

SOCIAL EXCLUSION OF YOUTH IN EUROPE:

Cumulative Disadvantage, Coping Strategies, Effective Policies and Transfer (EXCEPT)

An innovative EU-funded research project, which aims to develop effective and ground-breaking policy initiatives to help young people in Europe overcome labour market insecurities and related risks.
Ongoing project



INTRODUCTION

Setting the scene

Unemployment and job insecurities are widespread among young people in Europe. The unemployment rate and temporary employment rate among those first entering the labour market or who are still early in their working lives is historically higher than for the rest of the population. Such experiences of unemployment and temporary employment in the early career can have detrimental effects for youths. As one of the consequences, they may experience social exclusion.

Since the 1990s, this problem has been a high priority for policy makers at both national and European levels, and numerous initiatives have been developed to try to overcome these issues, one example is the Youth Guarantee scheme. Despite the efforts, early job-insecurity and youth unemployment is still a challenge affecting all European countries.

Objectives of the research

The aim of this research project is to **improve our understanding of how labour market exclusion and job insecurity affect risks of social exclusion for young people across European labour markets.** This understanding will then be used to help support and in from the **development of effective policy initiatives** to help young people in Europe overcome labour market insecurities and related risks.

By using a **mixed-method approach** and analysing the available data, this research provides new evidence on the implications of labour market insecurities in relation to young people's poverty risks, their wellbeing and health status, and their ability to achieve independence from the parental home. The EXCEPT project looks at three main dimensions: wellbeing and health status, leaving parental home, and economic consequences. In the following brief, we present the results of our European comparative analyses on the effects of policies on the consequences for **wellbeing and health.**

SCIENTIFIC EVIDENCE AND ANALYSIS

Data and methods

A unique feature of the EXCEPT project is the way it analyses data in a multilevel design at both the **macro (national) and micro (individual) level, and compares the results across countries**, since these components can inform and interact with one another. This analysis is done to answer two key questions:

1. What is the association between labour market disadvantages and wellbeing and health for young people in each country?
2. Which labour market policies impact on the variations in wellbeing and health for young people across countries?

By answering these questions, recommendations can be made as effective policies are identified.

First, to understand the association between labour market disadvantages and wellbeing and health for young people across EU-28 and Ukraine, the EXCEPT team conducted a **descriptive analysis**. This was achieved by combining the research on unemployment and job insecurity, and comparing those unemployed to workers with fixed-term or no contracts, and to workers with permanent contracts.

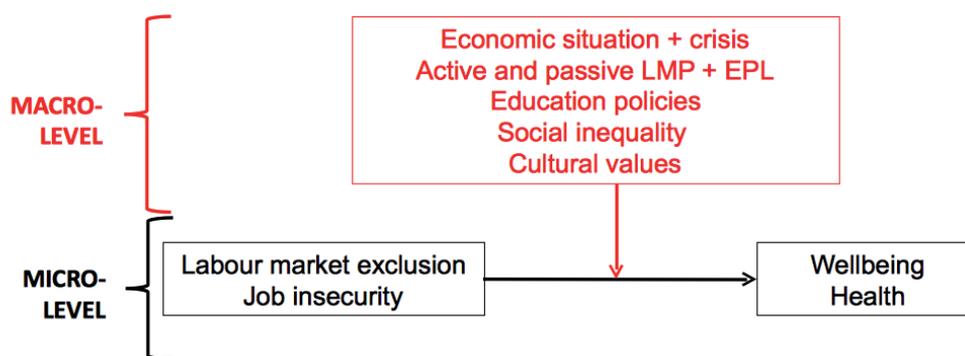
The measures included life satisfaction and happiness ratings for wellbeing, and self-rated health measures, for health. The situation was compared across countries.

Secondly, to explain cross-country variation in the effects of labour market exclusion and job insecurity based on differences in structural (i.e., economic situation, financial crisis), institutional (i.e., welfare state and labour policies), and societal and cultural (i.e., social inequality, cultural values) country-level factors, **a cross-country and an overtime comparison** was performed. This enabled the EXCEPT team to describe the moderating role of the:

- recent economic crisis,
- economic situation of a country,
- active and passive labour market policies (LMP),
- employment protection legislation (EPL),
- education policies,
- social inequality, and
- cultural values.

These moderating influences of policies were explored as Figure 1 shows (overleaf).

Figure 1: The multilevel model



The EXCEPT team used the European microdata, specifically several waves of the European Social Survey (ESS), and one wave of the European Union Statistics on Income and Living Conditions (EU-SILC) data set.

FINDINGS

Main findings

General patterns:

Having a job really matters for the wellbeing and health of young people in Europe. It matters less whether it is a permanent or a temporary job.

The analysis showed that wellbeing and health are lower among the unemployed compared to the employed. While subjective job insecurity affects negatively with wellbeing and health, the data shows only a small difference for wellbeing and no difference in relation to health outcomes when comparing youth with permanent and temporary contracts.

Unemployment strongly deteriorates wellbeing but to a lesser extent health.

Unemployment causes a bigger immediate drop in life satisfaction than in health. The unemployed–employed gap is particularly striking for happiness and life satisfaction.

Unemployment effects negatively even the partners.

The health consequences of job separations extend beyond the unemployed youth and affect also their partners. These spill over effects of job-loss are stronger in case the male partner loses his job.

There are long-term scarring effects of unemployment with respect to wellbeing and health.

The consequences of unemployment can be long-lasting for both, mental and physical health acting as “scars” in the individual life course. Thus, unemployment experienced in young age has scarring effect on wellbeing and health in long term being considerably worse for men. Unemployment experience is accompanied by an increase in the probability of health compromising behaviours such as smoking or alcohol consumption.

The moderation role of the economic situation and the crisis on wellbeing

The effect of the country’s economic situation on the relationship between unemployment (job insecurity) and wellbeing revealed the following:

1. Unemployment leads to more dissatisfaction and unhappiness in countries that are worse off financially (i.e., have lower GDP levels);
2. The negative effect of unemployment on happiness is mitigated in countries that have high levels of unemployment; and
3. The relationship between employment status and wellbeing does not seem to be mediated by the severity of the economic crisis.

The moderation role of policies and culture

In the following section we focus on the effects of labour market exclusion on wellbeing as the previous findings have revealed that job insecurity does not matter so much for health. Specifically, we analysed how policies and culture moderates the effects of labour market exclusion on wellbeing.

Our findings show that:

The following labour market and education policies and strategies are effective in reducing the negative effect of labour market exclusion on wellbeing:

- **Increase in generosity of unemployment benefits**
- **Decrease in stratification of the education system**
- **Increase in enrolment rates in higher education**
- **Increase in second chance opportunities within the educational system**

An increase in expenditure on active labour market policies and the deregulation concerning the use of temporary contracts are not effective (and can worsen wellbeing) (see Table 1).

Key messages for policy makers, businesses and trade unions

Table 1*: Results on the moderating effects of labour market and educational policies with respect to the effects of labour market exclusion on wellbeing

Indicators for labour market and education policies	Moderating effects on the negative effect of labour market exclusion on wellbeing
LABOUR MARKET POLICIES	
Increase in generosity of unemployment benefits	+
Increase in expenditure on active labour market policies	-
Deregulation concerning the use of temporary contracts	-
EDUCATION POLICIES	
Decrease stratification of the education system	+
Increase enrolment rates in higher education	+
Increase second chance opportunities	+

*A positive sign "+", highlighted in blue, means that the negative effect of labour market exclusion is statistically significantly mitigated. A negative sign "-", highlighted in red, means that the negative effect is statistically significantly intensified. A neutral sign "0" highlighted in grey, means that there is no evidence that the negative effect of labour market exclusion on wellbeing is moderated by the policy measure/institutional reform.

There are only few policy measures on social inequality and cultural values which mitigate the negative effects of labour market exclusion on wellbeing including:

Decrease of the perceived inequality mitigates the negative effects of labour market exclusion on wellbeing.

In contrast, increasing the value attached to work reinforces the negative effects of labour market exclusion on wellbeing (see Table 2).

Table 2*: Results on the moderating effects of social inequality and cultural values with respect to the effects of labour market exclusion on wellbeing

Policy measure / institutional reform	Moderating effects on the negative effect of labour market exclusion on wellbeing
SOCIAL INEQUALITY	
Decrease income inequality (Gini coefficient)	0
Increase the income share of the poorest 10%	0
Decrease the perceived inequality	+
CULTURAL VALUES	
High individualism/low collectivism	0
Increasing the value attached to work	-

*See Table 1 for categorisation details.

Results

The detailed findings from the EXCEPT project are available at: <http://www.except-project.eu/publications/>



PROJECT IDENTITY

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