

## 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

Young people are particularly hit by unemployment and job insecurities across Europe. Experiencing unemployment and job insecurity can have detrimental effects for the life chances of young people, including the threat of social exclusion. Fighting against this societal problem has been one of the top priorities at both national and European levels.

### 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 Europe. This understanding will be used to help policy makers to develop 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 disadvantages in relation to young people's poverty risks, their wellbeing and health status, and their ability to achieve independence from the parental home.

In the following brief, we present the results of our European comparative analyses, using quantitative methods, on the effects of policies on the consequences for autonomy of youth. By autonomy we consider a complex phenomenon which involves three main spheres of individuals' life: the possibility for young people i) to exit parental home (*residential autonomy*), ii) to have sufficient economic resources for an adequate standard of living (*economic autonomy*) and iii) to decide by themselves how to live their life (*psychological autonomy*). Achieving autonomy is indeed a crucial step in the process of becoming adult and active players in the society.

## SCIENTIFIC EVIDENCE AND ANALYSIS

### Data and methods

A unique feature of the EXCEPT project is the way it analyses data in a multi-level design at both the micro (individual) level of young persons and the macro (national) level of European countries. The individual perspective allows us to measure the consequences of labour market exclusion and job insecurity for the autonomy of young people. The comparative perspective enables us to assess how the economic situation, policies and the culture aggravates or mitigates these consequences. Specifically, we answer the two key questions:

1. How do labour market disadvantages affect the autonomy for young people in each country?
2. Which policies help in this respect?

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

First, to understand the association between labour market disadvantages and autonomy 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 employed individuals, and workers with fixed-term to workers with permanent contracts.

The multidimensionality of autonomy was captured by analysing

- housing autonomy in terms of living without parents
- economic autonomy in terms of not being at risk-of-poverty, having a personal income and not receiving monetary transfers
- psychological autonomy in terms of the perception of being able to decide for own life for psychological autonomy.

The situation was compared across countries.

Secondly, a **cross-country and an overtime comparison** was performed. This enabled the EXCEPT team to describe the moderating role of the:

- The economic situation (e.g. economic growth in a country and the impact of the recent economic crisis)
- Labour market and welfare state policies (e.g. active and passive labour market policies (LMP), employment protection legislation (EPL), the structure of the housing market, policies supporting housing and family), and
- cultural values (i.e., social inequality, cultural values).

These moderating influences were explored (as shown in Figure 1).

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 two waves of the European Union Statistics on Income and Living Conditions (EU-SILC), two waves of the European Quality of Life Survey (EQLS), and two waves of the Ukraine Household Budget Survey.

## FINDINGS

### Main findings

#### General patterns:

**Having a job really matters for the housing autonomy of young people in Europe. It matters less whether it is a permanent or a temporary job.**

The analysis showed that overall the condition of unemployment negatively affects the chances of living out of the parental home, with a lower proportion of unemployed individuals living autonomously compared to employed ones. A negative association between unemployment and inactivity also emerges on the chances of getting housing autonomy in most of the EU28 countries.

Objective job insecurity, stemming from temporary, atypical or non-formal types of contracts is overall negatively associated to housing autonomy at EU28 level. However to a lesser extent compared to unemployment, as the difference in percentage points between the two groups is lower (4.5 versus 8 p.p.) and country level analysis leaves a certain degree of uncertainty (the association is found in Germany, France, Italy, Poland and Portugal).

Subjective job insecurity, on the other side, does not show any substantial association with housing autonomy.

**Having a job and perceiving this job as secure matters for psychological autonomy of young people in Europe.**

Our analyses show that employees are the most advantaged group in terms of psychological autonomy and the unemployed suffer from a limitation of this type of autonomy. However, the magnitude of the differences between these two groups is quite diverse depending on countries. Subjective job insecurity as well negatively affects psychological autonomy: jobs perceived as more secure are associated to a higher degree of psychological autonomy, with the only exception of Anglo-Saxon countries (UK and Ireland) where the association is not found. On the contrary, objective job insecurity matters on psychological autonomy in the South of Europe only (Greece, Spain, Italy, Portugal, Cyprus, Malta), where permanent employees feel more autonomous than temporary ones.

**The chances of reaching housing autonomy deteriorated during and after the economic crisis.**

Results show that the relationship between unemployment and housing autonomy deteriorated in the period after the crisis, becoming negative in some of the countries where it was not before the crisis. For one third of countries the effect of unemployment on housing autonomy was negative in both periods, before and after the crisis (Estonia, France, Greece, Ireland, Italy, Latvia, Luxemburg, Romania, and Sweden). For another third the relationship became negative in the period after the economic crisis (Belgium, Czech Republic, Denmark, Hungary, Poland, Portugal, Spain, and the Netherlands), whereas unemployment did not affect housing autonomy in the pre-crisis period. In the final third of countries, there was neither a relationship between unemployment and housing autonomy before the crisis nor after the crisis.

Key messages for policy makers, businesses and trade unions

**The moderation role of macro-factors on housing autonomy**

**Economic situation**

Policies supporting the economic development of countries, in particular policies aimed at fostering the capacity of the productive system (increasing GDP per capita), can make the negative association between unemployment and housing autonomy weaker.

**Housing market**

Findings showed that policies aimed at broadening the access to mortgages can make the negative association between unemployment and housing autonomy weaker. However, increasing the level of indebtedness of families for accessing mortgages may increase their risk of financial vulnerability. That's why an easier access to housing market should be accompanied by policies that help reduce the burden of mortgages on the income of families, either by making them more flexible or supporting the repayment of the debt in case of job loss or income instability.

**Passive Labour Market Policies**

Generous and comprehensive passive labour market policies can make the negative association between unemployment and housing autonomy weaker, thus support housing autonomy of young people with low attachment to the labour market.

In the framework of supporting youth autonomy, it is therefore important to invest in measures that can give income continuity or economic support to young people with unstable careers, including those who are looking for their first job.

**Policies supporting family**

Policies that go in the direction of helping to reconcile work and family seem to play a positive moderating role: as an example, greater coverage of early childhood education and care (ECEC) and greater public expenditure on family and children allowance make weaker the negative association between unemployment and housing autonomy. Such a relationship may suggest that in these contexts families can rely on different sources of income - beyond income from employment - to support their family, which reduces the perception of risk and the economic burden associated to forming a family, indirectly promoting housing autonomy.

**Cultural variables**

The negative relationship between unemployment and housing autonomy is stronger in countries where traditional attitudes and behaviours are dominant. As an example, in countries with higher marriage rate and traditional orientation toward gender roles, the negative effect of unemployment on housing autonomy is greater. Indeed, where the traditional way of leaving the parental household is marriage, it is reasonable to argue that the dominant male breadwinner model requires the men to have employment. On the contrary, in less traditional countries - proxied by the proportion of children born out of marriage - the relationship between unemployment and housing autonomy is positively moderated. (see Table 1)

**Table 1** Results on the moderating effects of selected macro-level variables on the relationship between LM exclusion and housing autonomy

Policy measure/Institutional reform	LM exclusion & housing autonomy
<b>ECONOMIC SITUATION</b>	
Increase of GDP per capita	+
Increase of GDP per capita growth	-
<b>HOUSING MARKET</b>	
Increasing the ratio between residential Loans to GDP	+
Increasing the fraction of owners with no mortgage	-
Increasing the residential loans to disposable income	-
<b>ACTIVE AND PASSIVE LMP</b>	
Increase in generosity of passive LMP	+
<b>POLICIES SUPPORTING HOUSING AND FAMILY</b>	
Increasing public expenditure on family support (as % GDP)	+
Increasing childcare coverage	+
<b>TRADITIONAL VALUES ON GENDER ROLES</b>	
Diffusion of traditional behaviours	-
Diffusion of traditional attitudes	-
Traditionalism indicator (EVS)	0

\*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" means that there is no evidence that the negative effect of labour market exclusion on housing autonomy is moderated by the policy.

## The moderation role of the economic situation and culture on psychological autonomy

### Economic situation

The negative effect of unemployment on psychological autonomy is weaker when unemployment is a widespread experience in a specific society: in this case, the effect of unemployment on the perceived freedom to decide how to live one's life is relatively less strong.

Perceived job insecurity affects psychological autonomy. For young people who are afraid of losing their jobs but think they can find a similar one, the effect of job insecurity on psychological autonomy is low when GDP growth is stronger. In short, when people are in a condition of unemployment or perceived job insecurity, the psychological autonomy, intended as freedom to decide about their life, is threatened.

### Cultural variables

As far as cultural indicators are concerned, multilevel analysis shows that positive attitudes towards dual breadwinner households positively moderate the relationship between unemployment and psychological autonomy for men who have an insecure job and see no opportunities of finding alternative employment. (see Table 2)

**Table 2** Results on the moderating effects of the economic situation and cultural variables with respect to the relationship between LM exclusion, job insecurity, and psychological autonomy

	LM exclusion & psychological autonomy	objective job insecurity & psychological autonomy	subjective job insecurity & psychological autonomy
<b>SOCIAL INEQUALITY</b>			
Increase of GDP per capita	0	0	+
Reducing unemployment rate	+	0	n.s
<b>SOCIAL INEQUALITY</b>			
Diffusion of a dual breadwinner model	+		

\*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" means that there is no evidence that the negative effect of labour market exclusion on housing autonomy is moderated by the policy.

## Results

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

This policy brief is based on findings from:

- EXCEPT Working Papers No. 9 "Report on the impact of the institutional setting and policies on the autonomy of youth in insecure labour market positions in EU-28 & Ukraine" ([http://www.except-project.eu/files/filemanager/files/WP9\\_Report\\_on\\_the\\_impact\\_of\\_the\\_institutional\\_setting\\_and\\_policies\\_on\\_the\\_autonomy\\_of\\_youth\\_in\\_insecure\\_labour\\_market\\_positions.pdf](http://www.except-project.eu/files/filemanager/files/WP9_Report_on_the_impact_of_the_institutional_setting_and_policies_on_the_autonomy_of_youth_in_insecure_labour_market_positions.pdf))
- EXCEPT Working Papers No. 11 "Country level analyses of mechanisms and interrelationships between labour market insecurity and autonomy" ([http://www.except-project.eu/files/filemanager/files/WP11\\_Country\\_level\\_analyses\\_of\\_mechanisms\\_and\\_interrelationships\\_between\\_labour\\_market\\_insecurity\\_and\\_autonomy\\_v2.pdf](http://www.except-project.eu/files/filemanager/files/WP11_Country_level_analyses_of_mechanisms_and_interrelationships_between_labour_market_insecurity_and_autonomy_v2.pdf))



## PROJECT IDENTITY

<b>Coordinator</b>	Tallinn University, Estonia and University of Bamberg, Germany
<b>Consortium</b>	<ul style="list-style-type: none"> <li>• University of Duisburg-Essen, Germany</li> <li>• Institute for the Study of Societies and Knowledge, Bulgaria</li> <li>• Aristotle University of Thessaloniki, Greece</li> <li>• University of Turin, Italy</li> <li>• Educational Research Institute, Poland</li> <li>• Umeå University, Sweden</li> <li>• University of Kent, UK</li> <li>• Kyiv Economics Institute, Ukrain</li> </ul>
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