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Chapter 1

Introduction to Youth Employment Insecurity and Pension Adequacy

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This book addresses a topic that is highly relevant for contemporary welfare states, namely the adequacy of old age income in times when labour markets are changing and pension systems granting old age security have been facing significant reforms. These simultaneous processes particularly affect young people which, unlike any other labour market generation, have been hit by a destabilisation of their labour market attachment in recent decades. Today's youth face the additional challenges of declining pension generosity and the gradual move towards a multi-pillar pension system that is observable in many European welfare states (Ebbinghaus, 2021). The conditions under which they will retire and receive a pension will have changed considerably from the present day. This raises many critical questions for scholars and policymakers. How will rising employment uncertainty impact on the pension prospects of this generation of current labour market entrants? Will they be able to sustain a decent living standard in retirement, like older generations have been able to? And how can public life course policies, related to education, labour market and welfare, promote the future life chances of this generation?

This edited volume addresses these questions from a comparative international perspective to achieve an overreaching and topical picture of the phenomenon. Chapter authors originate from different countries and represent various disciplines such as sociology, social policy, labour market research, educational sciences and economics. Through this multidisciplinary and transnational approach, the book offers different perspectives on the common subject of youths' labour market uncertainties and its implications for later pension outcomes.

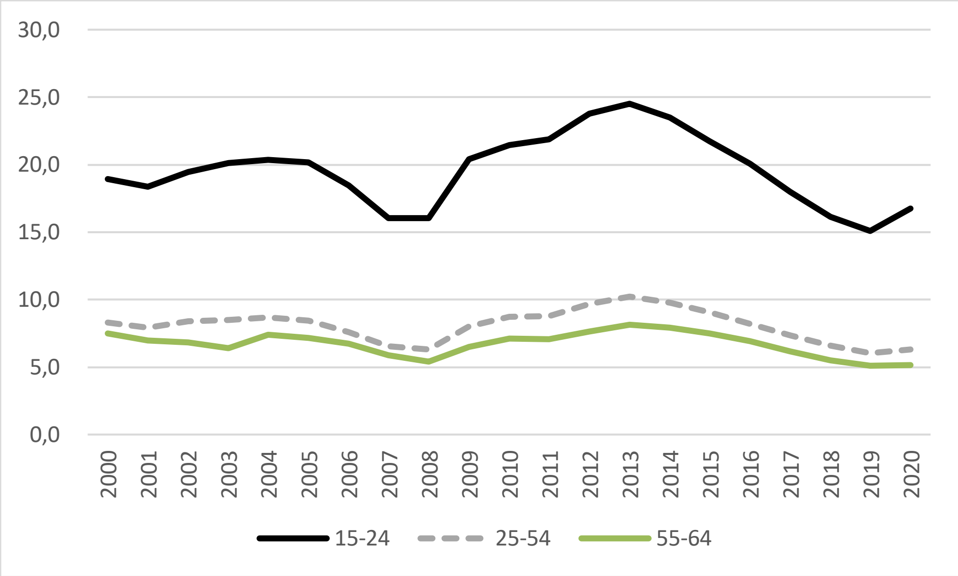
In this introductory chapter, we provide the contextual background for the subsequent contributions to this volume. We frame the topic of the book in the wider context of recent pension and labour market developments and illustrate how the collection extends our knowledge on the nexus between labour market risks and pension provision. We first elaborate on the academic, political and societal relevance of the topic by explaining how increasing labour market risks and recent pension reforms challenge adequate incomes in old age for future generations of retirees. We then briefly review the existing literature and empirical evidence, thereby highlighting how this volume can help to fill research gaps. We outline the general structure of the book and detail the contributions of the single chapters, before finally discussing the key contributions of the book to the current discussion and outlining remaining challenges.

1.1 The deteriorating situation of youth on labour markets

The problematic situation of youth on European labour markets has emerged as a major issue, both in academic as well as in political debate. This perception is based on research showing deteriorating labour market prospects among younger generations. Young generations entering the labour market today face a rising risk of unemployment and are disproportionately affected by new, atypical and in parts precarious forms of work compared to older generations.

International comparative research (e.g., Blossfeld, Klijzing, Mills & Kurz 2005; Blossfeld, Bertolini & Hofäcker 2011) has highlighted that youth in particular have suffered from the negative repercussions of processes of globalization and flexibilization that have increasingly affected modern societies since the 1970s/1980s. Faced with rising uncertainties on increasingly volatile globalized labour markets, employers have tended to shift flexibility demands to specific groups at the margins of employment while relatively safeguarding their 'core' workforces. This employment policy particularly disadvantaged youth prior to entering the labour market. Their contracts were still to be negotiated and could not be drawn back to their own bargaining strength or the support from institutionalised labour market actors, such as unions. In contrast, employment contracts of established labour market insiders, particularly mid-career men, were left largely intact (Blossfeld et al. 2005). Labour market uncertainties thus disproportionately were channelled to youth as labour market outsiders, which has led scholars to portray them as "losers of globalisation" (Blossfeld et. al. 2005).

Figure 1.1. Unemployment rates by age groups between 2000 and 2020, EU27 average.

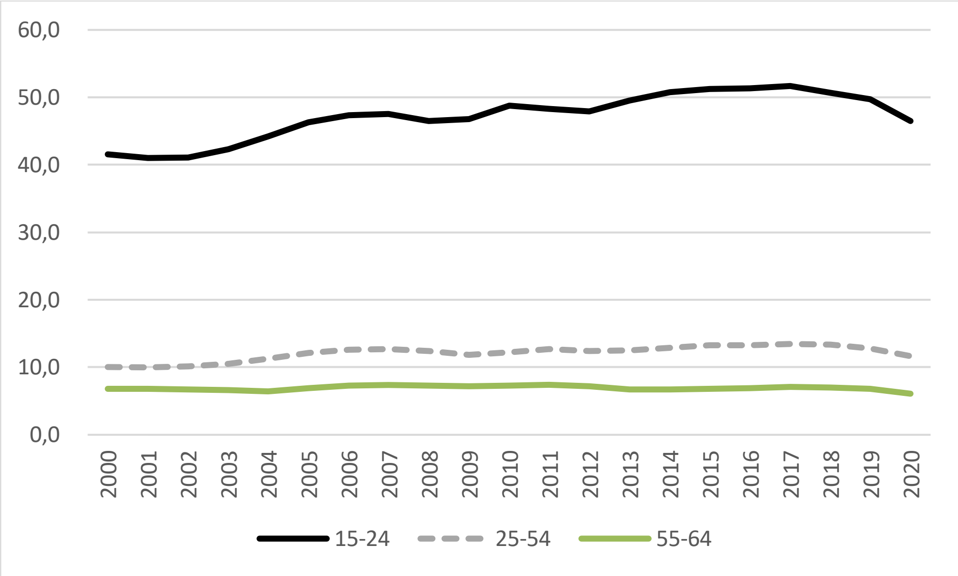


Source: OECD 2022.

Figure 1.1 illustrates this intergenerational disadvantage by presenting unemployment rates for the last two decades (2000-2020) by age group, differentiating between young (15-24 years), mid-career (25-54) and older workers (55-64 years) in EU-27 countries. The graph clearly shows that the risk of being unemployed looms largest among younger workers, who persistently display unemployment figures more than twice as high as for the other two age groups. Figure 1.1 also reveals that it was particularly youth that have suffered from the financial crisis during and after 2008, when youth unemployment rose sharply for youth and only modestly for mid- and late-career workers. Even though overall labour market figures appear to have recovered since then, youth unemployment remains disproportionately high; most recent trends furthermore suggest that the Covid-19 pandemic has affected youth in a similarly negative way.

Average figures conceal considerable variations between European countries, with unemployment rates rising to values of 40 percent or higher in Southern European countries such as Greece, Italy or Spain throughout the 2008 financial crisis and only declining very recently (OECD, 2022). Notably, particularly in these countries, youth unemployment often tends to be long-term (Eurostat, 2015). It can thus be summarised that all in all, “access to employment has become increasingly challenging for young people over the past decade” (European Youth Forum 2016: 6). This is especially worrying given that for larger groups of youth, access to unemployment benefits is limited and often bound to previous employment spells. In particular, long-term unemployment thus hinders youth from establishing sufficient material security (European Youth Forum 2016: 15-16.).

Figure 1.2. Share of fixed-term employment as % of total employment by age groups between 2000 and 2020, EU27 average.



Source: OECD, 2022.

However, youth are often not only disadvantaged with regard to access to employment as such. Even when employed, youth are disproportionately found in uncertain employment. Figure 1.2 shows that this is particularly apparent with regard to fixed-term employment, i.e., employment with only limited duration. Such contracts have often been used by employers to adapt their workforce to changing labour market demands. As Figure 1.2 shows, on average more than 40 percent of youth are found in such contracts, a share that has further increased throughout the last two decades. Again, its share is particularly high in the countries of Southern Europe, where its share has risen to more than half of the youth population since the 2008 financial crisis.

Not all fixed-term employment may necessarily be detrimental for youth. While for some, it may reflect seasonal or vacation jobs, others may use such jobs as an extended probation period to commend oneself to future employers, thus turning it into a 'stepping-stone' or 'bridge' into secure, permanent employment. Yet, lower-skilled youth in particular often find it hard to take this route, so that for them, non-permanent employment often becomes a trap (Gash 2008, Scherer 2004). Further to fixed-term employment, other flexible work forms, such as zero-hour contracts, have also gained in importance among youth (Youth Forum 2016).

Together with the aforementioned trends in unemployment, this has eroded the material security of youth. Hüttl, Wilson & Wolff (2015), for example, report that the material deprivation rate of youth is not only significantly higher than that of older cohorts, but that the gap has further widened throughout the economic crisis (Hüttl et al., 2015: 3). Similarly, in a recent summary report, the European Foundation of Working and Living Conditions has also stated that "as a result of the crisis, young people as a group face the highest risk of social exclusion" (Eurofound 2015: 23). Multiple valuable European research initiatives thus have focused on the situation of youth, describing critical labour market developments, highlighting their impact on the life of European youth in several domains and outlining policies to mediate their impact (Hvinden et al., 2019a, 2019b; Unt, Gebel, Bertolini, Deliyanni-Kouimtzi & Hofäcker 2021). However, their focus has often been on the immediate consequences of early career insecurity for youth. In this book, we extend this perspective by exploring the long-term consequences by linking current labour market developments to recent trends in old-age security.

1.2 Recent changes in pension systems

The rationale behind establishing this link is that most public earnings-related pension schemes have been designed so as to grant full, adequate pension benefits only for continuous, mainly full-time employment throughout the working life (in some pension systems, mainly for main breadwinner, mostly men) (cf. Hinrichs, 2021). Being disproportionately engaged in non-standard or temporary work forms or experiencing unemployment undermines the basis of this logic of pension systems. Even though in some countries pension accrues even in case of unemployment, young people may be excluded from such opportunities when they are not yet included in unemployment insurance programs due to the lack of contribution years. Furthermore, lower earnings arising from non-standard employment may effectively result in insufficient levels of pension contributions (OECD 2019: 74). The observable changes in labour markets thus make it harder for current labour market generations to make sufficient savings for old age, given the lack of continuity in (sufficient) income.

This development coincides with more general reforms to the public pension pillar in old age pension systems. These systems have played a central, long-term role in securing a decent standard of living in old age in many advanced welfare states. Increasing longevity, together with decreasing fertility, has led to demographic ageing. In pension systems leaning on the pay-as-you-go (PAYG) principle, in particular, but also in tax-financed basic pension schemes, an ever-larger part of the older population is dependent on an ever-smaller part of the working-age population contributing to the financing of public pensions. Such pressures caused by demographic ageing for the financial sustainability of public pension systems have led to pension reforms in most countries, resulting in a gradual lowering of the generosity of public pension benefits that had predominantly secured a decent standard of living in past decades. Furthermore, recent reforms of the mandatory earnings-related schemes have strengthened the link between lifetime employment and benefits, and introduced measures to lengthen working lives, both of which underline the role of labour market attachment throughout the life course for adequate old age income (Hinrichs 2021; Ebbinghaus 2021; Kuitto, Kuivalainen and Möhring, 2021). Such reforms have contributed to a rising need to secure one’s own old age income through additional investments, where possible.

Against this background, multiple international organizations have vindicated the view that public pillar pensions should be supplemented by additional pension pillars, including occupational pensions (second pillar) and private savings (third pillar) in order to compensate for the declining generosity in public (first pillar) pensions (e.g., World Bank 1994, European Commission 2012, 2018; OECD 2013; see also Kolaczkowski, Maher, Stevens & Werbrouck 2022). Since the early 2000s, a shift towards a multi-pillar system is observable in many welfare states, and the share of such second and third pillar pensions has increased significantly within European countries (Hinrichs 2021; European Commission 2019).

It can be expected that youth facing employment uncertainties will also experience disadvantages in the additional two pension pillars. Occupational pensions, on the one hand, are based on the existence of an employment contract and thus, by definition, exclude unemployed individuals. Even within the employed workforce, occupational pensions are often not universal, but are specifically targeted towards those employees with whom employers want to establish a long-term binding relationship. Employees in non-standard work forms may have difficulties in accessing such favourable schemes (European Commission 2019: 13). On the other hand, the unfavourable socio-economic circumstances associated with being unemployed or working in atypical employment forms may also make it difficult to accumulate significant private savings early in a career. Indeed, the European Statistical Office recently reported that "most people have few, if any savings by the time they reach the age of 30, after which they may be fortunate enough to start putting some money aside" (Eurostat 2019: 98-99.).

Taken together, young people facing employment uncertainties tend to be disadvantaged in all three pension pillars due to their vulnerable socio-economic situation and often unpredictable future prospects. At a time when they are increasingly expected to contribute to their old age security through additional (occupational and private) savings, they are less and less able to do so. Both quantitative and qualitative research results provide evidence for this contradictive situation in which individuals are aware of the increasing need to save but cannot afford to make such savings. This pattern particularly applies to youth with lower human capital and not possessing a permanent contract (Paskov 2011, Hofäcker, Schadow & Kletzing et al. 2017).

Recent findings on financial literacy furthermore suggest that even when young people are willing and able to save, the complexity of making individual savings choices often becomes an overwhelming task. While they may possess a basic understanding of financial issues, particularly youth with lower educational degrees are not able to apply this knowledge to concrete savings situations (OECD 2020: 56, 73-74.). They "tend to score low on financial knowledge, financial attitude, financial behaviour and financial literacy" (Garg and Sing 2018: 182).

1.3 The future of old age security for an increasingly insecure youth: A gap in existing research

Although both pension system change and labour market change are widely studied and their impact on people's well-being is widely recognised in political debate, there is little research on how rising labour market risks of young generations affect old age security in different pension systems. This book thereby extends the knowledge created through earlier publications. About a decade ago, Karl Hinrichs and Matteo Jessoula (2012) published an edited volume (Hinrichs and Jessoula, 2012) which focused on the consequences of atypical employment and career interruptions for economic security in old age. The basic focus was on systemic characteristics and reforms of pension systems in seven example countries - Denmark, Germany, Italy, the Netherlands, Poland, Switzerland, and the UK – and their impacts on post-retirement income maintenance and poverty prevention in times of increasing employment flexibilisation. They showed that countries which have succeeded in explicitly including atypical employees into the more general construction of welfare and pension policies are best able to accommodate to most recent labour market changes. This pertinent collection undoubtedly has provided the most detailed and systematic investigation of employment flexibilisation and its pension effects so far.

Nonetheless, our book goes beyond the groundbreaking work by Hinrichs and Jessoula in multiple respects. In their book, the authors particularly look at the effects of employment on pensions *in general*, i.e., without specifically focusing on certain age groups. Our volume goes beyond this perspective by particularly looking at young people. This particular focus is well-justified, given that – as shown above – it has been particularly young people that have been subject to employment flexibilisation in recent decades. Furthermore, we also go beyond the 'macro-oriented' focus by Hinrichs and Jessoula, based on a systemic investigation of institutional characteristics, to a behavioural 'micro' perspective, simultaneously looking at young people and their savings attitudes and behavior. Finally, this edited volume also extends the geographical scope of the former work beyond Europe by also looking at relevant developments in Turkey and the Maghreb countries, i.e., countries that have often been overlooked in previous research. The focus on trends in the late 2010s also allows to consider more recent developments in labour markets and pensions than in earlier studies.

In recent PISA studies, the OECD has increasingly focused on young people and their financial literacy to better understand their savings behavior. Multiple publications (OECD 2012; 2015) summarise the findings from these studies. While a focus on financial literacy is an important piece of the puzzle to understand the savings behavior of youth (see for example Lusardi and Mitchell, 2014), our book goes beyond these studies by closely investigating the attitudes of youth towards savings and their actual opportunities to put their savings intentions into practice in the face of employment uncertainty.

Besides the aforementioned comparative studies, interest in young peoples' saving behaviour under uncertain labour market conditions has also grown at the national level, as reflected in a rising number of qualitative (e.g., Foster, 2017) or quantitative country studies (e.g., Hurrelmann, Karch & Traxler 2019). Yet, the valuable conclusions of these studies often remain restricted to the national level. This volume not only extends the geographical scope of analysis, but also allows us to systematically compare evidence from different policy models and therefore enables us to draw more generalizable conclusions for effective policies.

1.4 Aims of this volume

In this book, we present a timely and comparatively-oriented collection of empirical studies on how increasing labour market risks challenge adequate pension provision for future retirees and how different pension systems cushion or reinforce these risks. Looking particularly at young people today, the contributions of the book focus, first, on the effects of labour market risks that challenge adequate old age income in different pension systems and, second, on attitudes towards private pension provision and retirement saving behaviour. This book therefore contributes to filling a research gap at the intersection of social security, labour market and youth studies. Firstly, the book focuses on labour market risks and how they challenge pension adequacy. Such risks include unemployment, self-employment, having low education and low skills and precarious employment, in general. Depending on the specific rules on pension accumulation during career breaks, low-income employment and self-employment in different pension systems, these risks generate shortcomings of expected old age income to varying degrees. How employment in young years affect pension accumulation and how insecure labour market situations affect other capital accumulation such as homeownership are further topics of the first part of the book. Secondly, the book brings in views on behavioral factors that affect old age incomes of today's young people. Not only the institutional context of a country and the factual financial capability of individuals to save, but also the prevailing attitudes towards making additional savings determine old age saving behavior. It is important to understand attitudinal determinants of saving behavior to ensure adequate old age income, especially in those pension systems that rely more and more on private or voluntary occupational pension schemes.

Unlike in earlier publications on the topic of labour market risks and future pension provisions, the contributions of this book do not follow a unique template applied to specific country studies. While this approach undoubtedly has its upsides from an analytical perspective, it makes it difficult to grasp the multiplicity of aspects in this still largely new research topic on both the institutional macro- and the individual micro-level. Neither we operationalize a strict definition of youth in terms of a specific age range. "Being young" may describe very different states or stages in life, depending on cultural norms and institutional characteristics within a country, which define age-graded transitions. We thus have left it to the authors of the respective chapters of this book to apply a definition that best fits the phenomena studied in their contributions. To provide a potentially large thematic scope to address this complexity, this book brings together a multiplicity of perspectives: Disciplinarily, it combines evidence from different scientific faculties, including economics, sociology, political and educational sciences. Methodologically, both results from quantitative as well as qualitative studies are considered. Quantitative studies included in this book combine evidence from both register and survey data. Analytically, the contributions to this book include country-specific as well as international perspectives: Several chapters present evidence from single countries, some of which hitherto have been less studied in the context of pension and labour market research. This way, the book contributes to a better, empirically founded and focused understanding of the consequences of rising labour market risks for pension provision. As a particular feature, it also integrates less studied countries and regions such as Turkey and the Maghreb countries into the body of literature. At the same time, country-comparative chapters permit us to contrast trends and institutional as well as individual responses across different welfare and labour market settings. Such explicit comparisons allow us to contrast nation-specific policy solutions and to derive recommendations for future policies that seek to guarantee sufficient material security in old age for today's youth.

Taken together, the book thus offers an up-to-date collection of empirically founded analyses that will be of interest for both academics and policymakers. In the following, we outline the contributions of the chapters of this book.

1.5 Structure of this volume

The book is divided into two parts. The six chapters in the *first part* deal with different current labour market risks and the ways in which they challenge pension adequacy. The *second part* of the book is dedicated to studying attitudes towards private pensions and retirement saving behaviour of young people and comprises three chapters which enlarging the geographic scope beyond Europe. As a comparative introduction to the topic of youths' employment risks and their future pension outcomes, *Susan Kuivalainen*, *Antti Mielonen* and *Niko Väänänen* focus in Chapter two on how pension systems account specifically for young peoples' pension entitlements in seven European countries representing different pension systems, namely Austria, Finland, France, the Netherlands, Norway, Poland and Spain. They first identify key pension system parameters that are relevant for pension accrual and thus later old age income of people at the early stages of the life course. Subsequently, the authors provide an assessment of how those pension parameters take into account career uncertainties and interruptions that are typical of early adulthood. While most young people are covered by public pension schemes, gaps in pension accrual remain especially in case of unemployment. Furthermore, temporary and part-time work seem to be well covered in public pension schemes, but questions remain with regard to the extent of pension security coverage for new forms of work such as solo-self-employment. By applying a comparative perspective, the chapter provides novel insights into how pension systems cushion or reinforce insecurities that occur in young adulthood and early stages of the career.

One of the most important reasons for career interruptions and uncertainties in young adulthood is unemployment. Unemployment can have severe and multiple consequences for old age income. For mandatory, earnings-related (public) pension schemes, the negative pension outcomes of unemployment spells are well-studied. However, while occupational and private pensions schemes' roles are increasing in many pension systems, we know little about how unemployment affects (non-mandatory) second and third pillar pensions. In Chapter three, *Dina Frommert* takes up this important question and provides an empirical analysis of how unemployment spells show in pension accrual in the German multi-pillar system. Her case study shows that unemployment leads both to lower participation rates in voluntary pension schemes and to lower entitlements for those who participate, pointing to the need for policymakers to address some crucial challenges to ensure adequate old age incomes in the German pension system.

In Chapter four, *Julia Höppner* focuses on the less-studied situation of the self-employed, which has been viewed as a potential response to the challenges created through youth unemployment. Yet, due to the increase of solo-self-employment and precarious self-employment, the risk of old-age poverty of the self-employed is more evident today and will continue to be so in the future than it was in the past. The chapter provides an empirical analysis of how the duration of self-employment during the working career affects the risk of old age poverty and whether this is linked to the pension system design for the self-employed. The comparison of twelve European countries shows that a longer duration of self-employment is associated with a higher risk of old age poverty. Notably, the design of the pension provision for the self-employed does not affect the risk of poverty significantly.

In Chapter five, *Traute Meyer* investigates how the risk of old age poverty of young people with only basic education has developed over time, paying particular attention to their more frequent representation among those in (care-related) inactivity or lower wage jobs. In her comparative analysis of 24 European countries over the years 2002-2019, she shows that the low-educated young have become a small but even poorer minority with falling activity rates and that women are even worse off. Pension policies reinforce the poverty risk of this already vulnerable group. Based on the results of the empirical assessment, the author discusses how policies should focus on educational opportunities, access to employment and protection for times of inactivity due to care responsibilities. Cuts in pension system generosity applying to those with only basic education are particularly critical for pension adequacy for the most disadvantaged youth.

In Chapter six, *Ilari Ilmakunnas* and *Kati Kuitto* study the employment and earnings in the very early years of the career among young people in Finland and how the recent pension reforms of the mandatory earnings-related pension system affect pension accrual from this early employment. As Chapter 2 points out, one of the pension system parameters that is relevant for pension accrual of youth is the age limit from which pension accrues. Chapter six analyses how recent pension reforms in Finland lowering this age limit have enhanced pension accrual from early employment of 17-23-year-old Finns. The results show that i) employment is rather common in these early years in Finland and ii) that the intensity of employment and correlated with that, the earnings from which pension accrues, increase with age. Therefore, the reforms lowering the age limit have contributed to better pension accrual from this early employment. The study also points to gender differences in this pattern and the vulnerable situation among young people with a migratory background.

Chapter seven by *Sophia Fauser* and *Sonja Scheuring* highlights that not only pensions, but also other forms of savings and capital accumulation may become important for economic well-being in old age. Yet, labour market insecurities also challenge such private investments. In their case study of Germany, the authors ask how insecure employment affects homeownership as one of the most important private investments protecting against old age poverty. The empirical analysis first describes couples' employment trajectories and then investigates the effect of insecure employment trajectories and risk aversion on the probability of homeownership. The results show that there is a gender-specific relevance of risk-aversion, with only the male partners' risk aversion exerting impact on whether a couples' career uncertainty plays a role in the decision to buy a home. Chapter eight thus not only shows how labour market uncertainties affect long-term economic security through homeownership, but also emphasizes gender patterns in managing those risks.

The second part of the book on attitudes towards private pensions and retirement saving behaviour is opened by *Ellie Suh*'s and *Hayley James's* Chapter eight on the social, cultural and economic influences on retirement saving for the young generation in the UK. Recent pension reforms in the UK have reinforced the necessity of continuous private saving; understanding young people's retirement saving behaviour is therefore of special interest. In their analysis based on quantitative and qualitative evidence, the authors show that young people's retirement saving is contingent on their feeling of being financially resilient and established in their adult lives and furthermore guided by economic, social and cultural norms. The chapter brings in the concept of '*social ageing*' that has so far received only marginal attention in the research on private pension security. It highlights its relevance for how individuals perceive their life course progression and base their saving behaviour on that.

In Chapter nine, *Müge Gülmez Korkmaz* continues with exploring the attitudes towards private pension saving by focusing on young workers in Turkey. Her analysis based on qualitative interviews with young people working in the public and service sector reveals that young people seem to be ill-informed about pensions and have a myopic attitude towards retirement. While the nudge in the form of auto-enrolment helped some young people to enter private saving plans, many young people chose to opt out because of current financial needs, mistrust or preference for other saving mechanisms. The results highlight that young Turkish people often have problems in envisioning pension savings as a necessary and long-term project. At the time of writing, more pressing financial needs carry more weight, especially if labour market prospects seem unstable and less encouraging.

Finally, in Chapter ten, *Walid Merouani* broadens the perspective to include the to-date less studied Arab states of Algeria, Egypt, Lebanon, Morocco and Tunisia. Informal employment is one of the critical labour market issues in those countries and informal workers often do not pay contributions to the social security system. This poses a serious challenge to informal workers' social security and future pension income. In his analysis based on survey data, the author explores the reasons why informal workers are not insured. While some workers actively choose informality, others are excluded against their will, leaving both groups vulnerable to poverty in old age.

1.6 The contribution and implications for further research and policies

The contributions of this volume can only provide selected empirical snapshots of the complex relationship between early career uncertainties and later pension outcomes. Yet, taken together, they still allow us to draw some general conclusions for both academic and the scientific discussions on this topic.

First, even though both life phases – youth and old age – are chronologically far apart from each other, they are inherently linked through the logic of contemporary, often strongly contribution-based public, occupational or private pension systems. Uncertainties throughout the early career, be it through the experience of unemployment or atypical work forms, do have long-term socio-economic consequences and reduce future pension accrual. So far, however, this link has not been given sufficient attention in academic discourse. More efforts need to be made to develop theoretical concepts and models, such as the idea of 'social ageing' put forward by Suh and James in Chapter nine, to better understand causal mechanisms between labour market conditions and old age pensions that span the life course. At the same time, systematic accounts of existing institutional provisions in pension systems and their consequences for today's youth (as provided by Kuivalainen et al. in Chapter two) are required to provide the empirical basis for critical assessments of the present situation and sustainable recommendations for the future.

Second, existing evidence suggest that the political debate on the topic also needs to be expanded. Findings from the book show that today's pension systems do not sufficiently take into account the long-term consequences of youth unemployment (see Chapter three on the German case by Frommert) or atypical employment (see Chapter four by Höppner on self-employment). As Kuivalainen et al. (Chapter two) discuss, particularly unemployment and new forms of atypical work constitute a future challenge for contemporary pension systems. Recent pension reforms cutting the generosity of pension benefits for future retirees pose serious challenges to adequate old-age income especially for those young people who are most vulnerable due to low education, low labour market attachment or career interruptions due to care (see Chapter five by Meyer). Fauser's and Scheuring's findings (see Chapter seven) furthermore highlight that the negative effects of employment uncertainty are not limited to pension provision alone, but also extend to alternative factors affecting old age income such as home ownership. Political interventions to mitigate the negative effects of current employment uncertainty experienced by Europe's youth thus need to be span political fields, including labour markets, welfare and housing policies.

Third, our results show that it is not only systemic deficiencies of current institutions that endanger future pension prospects of today's youth, but also that young people's skills to navigate the different savings options available to them need to be enhanced. The results by Gülmez Korkmaz on young people's saving attitudes in Turkey (Chapter nine) show that young Turkish people are often still ill-informed about pension systems and the choices available to them. Thus, they are often prone to making irrational decisions, a finding corroborating earlier evidence on financial literacy among youth (Hofäcker 2017; OECD 2017, 2020). Merouani's perspective on selected Arab countries (Chapter ten) furthermore highlights that even the mere fact of being socially insured is dependent on the presence of formal employment. In particular, informally employed youth may entirely fall through the cracks of the social insurance system and be especially vulnerable to old-age poverty. Public policies to prevent such pension gaps thus should not confine themselves to changing institutional parameters but will also need to invest in educational policies promoting financial literacy early in the life course.

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