanon and Morocco. Climate change occupies an intermediate position in terms of perceived threat.

In Spain, young people are more pessimistic about automation when considering the impact on their generation than when considering their own situation. Regarding climate change, Spanish youth perceive less impact at the individual level than at the national level. This is a remarkable pattern, as Spanish youth seem to separate (more than others) the individual from the collective impact on these two fronts. Italy shows a similar pattern, with higher concern at the generational level regarding automation, and low levels of concern on all aspects of the ecological transition. Young people in Portugal show consistently high levels of concern about automation, especially in the impact on their generation. This dynamic is reversed for all three countries for the issue of population aging.

For Jordan, Lebanon, Morocco and Tunisia, the levels of concern are higher overall for all challenges and at every level, with concern particularly notable in Lebanon and Morocco. Here, automation and climate change are perceived as the greatest threats, especially in the impact on their generation and the country as a whole. This suggests that in countries with lower technological penetration in their labor markets and environments, young people more frequently perceive these phenomena as a threat.

When it comes to finding solutions, training is the only alternative that attracts clear majorities in almost all countries, both in the technological area and in decarbonization. The business sphere is generally the other area where young people largely perceive that a solution can come from. The promotion of competition is seen in a positive light both in southern European countries and in North African and Middle Eastern countries. Among other possible solutions, protectionism for jobs threatened by automation attracts the least support (around 41% on average, in several countries less than 40%). Direct subsidies to workers or companies also do not normally receive a majority of support from young people. It is interesting to note that in Spain fewer young people perceive this as positive compared to most other countries and that this solution attracts less support than job protection.

Table 9

Measures for the automation of work.

% of young people who view positively or very positively the following measures to cope with the impacts of labor automation

	ES	IT	PT	JO	LB	MA	TN
Protecting jobs and the most affected sectors through laws and regulation, even if this may mean higher prices for consumers.	49.4	47	43.4	38.8	42.5	34.9	34.1
Providing training so that workers can adapt and find new jobs, even if this means raising taxes.	60.7	57.5	63.7	55.9	53.6	46.7	58.8
Establishing compensations, subsidies and income transfers for those most affected, even if this may imply higher taxes.	46.8	49.2	49.1	50.5	51.4	45.7	50.2
Removing barriers to innovation to encourage the creation of new companies, sectors and jobs, even though this may imply less protection for existing companies and jobs.	51.6	47.6	48.2	57.2	51.9	48.4	61.7

Table 10

Measures to decarbonize the economy.

% of young people who view positively or very positively the following measures to address the impacts of decarbonization on the economy.

	ES	IT	PT	JO	LB	MA	TN
Establishing compensations, benefits and income transfers for those negatively affected, even if this may imply higher taxes.	46.4	48.4	48.9	50.6	49.4	46.8	50.9
Implementing aid for the most affected companies and sectors, even if this may mean raising taxes.	47.7	46.4	51.8	48.5	49.1	42.7	59.6
Providing training so that workers can adapt and find new jobs, even though this may imply higher taxes.	55.5	57.4	60.9	57.9	52.5	47.7	56.8
Removing barriers to innovation to encourage the creation of new companies, sectors and jobs, even though this may mean less protection for existing companies and jobs.	52.6	53.8	54	52.5	50.9	46.3	60.9

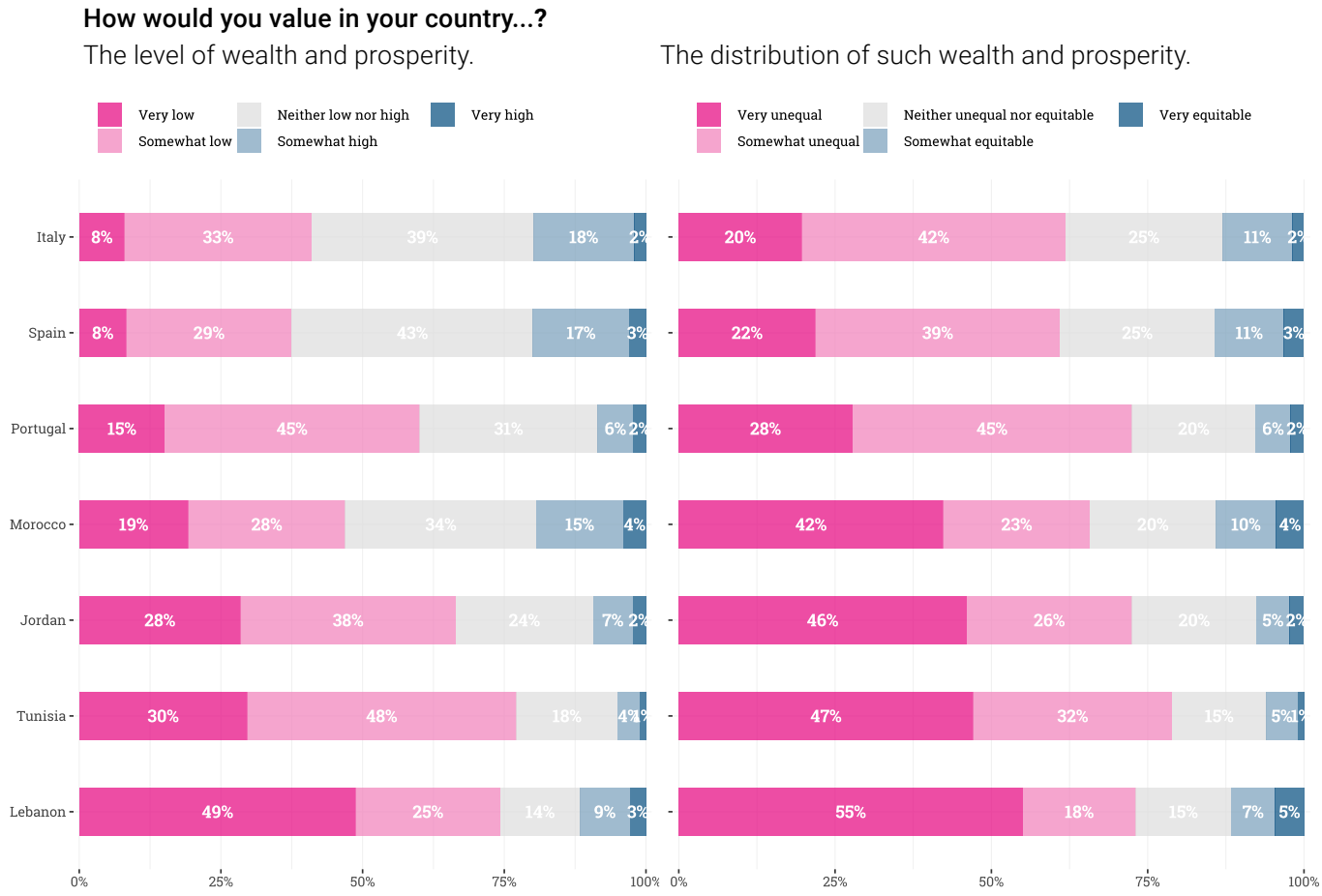
This mapping indicates that there is considerable room to develop responses to long-term challenges that also serve as policies to close the gaps already observed between expectations and the capacity to achieve them. The data suggest that training should be (in line with the preferences expressed by young people themselves) a key element in these solutions.

The intersecting challenge of prosperity and inequality

When we talk about the impacts of the challenges described above, we are talking both about how they can affect the volume of a country's wealth and prosperity, as well as its distribution. In other words: cumulative growth and inequality.

At present, young people in the countries analyzed perceive an unequal distribution, something that is consistent with what citizens as a whole tend to respond in multi-country surveys such as the European Social Survey. In our survey we find little variation in the aggregate percentages of "very" and "quite". However, there is a notable difference if we look only at the "very unequal": the Middle Eastern and North African nations practically double these responses compared to the southern European ones. The same is true (except for Morocco and Portugal) for levels of wealth and prosperity.

Figure 15



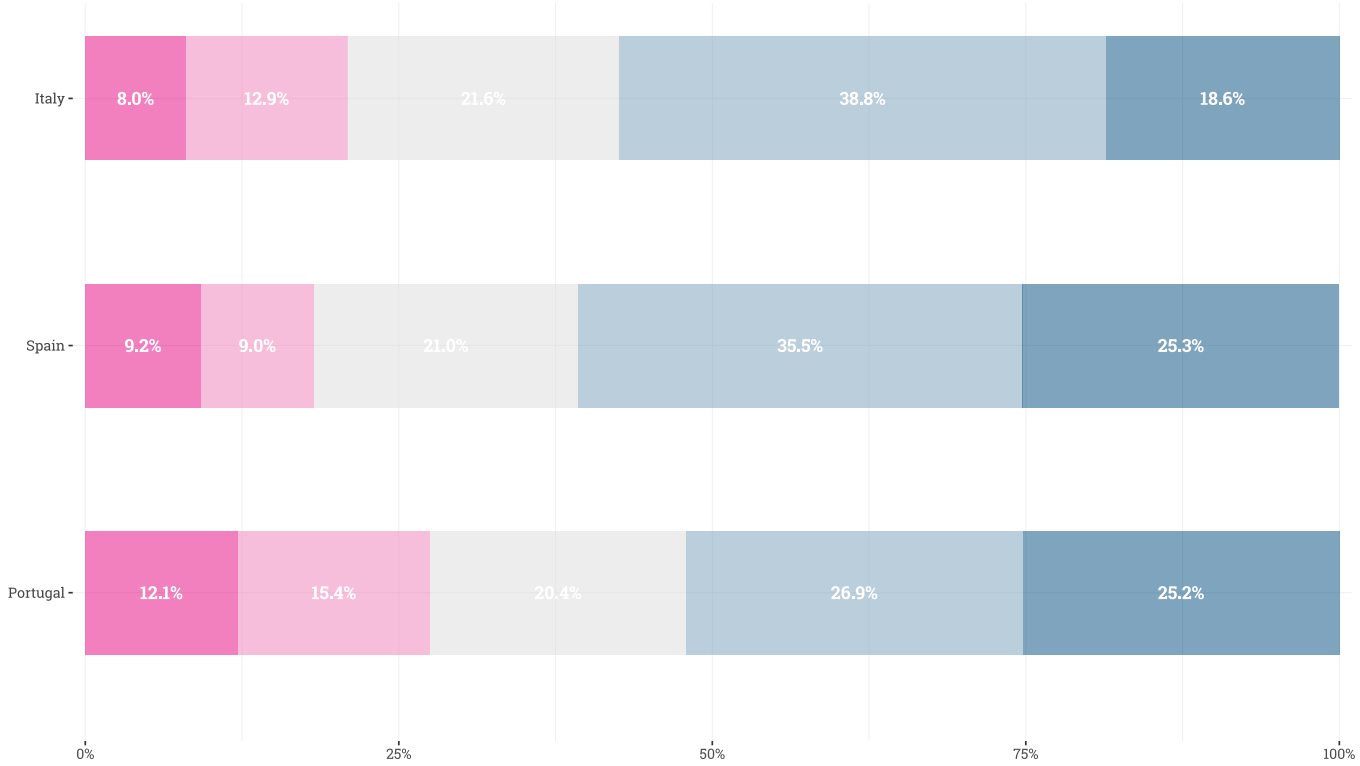
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The preferred response by young people—at least in European countries—to the economic policy dilemma between favoring the creation of wealth or its distribution, falls to the latter. This is, again, consistent with what is observed for the general population in other long-running surveys, such as the aforementioned European Social Survey. This dilemma is much clearer in Spain than in Portugal. This contrast does not seem incidental, but rather informed precisely as Portugal has the highest volume of young people who consider the country's level of wealth and prosperity to be insufficient.

Figure 16

What do you think economic policy should focus on over the next few decades?

Being "to create more aggregate wealth and prosperity so that the poor become less poor, even if the rich become richer" and "to spread more of the existing wealth and prosperity, even if the growth of wealth and prosperity is reduced".



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These data, in any case, provide a necessary counterbalance to those observed with respect to structural challenges, and are an inevitable complement to the perceptions of insufficiency, gap and pessimism observed in the previous sections in the socioeconomic dimension: young people in these countries are demanding a more balanced approach to the economic growth that is to come.

6. Political attitudes

Key Facts

- → Young people in southern Europe are mostly in favor of an institutional reset.
- → Anti-establishment positions are also widespread but without becoming a majority: 33% of young Italians, 39.3% of Spaniards and 43.6% of Portuguese hold the ruling elites responsible for the country's main problems.
- → Preferences for a strong leader are a minority, although they exceed 25% of young people in Italy.
- → There is a notable gap between the leading role that young people want the state to play in the economy and the role they expect it to play.

So far, we have described a context in which young people claim to have a compromised economic situation, see difficulties for their emancipation and access to housing and, although they may perceive that they will make personal progress in the long term, their view of the collective future is pessimistic.

How do these attitudes translate into the political arena? Who do young people hold responsible for the situation? Are their political attitudes affected? To answer this, our multi-country survey includes a series of questions on political attitudes and responsibilities, with this part of the study focusing on Spain, Italy and Portugal[2].

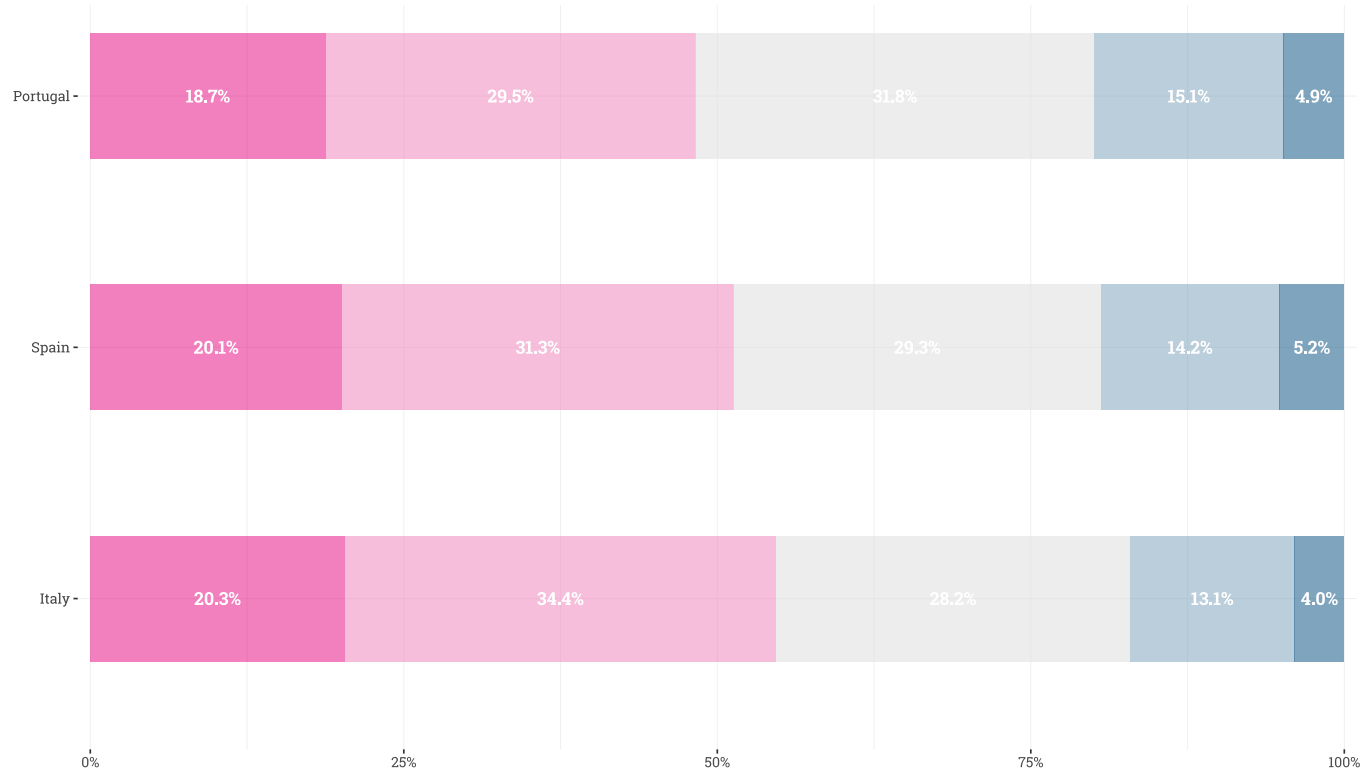
In the first place, young people seem to demand reforms beginning with the institutions. Some 48.2% of young Portuguese, 51.3% of young Spaniards and as many as 64.7% of Portuguese believe that changes need to be made to existing institutions. In contrast, in all countries less than 20% of young people believe that existing institutions can contribute to a greater or lesser extent to solving people's problems.

2. We have made this decision for methodological reasons, as the diversity of institutional structures makes the answers to this type of question sufficiently relevant and reliable only in these three countries.

Figure 17

Attitude towards existing institutions.

Being "they need to be completely replaced" and "can be used to solve people's problems".



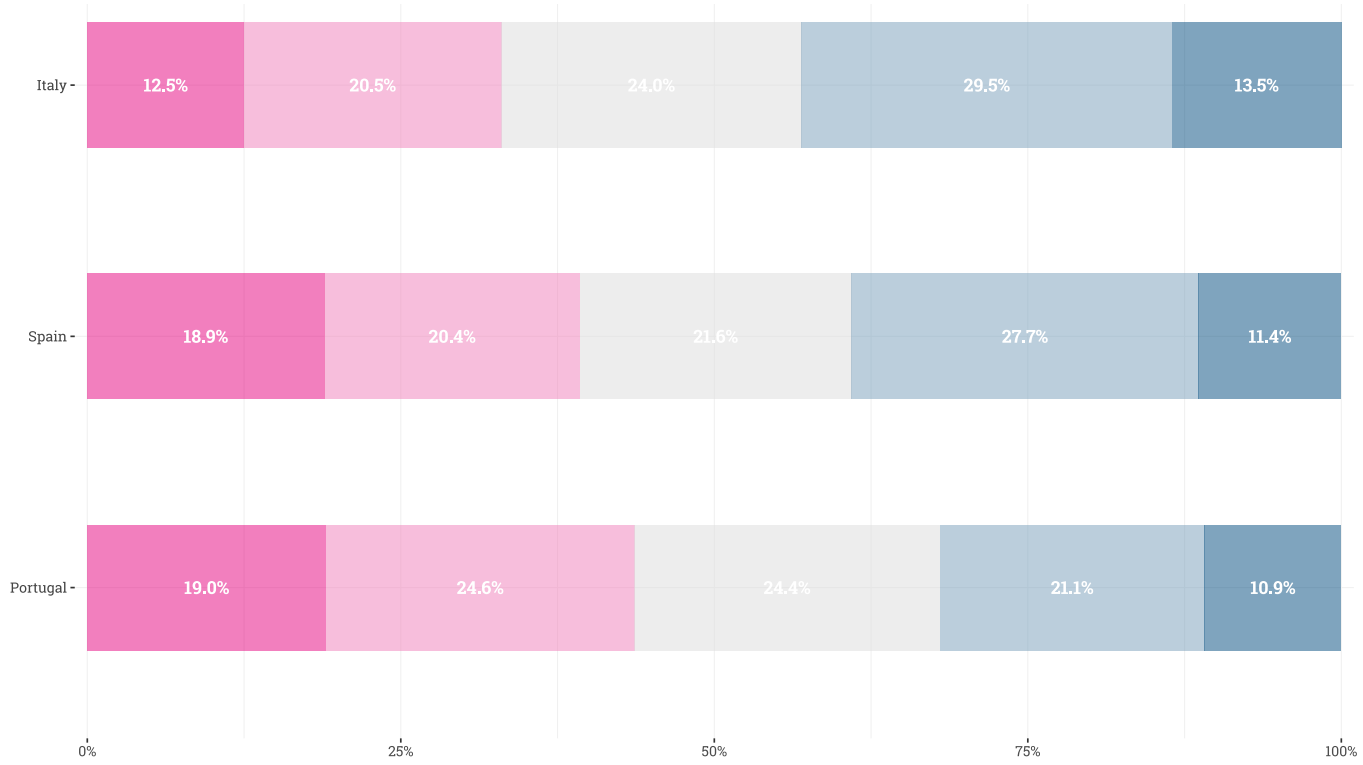
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These positions in favor of an institutional reset can lead to anti-establishment attitudes which may also favor populist positions. If we understand populism as an ideology that creates an antagonism between an elite perceived as corrupt and the people, a necessary condition is to have a position against the ruling elites who are blamed for the country's ills. In this sense, young people are, in general, more divided. Anti-establishment positions are widespread, though not a majority. In Italy, 33% of young people hold the ruling elites responsible for the country's main problems, with varying degrees of intensity. Interestingly, as Italy, with the government of the 5 Star Movement and Lega, is the country where populism has reached the furthest in terms of power, the blame on the establishment is somewhat lower than in Spain and Portugal. In these countries, 39.3% of young Spaniards and 43.6% of young Portuguese think that it is the fault of the governing elite and that the main problems could be solved by replacing them.

Figure 18

Who is to blame for the main problems that effects us?

Being "of the elite that governs us, and it would be solved by changing it" and "have no clear culprit and require complex solutions".



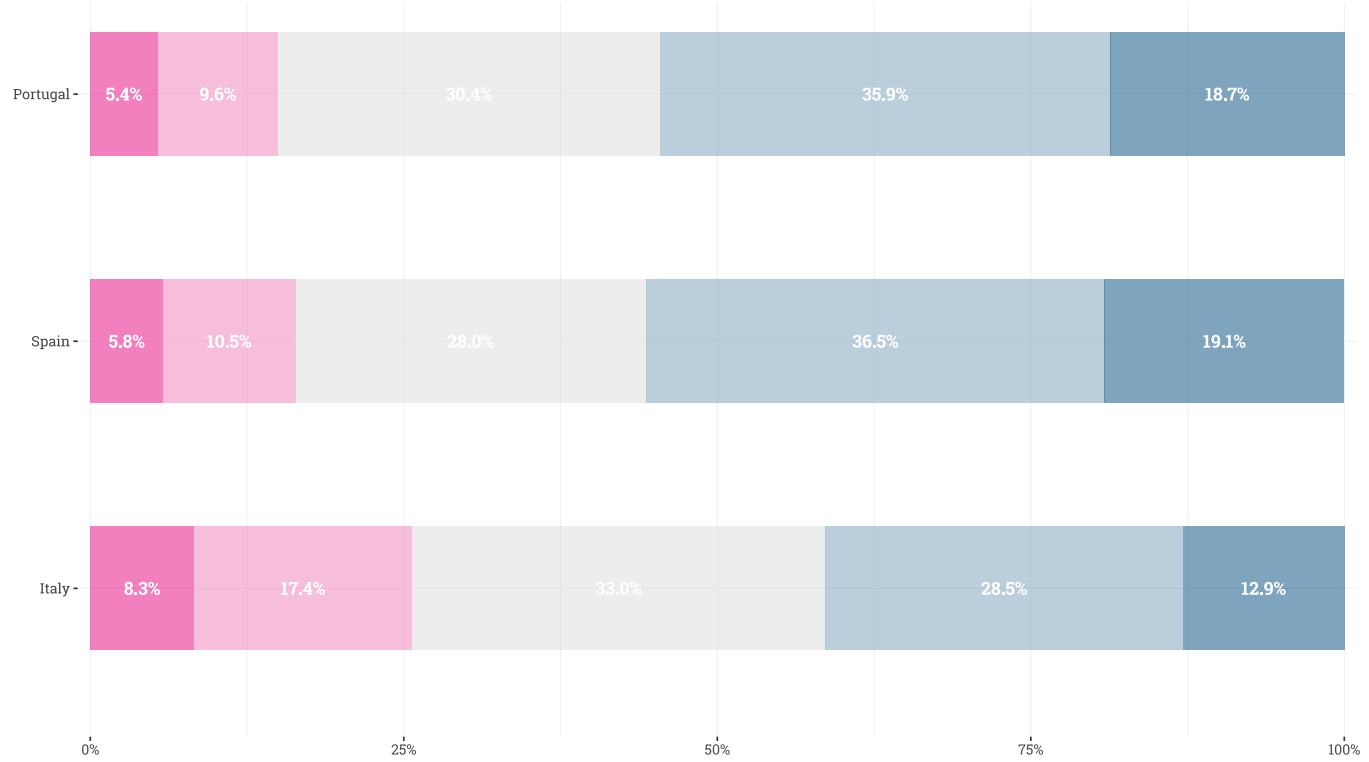
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Can these anti-establishment attitudes delegitimize democracy and favor authoritarian tendencies? These risks appear relatively controlled in Spain and Portugal, but not in Italy. In Portugal 15% of young people and in Spain 16.3% have positions that favor a strong leader who can make quick decisions without worrying about consensus. These are low percentages, though not trivial. These positions in favor of strong leaders are usually the prelude to a preference for authoritarian leaders. On the contrary, in both countries, percentages above 55% think that the need to reach consensus must be a priority, even at the cost of greater inefficiency. In Italy, young people have a somewhat different view. The view in favor of strong leaders is more widespread (25.7%) and the position in favor of leaders more capable of reaching consensus is reduced (41.4%).

Figure 19

Preference by type of leadership

Being "a strong leader who makes quick and clear decisions and does not worry about seeking agreements even if that harms the proceedings" and "a leader who seeks consensus and agreement, even if this implies a slower pace in the search for solutions".



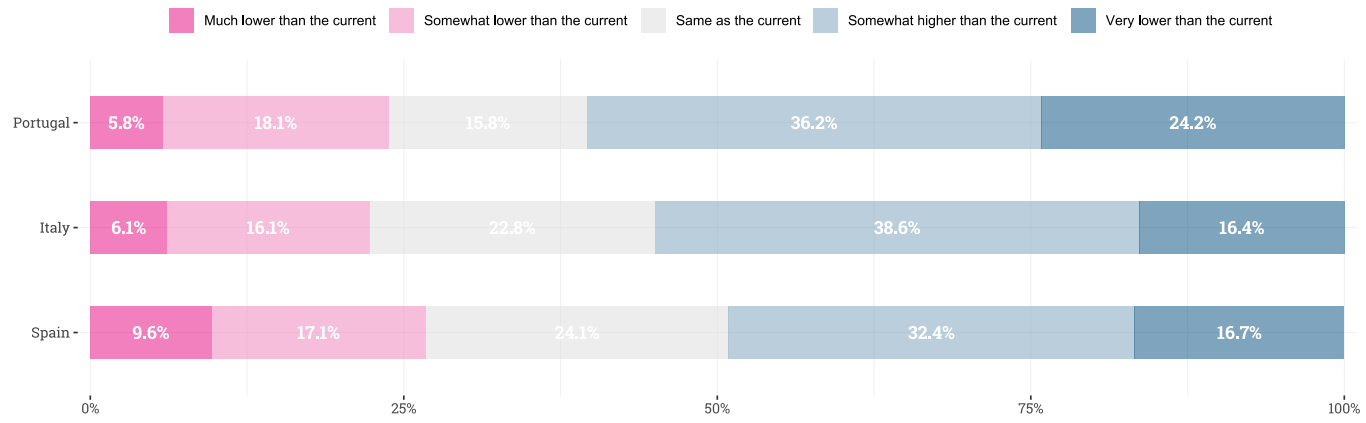
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Beyond preferences for strong or consensual leaders, we also asked young people about the role of the state both in our current moment and in 10 years' time. In general, we confirmed a mismatch between these two responses. The general preference is that, probably in response to the challenges mentioned above, the state must become more involved in the economy and play a more leading role over the next 10 years.

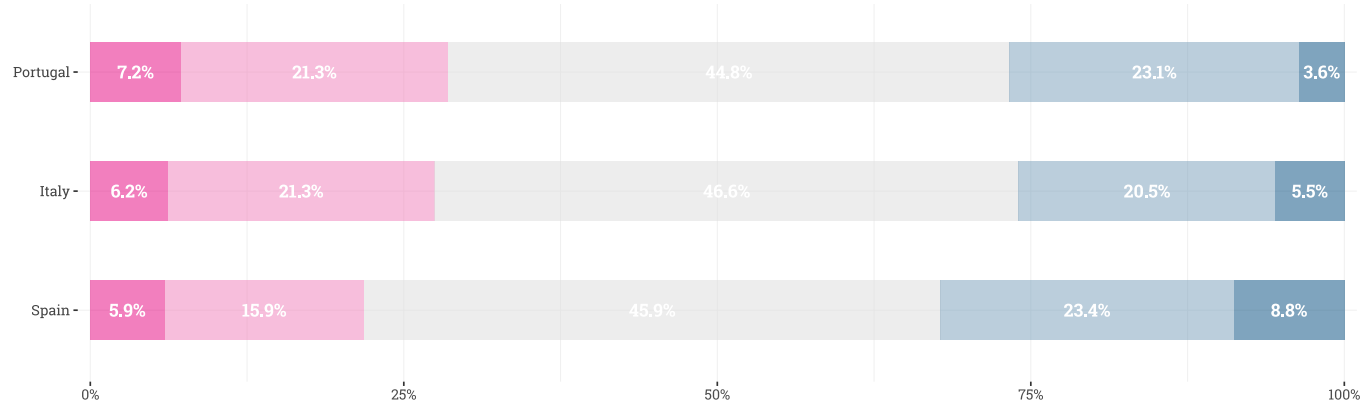
In Spain, 49.1% of young people believe that the state should play a greater role in ten years, while in Italy this rises to 55% and in Portugal to 60.4%. These preferences are not matched by young people's expectations about what will happen. The prospect of the state playing a more predominant role is notably lower, reaching 30% in Spain and hovering around 25% in Italy and Portugal. Young people in southern Europe, therefore, would prefer a more central role for the state than they believe will be the case. This mismatch between what young people expect and what they want to happen politically in the future may be another source of frustration, pessimism and political disaffection.

Figure 20

Do you think the sate should play a lesser, equal or greater role?



Do you think the state will play a lesser, equal or greater role in the economy than it does today in 10 years?



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7. Proposals

Based on the previous analysis, it is clear that a strategic plan is needed to close the gap between expectations and the reality faced by young people in different countries. While it is complicated to design a strategy that fits nations with such varied situations, there are certain conditions of uncertainty and challenges that are common to young people in all these places. In addition, there is a coordinated perception of possible solutions that, although general, can offer a way forward. In this context, we propose a menu of ideas and recommendations that focuses on the following pillars:

1. Generate balanced and shared prosperity. The main goal is to foster economic growth that is measured not only in terms of GDP, but also in how that wealth is distributed among the population. This ensures that everyone, including young people, benefits from the country's economic progress.

2. Creating opportunities for young people. It is essential to provide platforms and opportunities that enable young people to actively contribute to national growth. This means aligning their professional and personal aspirations with market goals and national objectives.

3. Training as a foundation. Education and training are fundamental. Providing young people with the right tools, skills and knowledge will enable them to successfully navigate the world of work and contribute meaningfully to the economy.

4. Economic support from the outset. It is crucial to ensure that young people start on a leveled playing field. Inequalities are particularly stark among youth and create conditions that are very difficult to reverse later on.

Based on these principles, we propose a set of recommendations and actions that, although general, are designed to be flexible and broad enough to be adaptable to the different realities and challenges of each country. The proposals come in three distinct but complementary blocks: expansion of human capital infrastructure, support for basic income and capital support, and effective access to housing.

Human capital infrastructure

- **Ensure that no one is left out of education due to resource limitations.** It should be ensured that no student is excluded from higher education due to economic constraints. This can be achieved through a combination of targeted tuition fee reductions, fee structures based on economic capacity, and an expanded scholarship system. To accomplish this, regular reviews of tuition fees in relation to average income and the establishment of a powerful national scholarship fund, supported by both the public and private sectors, are needed to assist students based on financial need and academic merit

- **Priority resources and investment.** Given the imbalances between demand and supply observed in some of the major cities of these countries (especially in middle-income countries), it is recommended that governments prioritize the expansion and improvement of university infrastructures, as well as other post-secondary or specialized education centers, to meet the growing number of students. To implement this, it may be appropriate in some cases to allocate a greater proportion of the national budget to higher education.

- **Attraction and retention of talent in universities.** In addition, to ensure that the academic environment is up to the challenges ahead, it would be necessary to strengthen the competitiveness of the university system by granting greater autonomy to both public and private universities. This autonomy would enable them to design curricula, select faculty and define strategic goals autonomously. To achieve this, it is proposed that legislative changes be introduced to provide universities with greater independence. It is also vital to establish an environment conducive to research by creating specialized centers, promoting collaborations between industry and academia, and providing incentives for high quality research.

- **Curriculum relevance and quality.** Attracting and retaining top-notch faculty is essential to improving the quality of education. Also, with greater autonomy, universities could refine their curricula to better align with current labor market demands and future industry trends. To implement this, universities should be encouraged to regularly review and update their curricula in collaboration with industry experts. Training programs should also be offered to keep faculty up to date with the latest developments in their fields of expertise.

- **Market-integrated vocational training.** It is promising to strengthen integrated vocational training with companies oriented towards the skills of the future, with special emphasis on STEM areas. As discussed in Montalbán and Sanchís-Guarner (2023), one of the great advantages of integrated or dual professional development is that at the end of their training, students not only have academic certification, but also useful experience in the workplace, which enhances the value of their training. Several international studies indicate that this modality facilitates a smoother transition of young people from education to the world of work. However, for it to be truly effective, it is crucial to improve the infrastructure of professional development centers, adequately train teachers, significantly increase investment and strengthen collaboration with the business sector. It is also vital to consider that there are different ways of implementing this type of integrated vocational training. Therefore, it is imperative to carefully design programs and collect data that will allow for continuous evaluation and adaptation of the models to the particularities and demands of each local labor market.
- **Optimized career guidance.** It is central to focus on optimizing the career guidance system for both students and companies, ensuring effective counseling systems that enable both students and companies to recognize and maximize the benefits of market-integrated middle and higher education. In addition, incentives should be provided to companies to actively participate in the creation and adaptation of these programs is crucial to increase enrollment in professional development programs and reduce dropout rates. This would also have a positive effect on reducing school dropout rates. As Montalbán and Sanchís-Guarner (2023) explain, there is no shortage of studies showing that apparently simple strategies can have a significant impact on reducing school dropout rates. As an example, Goux et al. (2017) highlight that a program based on meetings led by the school principal, where students are advised on the choice of career paths according to their skills and preferences, can produce a significant reduction in repetition and dropout rates.

Economic support from the outset

- **Fiscally integrated welfare minimum.** Taking into account the diversity of starting points between countries and the specificities of each one, a policy that has proven to be effective in combating the risk of poverty at an early age is the guarantee of a minimum living income via transfers (the Spanish model) or within the income tax systems for those citizens whose income is below a subsistence threshold, increasing the benefit until that threshold is reached and always accessible to young people from an early age. The goal is that no household should have to live on an income below this integrated minimum.
- **Notional starting account.** To complement this minimum income flow, it would be interesting to consider the creation of a capitalization account at the beginning of working life, as proposed in Galindo (2023) for the Spanish case. This would consist of a savings account managed by the Social Security for young people starting their working lives. The initial amount would be progressive, never universal, and would depend on the income of the individual's household of origin, structured in such a way as not to discourage the parents from working before being granted. Over time, this account would be replenished by contributions from the account holder and their employers. Access to these funds would be allowed in situations such as home purchase, unemployment, business creation or investment in training, but also others such as retirement or disability. A base that would represent a tangible starting point for young people seeking to secure a more stable future.

Access to housing

- **Expand public rental housing initiatives:** Governments should allocate larger budgets for housing development and streamline the approval process. By directly increasing the supply of public housing, especially for low- and middle-income segments, availability can be improved and pressure on supply can be eased.

- **Promote private sector participation:** Providing incentives for affordable housing projects and simplifying the licensing process can spur housing development by private entities, leveraging the efficiency and scale of the private sector. Here, strengthening public-private partnerships can result in larger housing projects that serve a wider audience. Establishing clear frameworks for these partnerships and ensuring transparency and mutual benefits, can drive a significant increase in housing supply.

We are aware of the limited fiscal space and understand that not all proposals will be viable in every country or at every point in time. However, we believe they deserve consideration at the very least.

This requires a commitment from society as a whole. Young people represent the future, but policies do not always represent them. Abstention in the last general elections in Spain was more than double among young people than those aged 65 and over. Young people are demanding reforms. They have definite preferences about how to face the challenges of the future, they are concerned about inequality and the distribution of wealth, and they are betting on institutional change to help solve society's problems more effectively. However, they feel disconnected from the political elites. This skews the policies of our country, but also of the other countries we have analyzed here, towards greater protection of population groups other than young people. If young people continue to feel unrepresented, we run the risk of more authoritarian positions gaining ground.

The best investment we can make to establish the pillars of a future cohesive society is to get the interests of young people and their preferences on the political agenda. It is an investment in progress and also in stability. Correcting the inequalities and difficulties that limit their access to opportunities will potentially be the most profitable of all the investments we can make.

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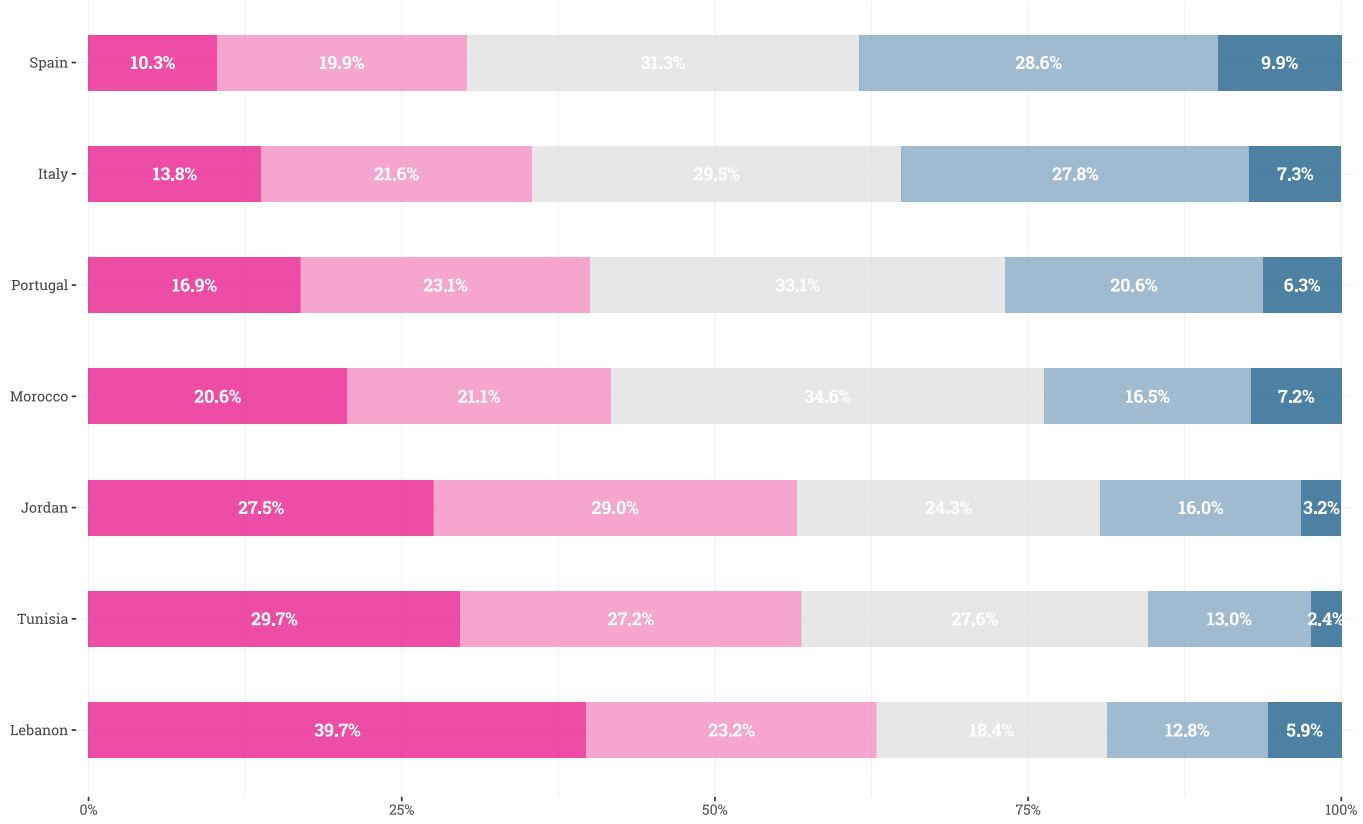
ANNEX

Annex 1
Evaluation of expenses

Figure A.1

How do you assess your ability to cover certain leisure expenses?

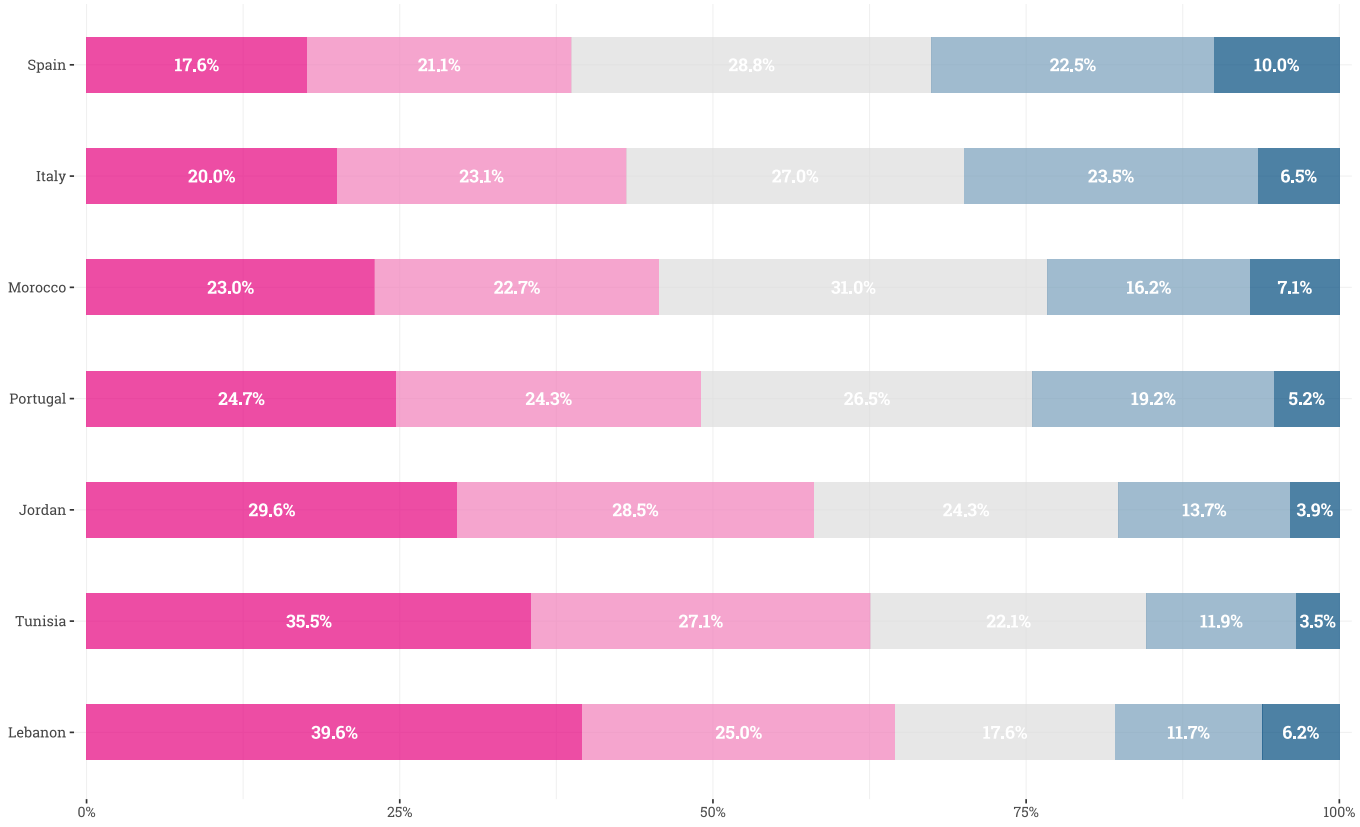
From very bad to very good.



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Figure A.2

How do you assess your ability to save for emergencies and major expenses (health, furniture, travel)?
From very bad to very good.



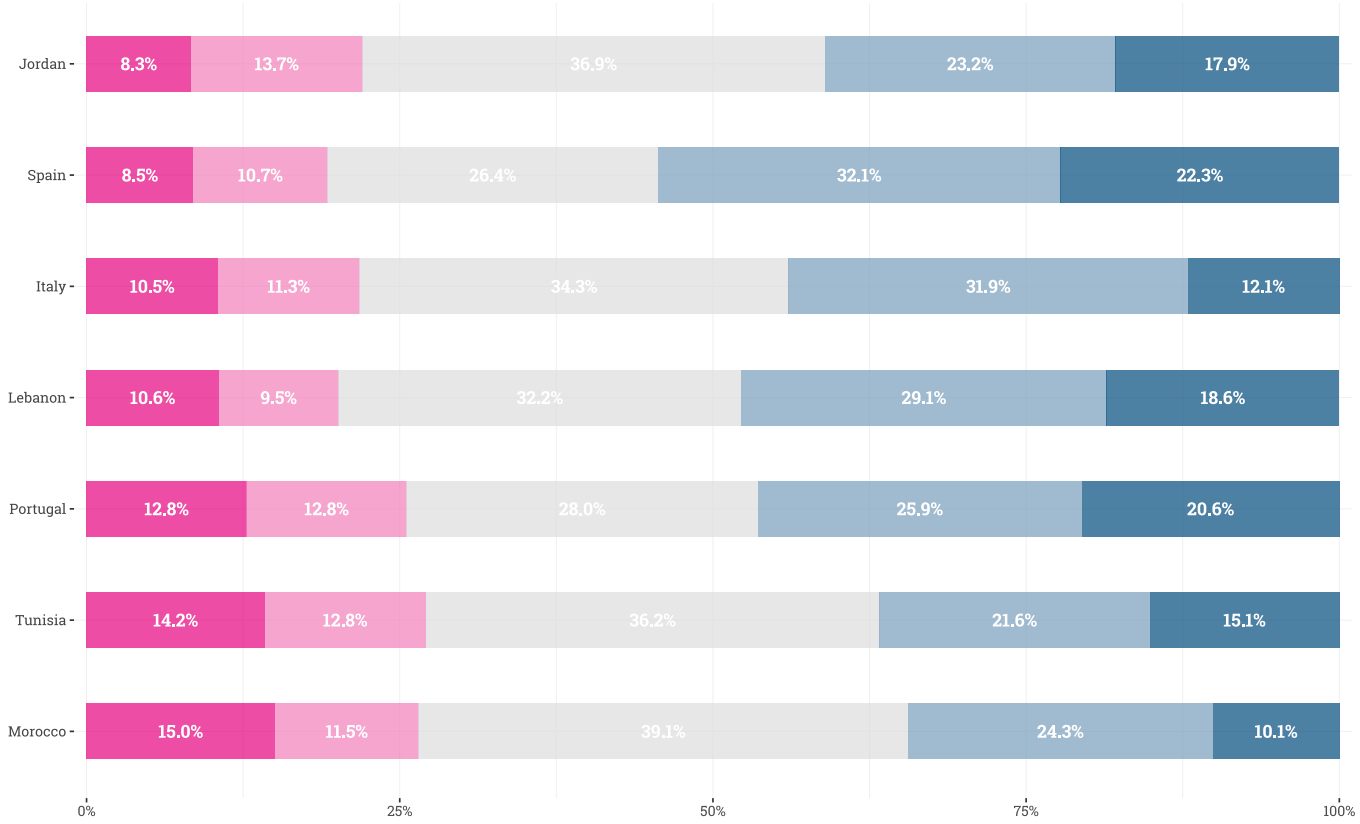
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Annex 2
Factors explaining residence in the familial

Figure B.1

How important do you consider the studies situation to continue in the family residence?

From very bad to very good.

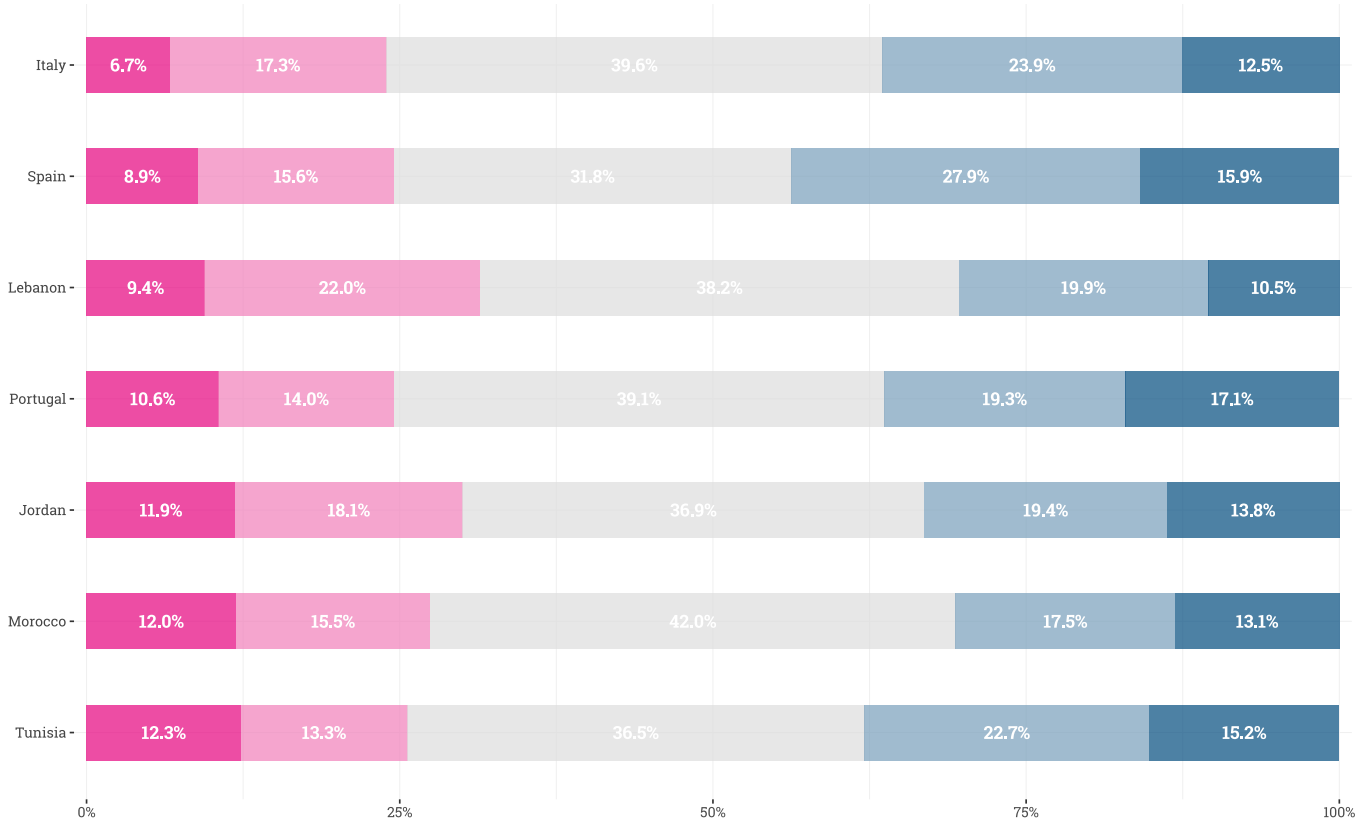


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Figure B.2

How important do you consider personal/family choice to continue in the family residence ?

From very low to very high.



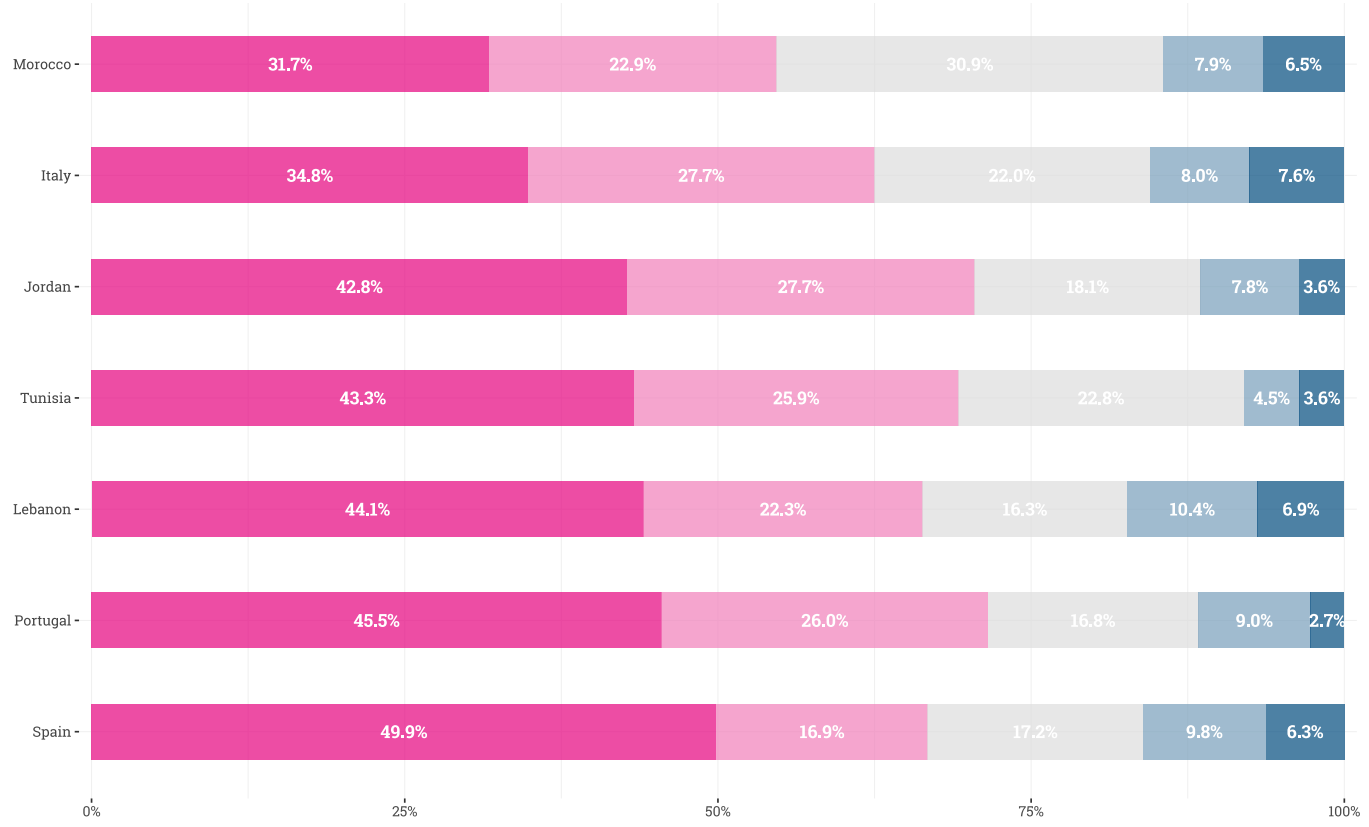
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Annex 3
Assessment of the probability of becoming independent for different time horizons

Figure C.1

How likely are you to become independent in the next 12 months?

From very unlikely to very likely.

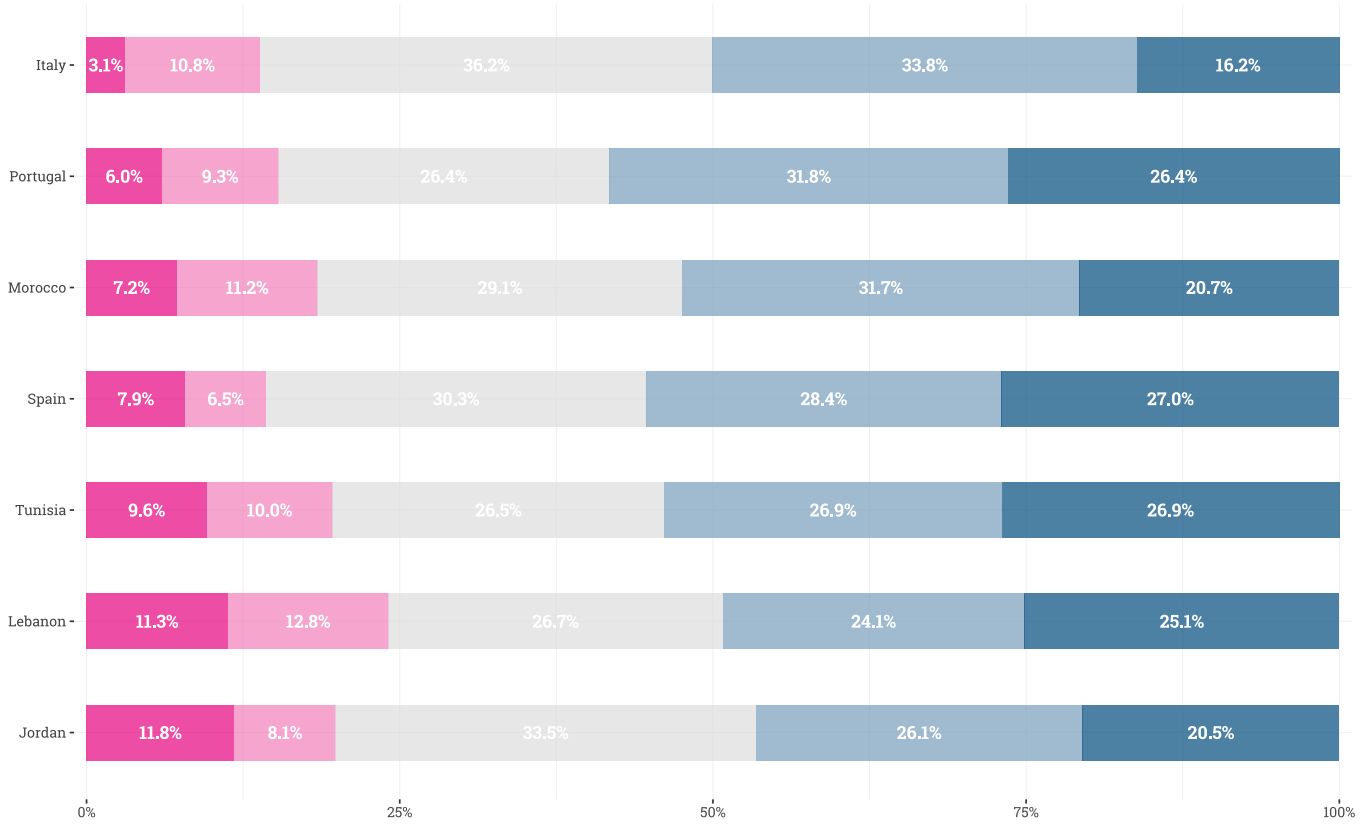


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Figure C.2

How likely are you to become independent in the next 5 years?

From very unlikely to very likely.

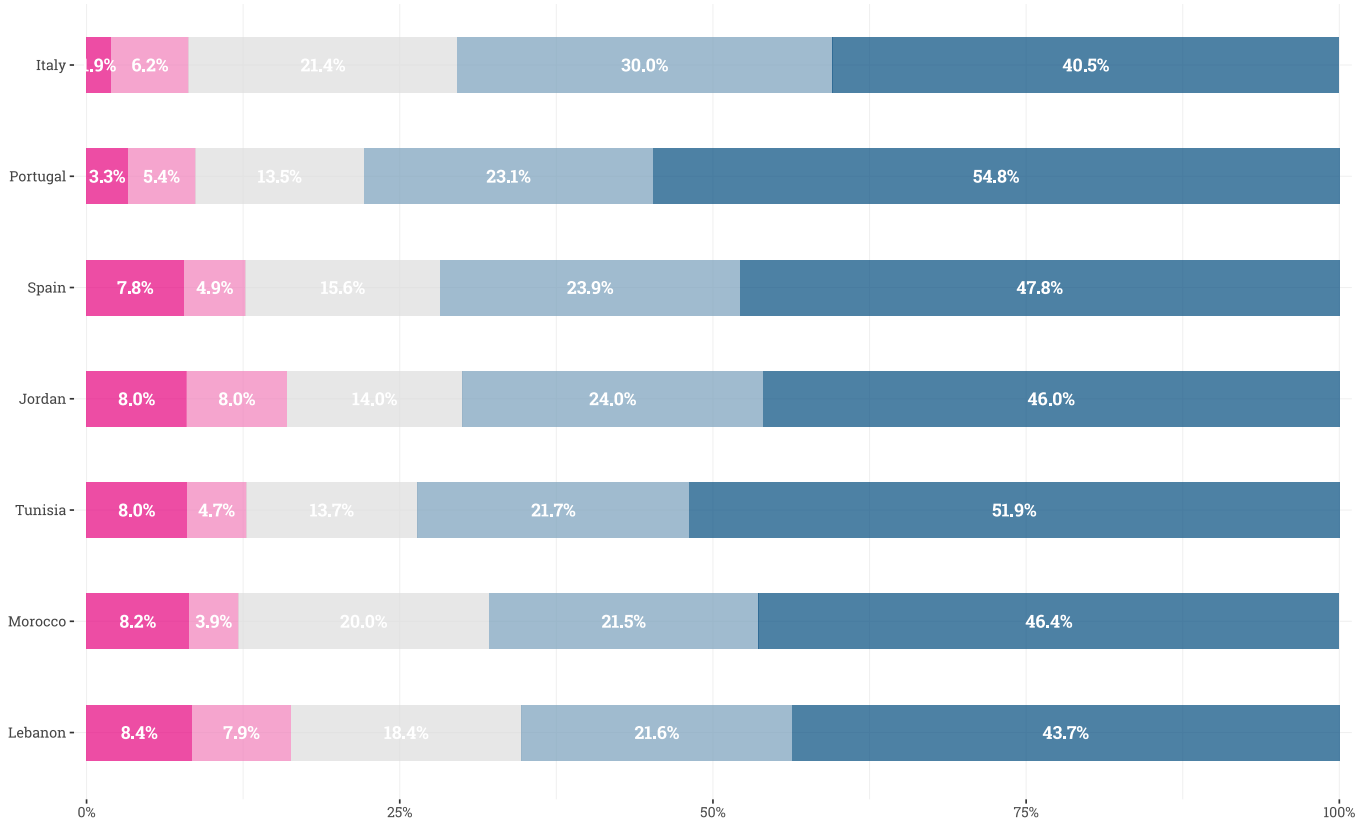


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Figure C.3

How likely are you to become independent in the next 10 years?

From very unlikely to very likely.



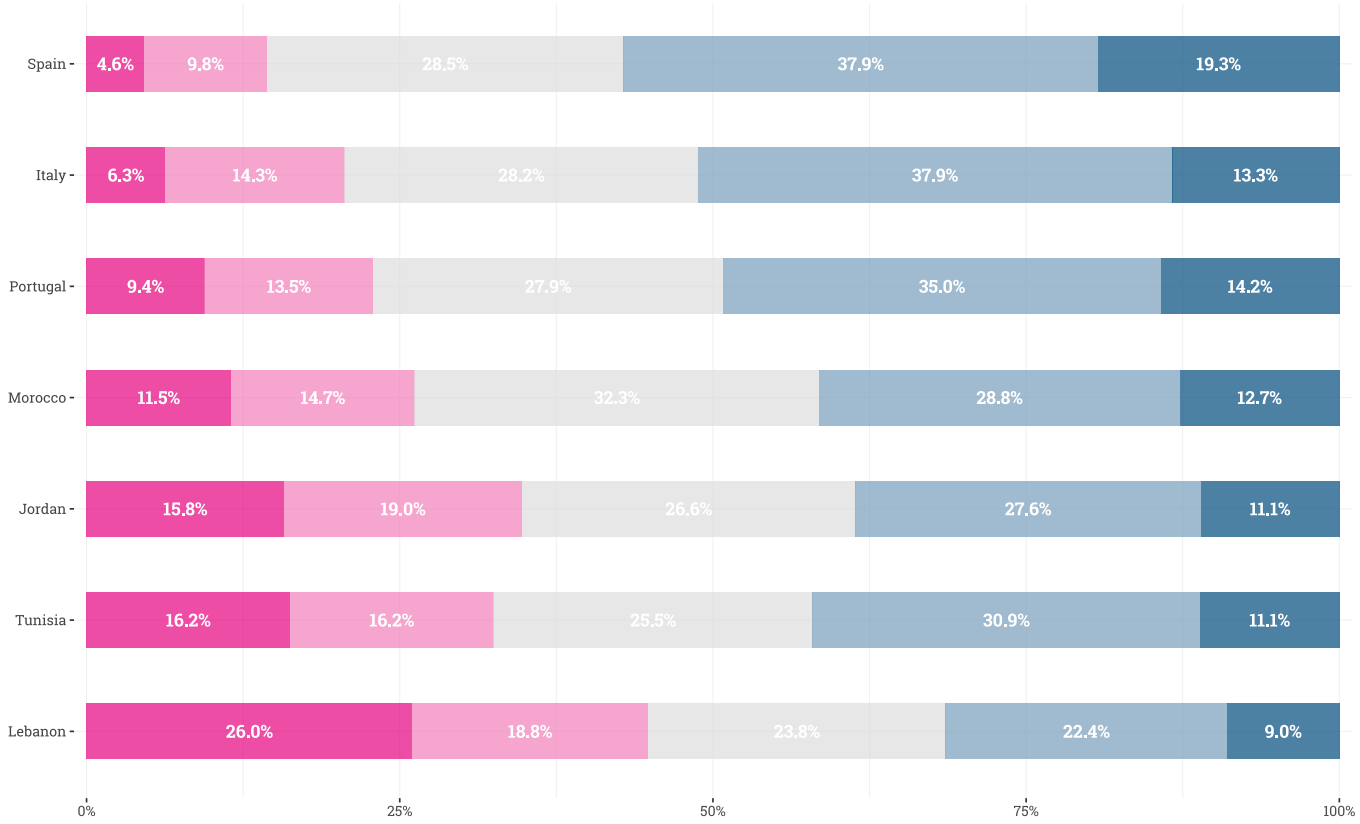
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Annex 4
Capacity to afford different expenses on different time horizons

Figure D.1

How do you expect your ability to cover certain leisure expenses will be in 5 years?

From very bad to very good.

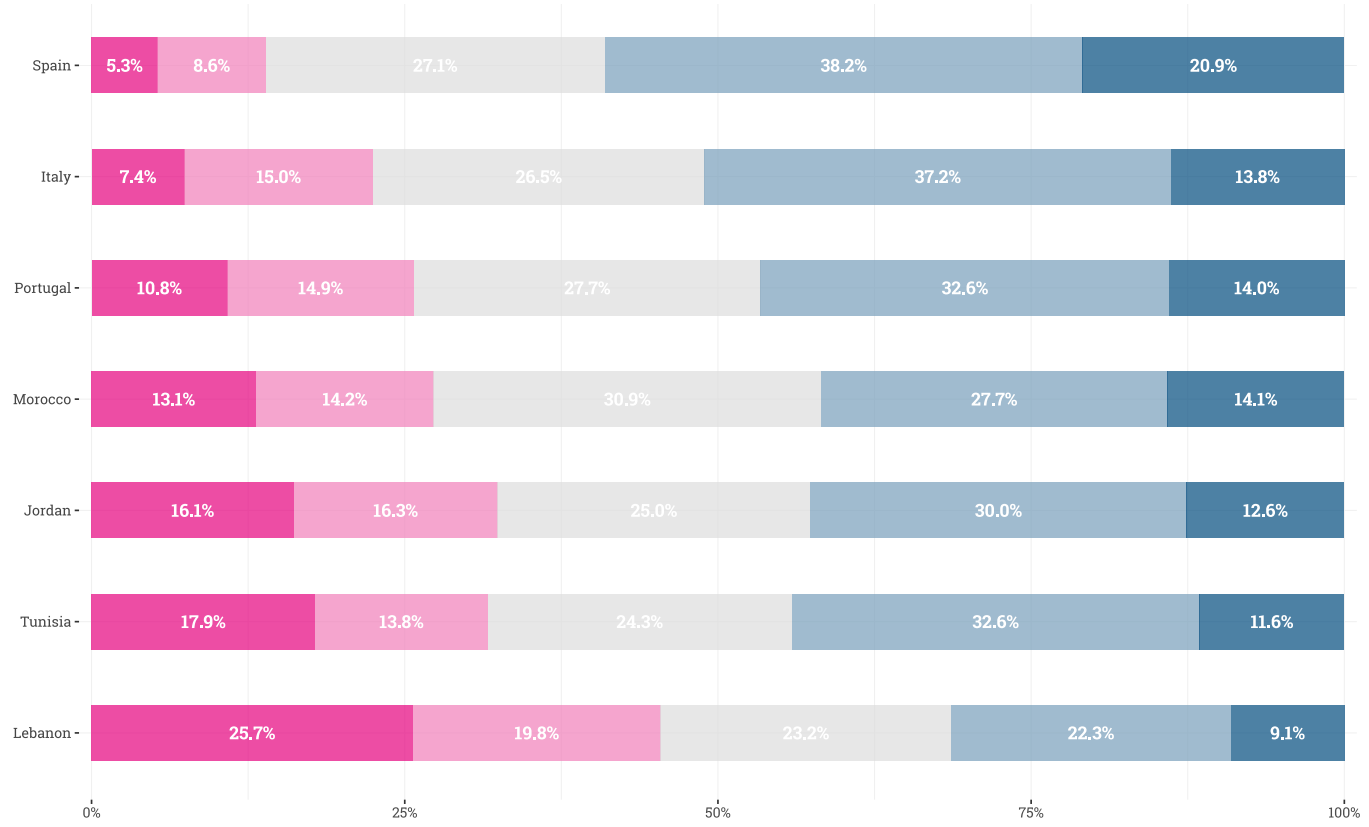


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Figure D.2

How do you expect your ability to save for emergencies and major expenses (health, furniture, travel) to be in 5 years?

From very bad to very good.

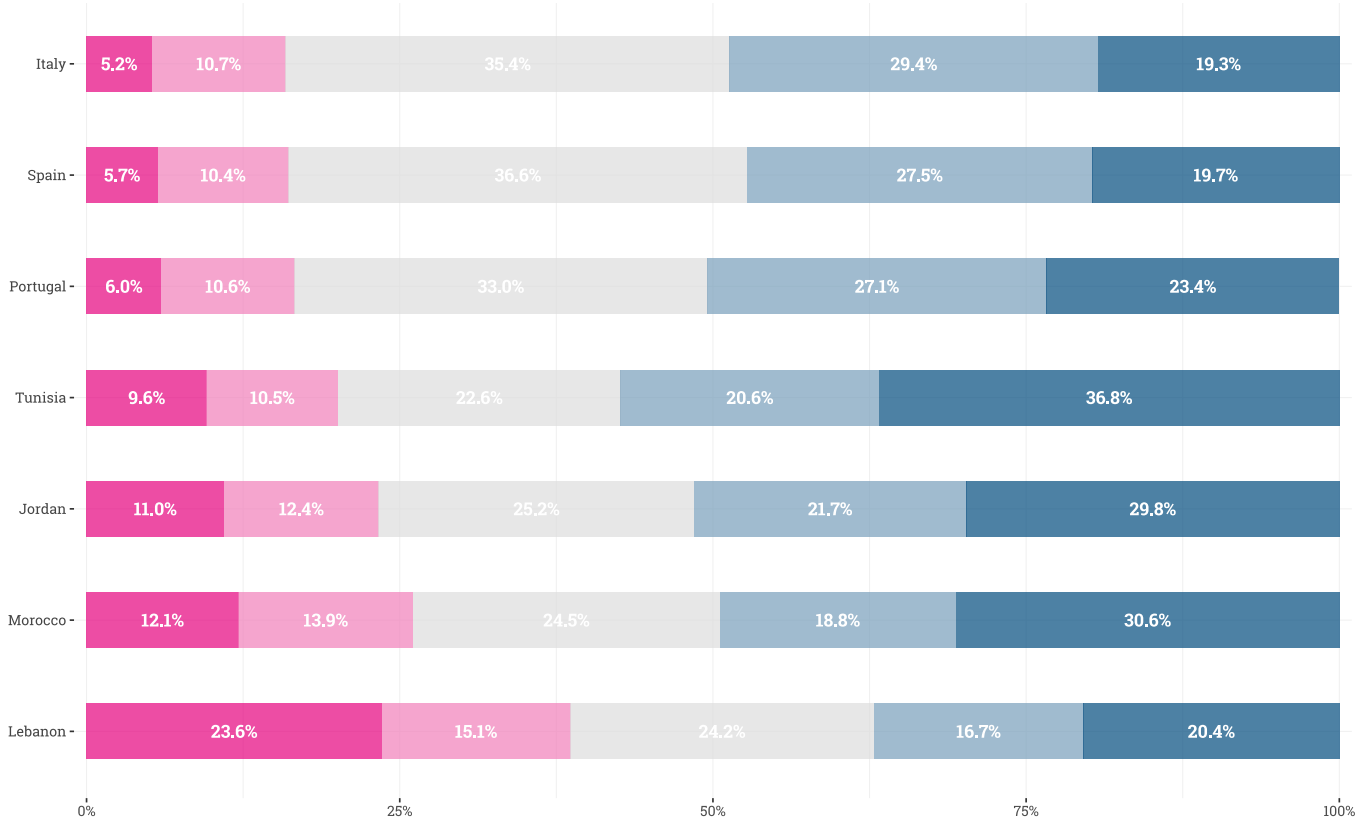


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Annex 5
Assessment of the economic situation for different time horizons and groups

Figure E.1

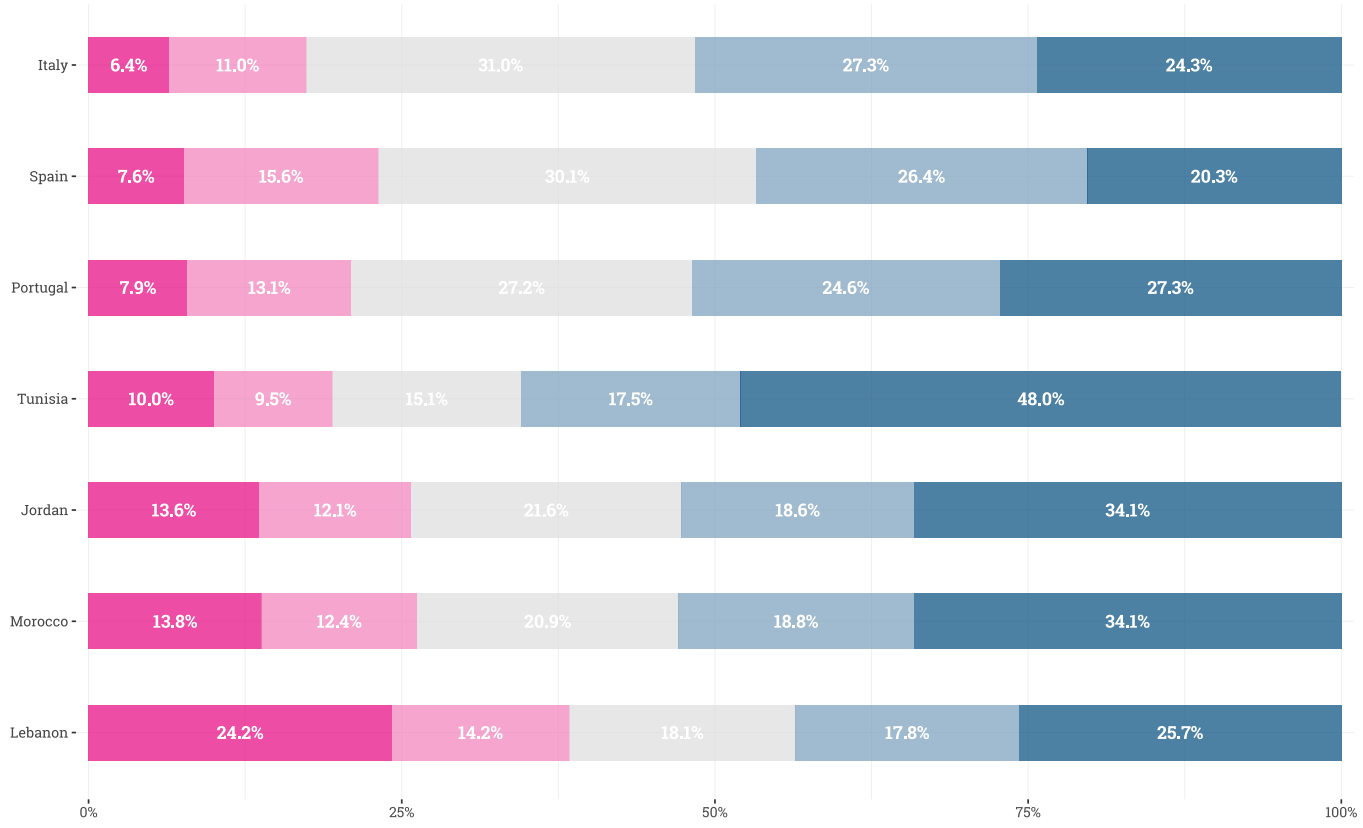
Which do you think will be the economic situation in the next two decades for your family?
Decline or progress.



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Figure E.2

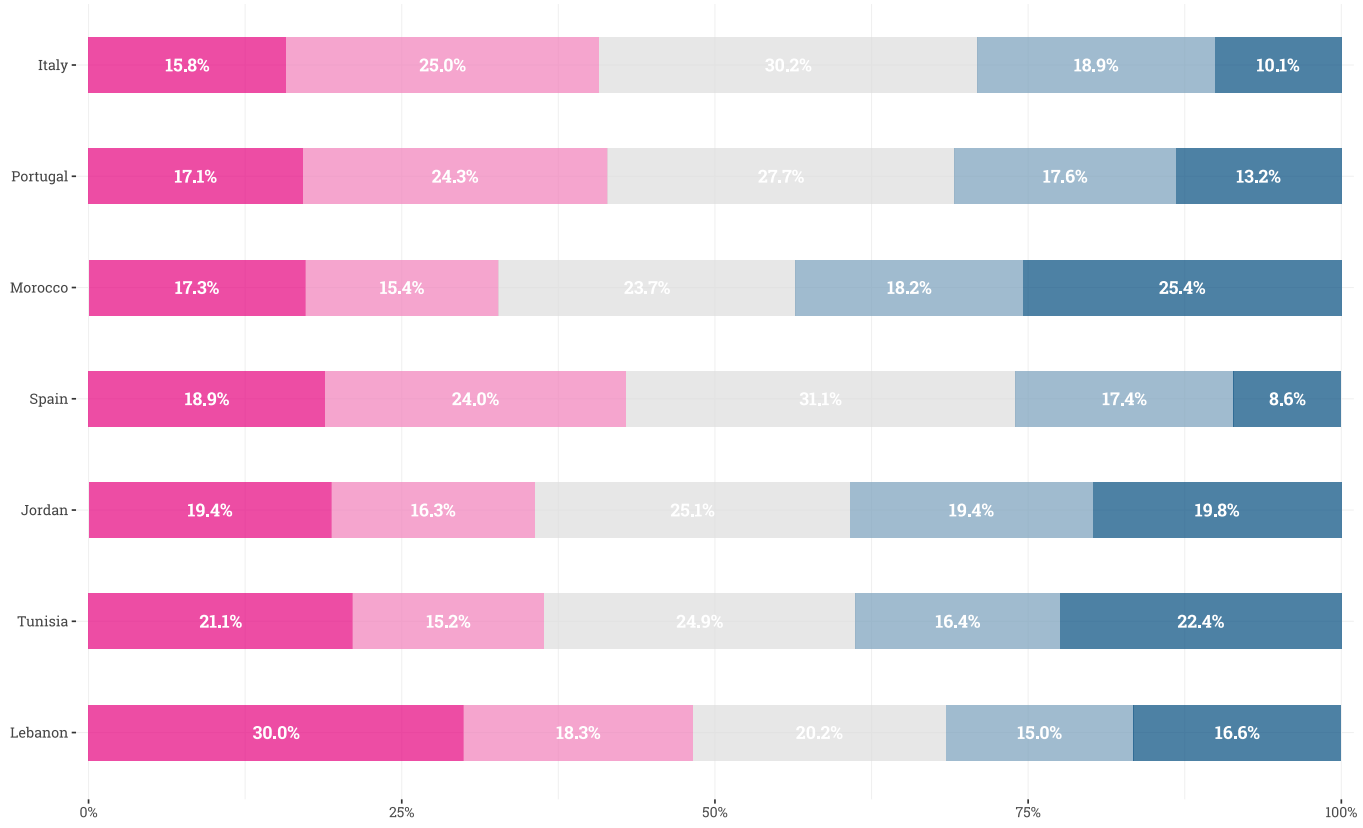
Which do you think will be the economic situation in the next two decades for your sector of work/studies?
Decline or progress.



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Figure E.3

Which do you think will be the economic situation in the next two decades for the people of your generation?
Decline or progress.



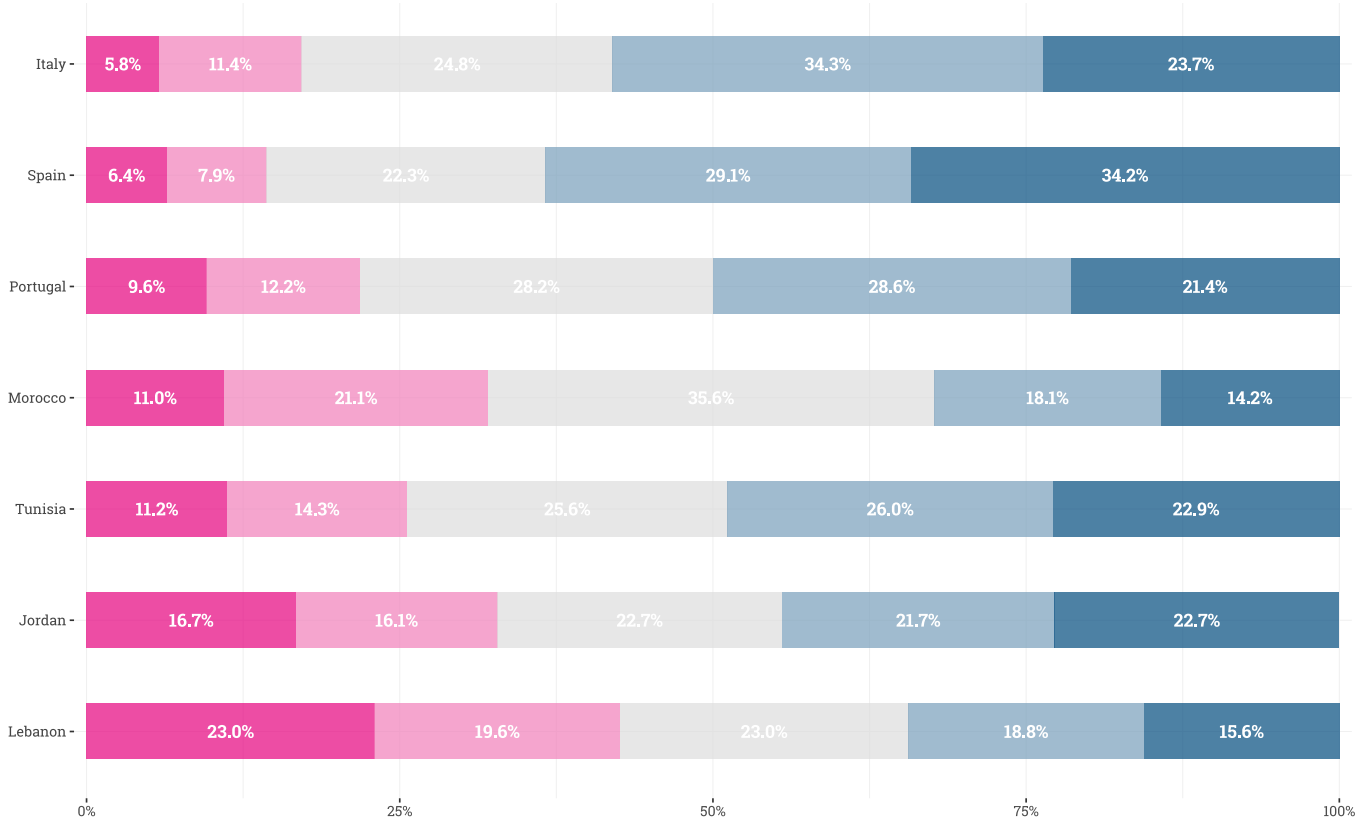
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Annex 6
Factors that explain home purchases

Figure F.1

How important would you consider the availability of savings/equity when buying your own house?

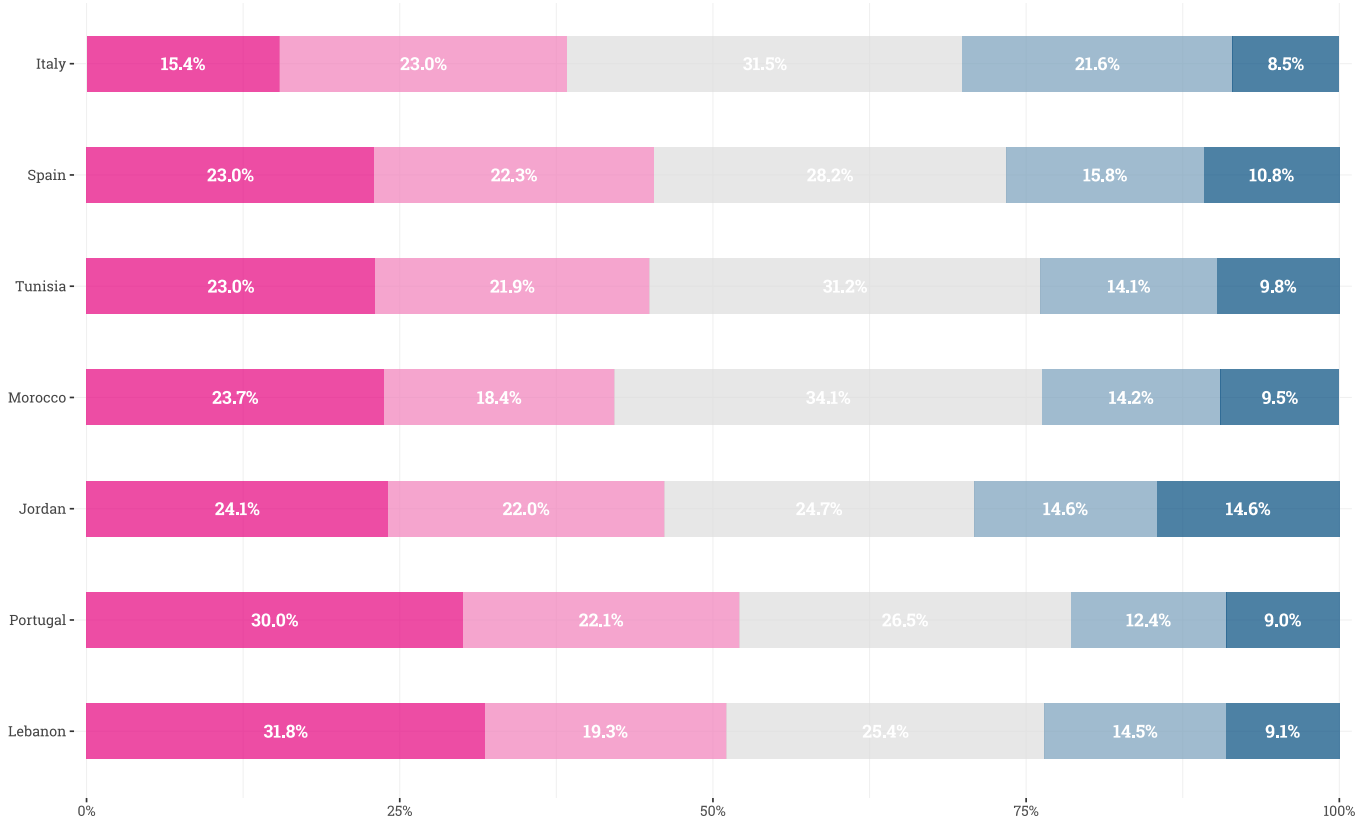
From very low to very high.



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Figure F.2

How important would you consider the availability of inheritance or family savings when buying your own house?
From very low to very high.

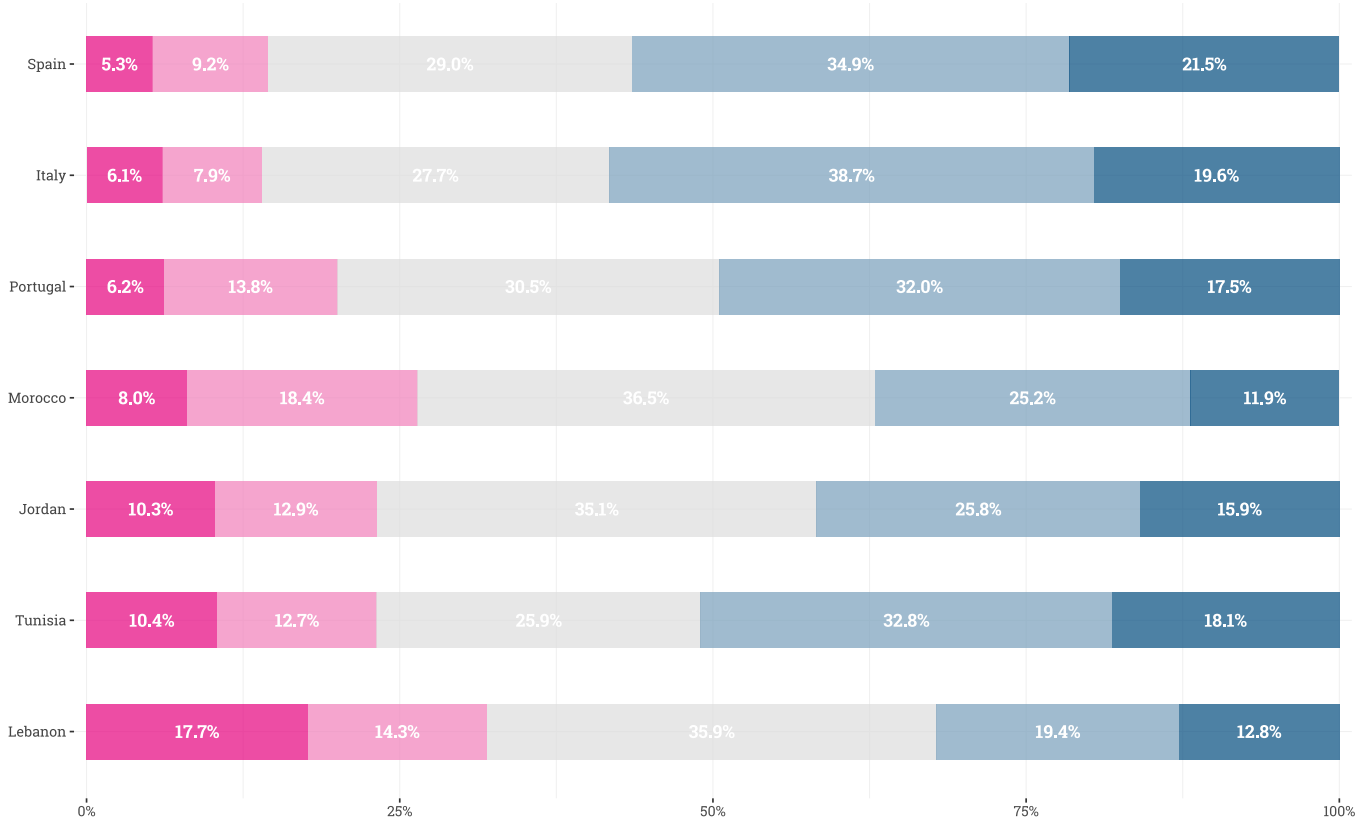


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Figure F.3

How important would you consider fitting in with your lifestyle when buying your own house?

From very low to very high.



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