Synthesis of the main empirical findings of EXCEPT project

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i. to advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and improving the social situation of young people who face labour market insecurities, and

ii. to engage with relevant communities, stakeholders and practitioners in the research with a view to supporting relevant policies in Europe. Contributions to a dialogue about these results can be made through the project website http://www.except-project.eu/, or by following us on twitter @except_eu.

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Executive summary
by Marge Unt and Michael Gebel

Introduction

Labor market exclusion and job insecurities are widespread among young people in Europe. The unemployment rate and temporary employment rate among those first entering the labor market or who are still early in their working lives is much higher than for the rest of the population. Since the 1990s and particularly during the financial crisis, this problem has been a high priority for policy makers at both national and European levels and numerous initiatives have been developed to overcome these issues. Because of difficulties in getting and keeping a job, young people are expected to be more exposed to the multiple risks of social exclusion. Against this background it is the main aim of the project to measure and to understand the consequences of labor market exclusion and job insecurities for youth’s risks of poverty and material deprivation, their subjective well-being and health status as well as autonomy.

In this background, the EXCEPT had five major objectives. The first three objectives were dedicated to a European cross-country comparative, comprehensive investigation of the consequences of experienced labour market insecurities of young people for other multiple risks of social exclusion. The last two objectives sought to assess the effects and effectiveness of existing policy measures targeting socially excluded youth in order to identify best practises and critically discuss the issue of transferability of policy practises.

A multidimensional dynamic perspective on both objective and subjective dimensions of the social exclusion of young people is to be adopted in order to identify the complex interrelationships and potential risks of cumulative disadvantages and possible compensatory mechanisms. Specifically, implications of labour market insecurities for youth’s subjective well-being and health status, their ability to reach independence from the parental home and their risks of poverty and material deprivation were investigated in a mixed-method approach.

- First, 386 qualitative interviews were conducted with youth from nine selected European countries representing different welfare regimes: Germany, Sweden, the United Kingdom, Bulgaria, Estonia, Poland, Ukraine, Italy and Greece. These interviews provided an in-depth understanding of how disadvantaged youths perceive their social situation and try to cope with it in different economic, institutional and cultural environments.

- Second, quantitative methods were applied using EU-28 and national cross-sectional and longitudinal micro-data in order to identify the causal
interrelationships and dynamic processes of youth’s social exclusion in different national contexts.

- Third, the diffusion and effectiveness of EU and national policies that address various issues of youth social exclusion were assessed in the EU-28 and Ukraine based on policy evaluation analyses for all EU-28 countries and Ukraine.

In the following the short summaries from all chapters of this report are presented.

**Synthesis of findings of WP1: Conceptual framework and identification of risk groups**

- From conceptual point of view, the project adopts a multi-level dynamic theoretical model for understanding the impact of specific policies on youth chances of social inclusion.
- At the micro-level social exclusion was conceived to be (1) multidimensional or socioeconomic, and encompasses collective as well as individual resources, (2) dynamic or processual, along a trajectory between full integration and multiple exclusions, (3) relational, in that exclusion entails social distance or isolation, rejection, humiliation, lack of social support networks, and denial of participation, (4) active, in that there is a clear agency doing the excluding, and (5) relative to context.
- Given the life course perspective applied in the current project, youth are (where data allows) defined not only by age but also with regard to their time of leaving the education system and their (potential) entry to the labour market.
- It is expected that the consequences of labor market exclusion and job insecurities for risks of social exclusion are moderated by the institutional and structural macro-level context. In terms of institutions the role of the education system, labour market regulation, and labour market policies are investigated. Next to these institutional dimensions, the structural context in terms of economic and labour market conditions as well as the cultural context are considered.
- Descriptive analyses of EU and Ukrainian micro data reveal that the most vulnerable groups of youth across majority of countries tend to be the least educated.
- Labour market entry trajectories differ between EU countries for recent school leavers. In Southern Europe and some post-socialist countries there is a slower transition of recent graduates into employment, whereas it was faster in Austria, the Netherlands, and the UK.
- The labour market inequality related to educational attainment is much more pronounced in the Central Eastern European (CEE) countries that in the rest of Europe. At the same time, in the majority of the CEE countries (except for Slovenia and Estonia), there are few opportunities to overcome the initial shortage of educational resources.
• Employment per se does not always translate into favourable financial and economic situation of the youth. In Bulgaria, Romania and Hungary more than 20% of working youth still live in severely materially deprived households, and more than 40% of working youth report difficulty in making ends meet.

Synthesis of findings of WP2: Assessment of the diffusion and effects of inclusion policies

• Descriptive analyses national-level expenditure data show that the expenditure on active labour market policies varies from 1.46% in Denmark to 0.02% of GDP in Romania. In the period 2005-2015 the gap in expenditures between high-expenditure and low-expenditure countries has grown. In 14 EU countries expenditures has increased both in absolute and relative terms, especially rapidly in Hungary, Czech Republic, Greece & Estonia.

• National policy reports written by national policy experts indicate a common trend in the labour market policies’ complex: universal shift from passive to active policies; activation turn; strong employability focus; predominant addressing of individual deficits and lack of attention to structural ones; high preference to reactive and neglect to preventive measures; focus on any jobs instead to good jobs. The trend is different in intensity, speed and specificity in the various Member States and Ukraine.

• Furthermore, in many countries trends towards tightening the conditions of receiving unemployment benefits and in increasing binding rules to participate in LM policies as a condition for receiving social assistance benefits were identified. These trends are in conflict with the aim of providing adequate minimum income schemes in the EU Social Pillar if countries did not guarantee the minimum income in other ways.

• The diffusion of EU initiatives (like YG, YEI & QFTA) is related to the importance of EU funding and severity of incidence of unemployment. The less the reliance on EU funding, the lower the influence of the EU youth employment initiatives. The more severe the unemployment, the more likely adopted a policy approach elaborated at the EU level.

• Based on a review of 120 interventions the following success factors were determined: early interventions, individualized & tailored support, integrated approach and stimuli, instead of sanctions for the young people.

• 42 best practices were identified by country experts based on a methodology prepared for Mutual Learning Programme under the European Employment Strategy. The majority of youth measures identified as good practices clearly involve various public and private stakeholders. However, notwithstanding some positive examples, the genuine youth involvement in youth employment measures’ designing, formulation, implementation, monitoring and evaluation is
more an exception than a rule and this is a common institutional challenge in the EU.

- The ‘good practices’ proposed by country experts rarely target the most vulnerable, thus, it seems that policy interventions with groups better off turn more easily to good policy examples. Additionally, the learning by doing process could be greatly improved if a "good practice" procedure is applied to failures (‘bad practice’) as well.

- In terms of policy cycle, the study finds out improvements in agenda setting and policy implementation stages and serious deficiencies in policy formulation and evaluation stages.

- Youth unemployment is widely recognized as important risk and the need of state intervention is shared across countries and stakeholders. The horizontal coordination among different stakeholders involved in the implementation stage is in a process of improving.

- The policy formulation process is highly centralized and the space for bottom-up impacts remains uncertain. The ‘good job’ concept is not incorporated in any meaningful way. Additionally the study finds out a significant mismatch between the objectives of the policy interventions and the drivers of youth unemployment that leads to insufficient problem solving capacity of the measures.

- The study finds out major issues in quality of evaluations, their purpose, scope and transparency. Especially neglected are longer-term effects, unintended consequences and the cumulative impact of different interventions. Also the overview of meta-analysis of active labour market programs outlines that there is little evidence of effects of ALMPs available and that available evidence points mostly no or even negative effect.

- ALMPs contribute to increase of labour supply and distorting the supply – demand equilibrium thus affecting the bargaining power of the actors in the labour market, incl. increased vulnerability of the unemployed & the employed and strengthening positions of the management of companies. In such cases, employment cannot ensure social inclusion for the employed and young people are among the most affected by the adverse effects.

- ALMPs contribute to expansion of underemployment increasing ‘secondary’ jobs (low quality, low-skill, low-pay, involuntary part-time and precarious employment). This affects disproportionally young people and curbs wage demands, incl. the propensity of full-time workers to accept deterioration of job quality, especially in periods of economic downturns.

- The consistency of applied policies (economic, financial, and social) is not high and their impacts are contradictory. Particularly youth employment interventions are not able to compensate weaknesses in the early stages of human capital formation and the lack of adequate social investments in the field.
Synthesis of findings of WP3: Development and implementation of qualitative interviews of youth

- 386 qualitative interviews with youth were carried out in the period November 2015-November 2016 in Germany, Sweden, the United Kingdom, Bulgaria, Estonia, Poland, Ukraine, Italy and Greece.
- The sample included young people aged 18-30, focusing on temporary workers, unemployed, NEET and non-contractual workers. Low educated people were oversampled and half of national sample were involved in labour market policies. Specificities of each country were taken into account oversampling specific categories and targeting the risk groups that were identified the descriptive analyses of WP1.
- The method used for the analysis of the interview data in each country was thematic analysis involved the searching across a data set (i.e., a number of interviews) to find repeated patterns of meaning (Boyatzis 1998; Braun & Clarke 2006; Grunow & Evertsson 2016).
- Each interview was coded based on the shared codebook was characterised by three different types of codes (“thematic”, “cross-thematic” and “qualifying”) with different functions that were conceived in order to be combined and used together. For each interview a synopsis was prepared in English: a short report of each interview and contained information and quotations taking into account interviewee experiences, coping strategies, feelings and points of views.
- In the comparative report, the main axes were topics, subtopics and countries. The aim was to understand the feelings and mechanisms inside the specific institutional contexts of similar groups of young people with similar goals and similar phases of their life in which they became adults and faced important issues, like leaving the parental home, finding a job, managing money, planning a future and facing problems of well-being in this delicate and important phase of their life.

Synthesis of findings of WP4: Consequences of labour market insecurity on youth`s well-being and health

- The descriptive analyses of EU and Ukrainian microdata show that well-being and health are lower among the unemployed compared to the employed. Similarly, those young people who have experienced long-term unemployment in the past and are currently unemployed report lower well-being and health.
- The descriptive analyses reveal smaller (well-being) or no differences (health) by type of contract (permanent vs. temporary employment).
- While in most countries the unemployed have lower well-being and health than the employed, the magnitude of the employed-unemployed gap and gap by type of contract differs across countries.
• The results concerning the financial crisis are mixed. The association between employment status and health reduces after the crisis in terms of health and happiness but not life satisfaction. For the differences between those with temporary and permanent contracts no specific pattern of change over time is revealed.

• Multilevel analyses show no effect of the country's economic situation on the relationship between unemployment/job insecurity and health/wellbeing for most of the indicators on the economic situation. The few detected effects showed mixed directions.

• Higher unemployment benefit generosity is associated with less negative effects of unemployment on well-being, whereas the reversed finding is documented for higher spending on active labour market policies and the deregulation of the use of temporary employment.

• Unemployment has less negative effects on well-being in countries with education systems that are less stratified, have higher enrolment in higher education, and provide more second chance opportunities concerning the access to higher education.

• No evidence is found on the moderating role of labour market and education policies on the effects of unemployment and type of contract on health.

• In societies where people subjectively perceive less inequality the negative effect of unemployment and temporary employment on well-being is buffered, whereas, unexpectedly, a reversed association is found for objectively unequal societies with regard to the effects of unemployment and temporary employment on health.

• In individualistic countries the negative effects of unemployment and temporary employment on health are exaggerated, while the effects on well-being are not affected. In societies that attach a low value to work the negative effects of unemployment on well-being are stronger. Unexpectedly, unemployment and job insecurity were found to relate to worse health in societies that attach a low value to work.

• In-depth analyses of longitudinal microdata show that a job loss decreases both personal life assessments and willingness to live. The negative effects are stronger the more a person valued the role of employment in his/her life.

• The health consequences of job separations, particularly in the case of men, extend beyond the unemployed youth and affect also their partners. Men's unemployment deteriorates their female partners' health most of all in conservative countries, with social norms supporting male breadwinner supremacy. These effects are also stronger in countries with stronger work ethics and countries with lower aggregate unemployment (proxying the so-called social norm of unemployment).
• Also in the long-run experiencing unemployment as well as involuntary job loss during negatively affects health and well-being 35+ years later in life. The effect is considerably larger in magnitude for males than for females and if job loss occurred earlier compared to later in the young career.

• According to the results of qualitative interviews, youth gave a variety of meanings to their well-being and health such as (a) a ‘good’ job, that is stable, interesting, and fulfilling, (b) a job that offers good money or sufficient income, (c) good health, (d) good family relationships and friendships, (e) material goods (i.e., house, fun, travel), and (f) a sense of security and stability in life.

• The Bulgarian, Estonian, the Polish and the Ukrainian youth complained about “toxic” work and “harsh” working conditions decreasing their wellbeing and health. They all seemed to ask for stability and safety in the labour market along with better salaries in order to be able to afford everyday living. Youth in Greece and in Italy sounded hopeless and totally disappointed from their career prospects and future orientation. In an environment of low unemployment in Germany, unemployed youths in Germany feel shame and self-blame as well as they experience social outrage and prejudice. In United Kingdom and Sweden, where unemployment rates of recent school leavers are on the decline youth sounded more optimistic than the rest and asked for career opportunities that respond to their qualifications and dreams, as well as to a higher purpose in life.

• In terms of risk factors, participants mentioned disability, mental health problems, excessive worry, anxiety, pessimism, low self-esteem and early parenthood as micro-level risk factors, family conflicts, family dependency, parental loss and living in a small town or in ghettos as meso-level risk factors and high rates of unemployment and temporary employment as well as stigmatization, sexism and racism as macro-level risk factors.

• Many interviewees resort to individual coping and family support.

Synthesis of findings of WP5: Consequences of labour market insecurity on autonomy

• The descriptive analyses of EU and Ukrainian microdata reveal that Housing autonomy is negatively affected by unemployment and, to a much lesser extent, by temporary employment, whereas there is no effect of subjective job insecurity. There is a strong variation in the effects across countries and no consistent pattern of the influence of the crisis.

• Psychological autonomy is negatively associated with unemployment and subjective job insecurity. The effect of unemployment is most detrimental in Scandinavian countries compared to other country clusters. In contrast there is no association between having a temporary contract and psychological autonomy.
• Based on multilevel analyses it is found that policies increasing the GDP per capita can make the negative association between unemployment and housing autonomy weaker.

• Concerning the housing market, policies aimed at broadening the access to mortgages can make the negative association between unemployment and housing autonomy weaker. However, in case of indebtedness of households in terms of a high ratio between residential loans and disposable income of families the influence of unemployment on housing autonomy is stronger.

• Higher spending on passive labour market policies mitigates the negative effects of unemployment and housing autonomy.

• An expansion of early childhood education and care (ECEC) and greater public expenditure on family and children allowance make the negative association between unemployment and housing autonomy weaker.

• The negative relationship between unemployment and housing autonomy is stronger in countries where traditional attitudes and behaviours are dominant.

• The negative effect of unemployment on psychological autonomy is weaker when unemployment is a widespread experience in a specific society.

• The negative effect of perceived job insecurity on psychological autonomy is mitigated in countries with higher GDP growth.

• For men the negative effect of unemployment on psychological autonomy is weaker in countries with positive attitudes towards dual breadwinner households.

• In-depth analyses of longitudinal microdata show that unemployment and inactivity delays the process of leaving parental home in Italy, the UK and Poland. In Germany, such a negative effect of unemployment was limited to men in the western part of the country, while in Estonia unemployment did not emerge as a critical factor in the process of exit parental home.

• In Italy, Poland and Estonia the economic downturn generated by the economic crisis in 2008 delayed the transition out of the parental home, although with different timings across countries.

• According to the results of qualitative interviews, the self-perception of an individual’s labour market position affects leaving parental home in different ways. In Italy, Poland and Greece, having a stable job is seen as a prerequisite for housing autonomy. In Ukraine and Bulgaria, a feeling of insecurity due to low income attached to the work contract was seen as decisive. In the UK, Estonia and Sweden, both having a secure job and enough money were seen as conditions of leaving parental home. In contrast, Germany and Sweden job insecurity did not affect the decision.

• Young people who were unemployed more likely associated autonomy with the ability to cover their own daily expenses. In contrast, youth having a job tended
to connect economic autonomy to future prospects, as well as in the case of the interviewees with a personal income and more highly educated in all the countries.

- Psychological autonomy was mainly described as taking care of oneself without strong support from other people or institutions, and taking responsibility for the decision-making process in life. In some countries a job was considered as an identity opportunity, whereas it was seen as an income opportunity in other countries.

**Synthesis of findings of WP6: Socio-economic consequences**

- The descriptive analyses of EU and Ukrainian microdata reveal that unemployed are more likely to be income poor, have a higher chance to live in a severely deprived household and report more often to face financial difficulties subjectively. These differences remain also after controlling for further personal characteristics.

- Hourly wages and satisfaction with financial situation is lower among temporary employed than permanently employed youth.

- The results concerning the financial crisis showed that the crisis enhanced the incidence of poverty, the experience of severe deprivation and the feeling of being poor among the young generation. This applied particularly to youth in employment, which experienced a notable increase in income poverty.

- Results of multilevel analyses reveal that institutional factors matter for the economic situation of young unemployed and temporary workers in Europe. Country-level expenditures to active and passive labour market policies effectively mitigate the negative impact of unemployment on the financial situation of youth.

- The negative effect of temporary work is smaller in countries with a high level of unionization, suggesting that labour unions may possibly not only protect permanent but also fixed-term employees.

- No consistent results were found for the legal protection of fixed-term contracts, both as such as well as in relation to that of permanent employees.

- In-depth analyses of longitudinal microdata show scar effects of unemployment. Young people who experienced unemployment at age 18-29 are more likely in four years’ time to be at the risk of poverty, to live in a materially deprived household, and to live in a household which reports more financial. Moreover, for the older youth, the detrimental effect of unemployment is stronger, as they are more likely to be at the risk of poverty, in both objective and subjective terms.

- For temporary jobs, however, results do not confirm the existence of a large material disadvantage as compared to those holding the permanent one. Still, in terms of risk of poverty, the impact of temporary contracts on career of youth varies depending on their educational achievements. For those with higher skills,
temporary jobs seem to be more a stepping stone than a trap, being associated with similar financial gratifications as in permanent contract.

- It was confirmed by country level analysis of the UK, Germany, Italy that experiencing unemployment unanimously led to negative socio-economic disadvantages in the medium-term, with the effect being stronger as number and the duration of unemployment spells increased. Results from Estonia showed that the detrimental effect unemployment may less stigmatising when unemployment coincidences with the short economic downturn as employers do not to use it as a signal of lower productivity, but may increase in times of recovery.

- According to the results of qualitative interviews, in Bulgaria and Ukraine, youth relate poverty to low wages and construct deprivation as the reality of even permanently employed youth. Greek participants, on the other hand, tend to draw temporal comparisons differentiating between their pre-crisis and present material/financial situation and relate poverty to the massive rate of unemployment in the country due to financial crisis and its implications.

- Apart from the vital role of family support in escaping deprivation, the commonly mentioned by the participants’ coping strategies in all countries involve personal budget management (reducing expenses, bargaining, making finances tangible, saving when possible). Immigration is also considered a means of career advancement among Greek, South Italian, Polish and Bulgarian participants. Also working under precarious conditions as a strategy used to improve one’s future employment prospects.

- Relying on state benefits is often accompanied by feelings of shame and fear of stigma in countries like Germany and Sweden. On the contrary, in other countries (i.e., Italy, Greece and Bulgaria), apart from being critical on the effectiveness of specific measures, interviewees’ accounts also reveal mistrust of state institution and initiatives.
Synthesis of findings of WP1: Conceptual framework and identification of risk groups

by Marge Unt, Michael Gebel and Kadri Täht

Working package 1 had the following four objectives:

- **O.1.1** To review the theoretical and empirical starting points of the project (stock taking)
- **O.1.2** To refine and confirm the key objectives of the overall Project
- **O.1.3** To provide a common base for the next WPs, establishing definitions and risk groups
- **O.1.4** To hold a project start-up meeting

**Refining and confirming the key objectives and the theoretical model**

**1.1. The key objectives of the EXCEPT project**

The general aim of the project is to contribute ideas for improving existing policy measures and to recommend more effective and innovative policy initiatives to help overcoming youth’s labour market insecurities and related risks of social exclusion in Europe. The specific objectives of the project are as follows:

(I) Understanding the multi-faceted risk of social exclusion of youths;

The concept of social exclusion is of particular relevance for youth and has been on the agenda of European social policies and youth policies for some time. The project lays emphasis on the multidimensional nature of the concept of social exclusion. Specifically, the project seeks a comprehensive understanding of how job insecurities and labour market exclusion affect youth’s subjective well-being and health, their chances of gaining autonomy by leaving parental home, gaining economic independence from parents as well as their short-, medium and long-term economic situation in terms of risks of poverty, material deprivation and capabilities of qualifying for social security.

(II) Studying youth’s multiple risks of social exclusion in a dynamic process and life-course perspective;

Following the seminal study of Gallie and Paugam (2000), the social consequences of labour market exclusion should be understood as a dynamic process of social exclusion acting as a downward spiral of progressive disadvantages. Thus, next to approaching the issue of youth social exclusion from a standard cross-sectional social-indicator based perspective, this research projects seeks to gain new insights by analyzing the timing,
ordering and causal interrelationships of youth experiences of labour market exclusion in their early career, their development of health and well-being, their processes of gaining autonomy and their accumulation of economic resources in an individual-level dynamic perspective. This dynamic process perspective will be complemented with a life course perspective by providing a comprehensive analysis of the short-term and long-term consequences of labour market exclusion and insecurity for youth’s multiple risks of social exclusion. The life course perspective is approached both with prospective longitudinal data following youth over time and with retrospective life history data that allows to take into account the experiences of past generations which were exposed to high unemployment and job insecurity in their youth.

(III) Bringing in the perspective of youth: self-perception and coping strategies

Next to understanding the labour market situation and multiple risks of the young people, the current project also seeks to learn more about how socially excluded youth self-perceive their situation and how they cope with the various experiences and risks of social exclusion. Next to applying the standard approach of analysing existing quantitative micro-data sources on youth’s social situation in different European countries, the current project goes deeper by conducting in-depth qualitative interviews with young people about their experiences of labour market exclusion, insecurities and related risks of social exclusion in an international comparative perspective. These interviews give young people a voice in order to understand how they self-perceive their situation, which coping strategies they apply and what they think policy should do to improve their situation. The special focus here is on particularly vulnerable groups of youths such as migrants, ethnic minorities, disabled persons, single mothers and youth from disadvantaged family backgrounds to better understand their situation of experiencing risks of cumulative disadvantage and to come up with proposals to improve their social integration. Additionally, youth public, youth groups and youth initiatives have been identified as main target groups of the dissemination strategy that employs various channels to communicate findings of the research project to youths and to engage in dialogue with them.

(IV) Evaluating the effect and effectiveness of policies;

In the project, three types of policy fields relevant for youth risks of labour market exclusion, insecurity and related risks of social exclusion are distinguished: education policies, labour market flexibilisation/flexicurity policies, and welfare state policies. In each policy field, different kinds of policy measures that exist at the EU, national and regional level are looked at. The current project seeks to assess the effects and effectiveness of existing policy measures targeting socially excluded youth. This part of the research includes also interviews with policy experts in EU28&Ukraine and in-depth studies of best practise examples. In order to bring in the perspective of youth, this research project asks young people about their individual experiences as participants of specific policy programs that address the problem of youth social exclusion.
(V) Generating new ideas for policy improvement.

The results of the assessment of the existing policies will serve to identify new policy measures and ways to improve existing ones that may be more effective and efficient in tackling problems of youth labour market exclusion and job insecurities and the related multiple dimensions of social exclusion. The aim is not to adopt a ‘one best system' approach but to take the national peculiarities into account when discussing the issue of transferability of policy practises.

1.2. Multilevel dynamic theoretical model

The main theoretical ideas, perspective and interrelationships studied in the current project are summarized into a more general model on Figure 1.

![Figure 1: The summary of the central perspectives and (inter)relations studied in the project](image)

From a conceptual point of view the project adopts a multi-level perspective for understanding the impact of specific policies on youth chances of social inclusion.

At the individual level the consequences of labour market exclusion and job insecurities for various dimensions of social exclusion were considered. The outcome dimensions under scrutiny in the current project are youth’s subjective well-being and health, their chances of gaining autonomy by leaving parental home, gaining economic independence from parents and forming own family as well as their short and long-term economic situation in terms of risks of poverty, material deprivation and capabilities of qualifying for social security. While youth labour market exclusion can be seen as being part of the broader concept of social exclusion, the dimension of “labour market exclusion"
is singled out the central interest here is the effects of experiencing “labour market exclusion and/or insecurity” on the above-mentioned dimensions of social exclusion.

Acknowledging that social exclusion is a dynamic process (Gallie/Paugam 2000) the project elaborates on the timing and interrelationships of different processes of social exclusion. Social exclusion is studied from a life course perspective looking not only at the short-term but also long-term consequences. The dynamic process and life course perspective are crucial to better detect potentials for compensatory mechanisms to combat youth social exclusion.

Accordingly, youth individual life courses are socially embedded in the macro-institutional and structural context, which defines the set of opportunities and constraints to which individual persons respond when making their life course decisions and transitions (Buchmann/Kriesi 2001, Breen/Buchmann 2002, Mayer 2009). The institutional and structural context is fundamentally shaped by policies that strongly vary across countries and, according to the degree of federal state structures, also across regions within nations. Thus, national institutional settings and policies in particular are expected to have a mediating effect on how risks of labour market exclusion and job insecurity of young people translate into risks of social exclusion (Blossfeld et al 2005; Blossfeld et al 2011). Given that institutions and policy regimes have historically developed based on national ideologies concerning social solidarity, engagement for social equality and gender ideology (Flora/Alber 1981, Esping-Andersen 1990) and a certain inertial tendency to persist (Esping-Andersen 1993) previous research has summarized the institutional setting and policies of countries in typologies according to three policy fields.

Following Mills and Blossfeld (2003) three types of policy fields that are relevant for youth are distinguished: education policies, labour market flexibilisation/flexicurity policies and welfare state policies. While education and labour market policies primarily affect the extent (i.e. the overall incidence) and distribution (i.e. the social inequality of youth risks) of labour market exclusion and job insecurity, welfare state policies are primarily responsible for the degree of protection for those groups affected by employment risks by offering a more or less developed safety net and/or active labour market policies.

At the level of youth coping strategies, the meso-level of families/households and communities comes into play.

**Reviewing the theoretical and empirical starting points of the project**

Within WP1, following the theoretical model (Figure 1), we compiled a database including the most recent literature (mostly academic publications, but also national and international reports) on youth labour market exclusion and insecurity and its relation to various dimensions of social exclusion including 323 systematized references. The collected references were used to write two literature reviews:
The literature review provides an overview of the recent literature and findings on institutions shaping youth labor market exclusion and the insecurity process. Throughout the reviewed literature, there tends to exist a general agreement on the main institutional features that shape the exclusion and insecurity of youth in the labor market entry process: education system, labor market regulation, and labor market policies. Next to these institutional dimensions, youth labor market entry process is also shaped by macro context in terms of economic and labor market conditions, but also cultural dimensions such as employment commitment. Given that, recent economic financial crisis became an especially relevant milestone for understanding the effect of institutional context on youth labour market entry process – although it affected so many countries and young people, the vulnerability of the countries and respectively the youth in the country depended on the existing institutional context on the one hand and the political measures undertaken on the other hand. The findings regarding the effectiveness and role of various dimensions remain, however, mixed. It can be on the one hand explained by the variety of indicators used in the analyses, and on the other hand the actual co-existence of various indicators (the institutional ‘packages’) in the actual life.

The second literature review summarizes the conceptual and theoretical literature on the social exclusion with the aim to discuss peculiarities of application of this framework for the comprehensive understanding of experiences and consequences of job insecurity and unemployment of young people. As summarized by the review, social exclusion is conceived to be „(1) multidimensional or socioeconomic, and encompasses collective as well as individual resources, (2) dynamic or processual, along a trajectory between full integration and multiple exclusions, (3) relational, in that exclusion entails social distance or isolation, rejection, humiliation, lack of social support networks, and denial of participation, (4) active, in that there is a clear agency doing the excluding, and (5) relative to context.

Socially excluded are considered to be those young people who are unable to participate in activities institutionally identified and normatively expected from young people. To apply this conceptual basis for the research on youth, peculiarities of youth as the life stage and those related to current economic and social conditions of becoming adult should be taken into consideration.
The main disadvantage of youth as a stage of life that makes the youth as a social group especially vulnerable to exclusionary processes, particularly to that of discrimination is the lack of power to influence processes of becoming an adult. Thus, the holistic exploration of the nature of these processes and their outcomes should be part of the research on social exclusion of youth.

**Providing a common base for the next WPs, establishing definitions and risk groups**

The aim of WP1 was to clarify definitions of the independent variables X and dependent variables Y of interest in the EXCEPT project.

Regarding the definition of the central independent variable X of interest “labour market exclusion”, in the current project a strict definition of exclusion in terms of youth not being in employment is applied. The latter means that labour market exclusion issues such as being part of the “secondary labour market segment”, i.e. as “being excluded” from good jobs in the primary labour market segment, are not studied here. This is because this broader concept is already covered in the definition of job insecurity as the majority of young workers in insecure jobs are located in the secondary labour market. However, the heterogeneity within the group of youth not being in employment are still discussed. For example, in reaction to or in anticipation of scarce employment opportunities, youths may give up job search and become discouraged, hence being officially defined as being out of the labour force. Moreover, parenthood represents an alternative role model particularly for young women when employment opportunities are rare. Hence, the broader concept of young people who are not in education, employment or training (NEET) is applied in order to fully capture the problem of missing employment opportunities for young people (Eurofound 2012). Within NEET, various subgroups are differentiated.

In addition to employment opportunities, employment security is a key dimension with regard to labour market integration and considered as the second central independent variable X of interest. In times of globalisation, employers transfer their market risks and uncertainties to employees by offering them more often insecure jobs, especially to young labour market entrants who lack work experience, seniority and networks (Breen 1997, Lindbeck/Snower, 1989). Depending on specific research question and data, the project distinguishes between objective and subjective job insecurity. Under subjective insecurity are understood for example questions about the fear or expectations of job loss in the near future. Objective indicators relate more to the type of contract such as temporary work contracts and/or non-contractual informal work arrangements, which are usually accompanied by high risks of job loss.

Various dimensions of social exclusion acted as the dependent variables Y. The outcome dimensions under scrutiny in the current project are youth’s subjective well-being and health, their chances of gaining autonomy by leaving parental home, gaining economic
independence from parents and forming own family as well as their short and long-term economic situation in terms of risks of poverty, material deprivation and capabilities of qualifying for social security. Detailed elaborations on definitions were done in WP4 to WP6 and can be find in the respective chapters of this report.

Given the accumulative dynamic approach and life course perspective applied in the current project, youth are (where data allows) defined not only by age but also with regard to their time of leaving the education system and their (potential) entry to the labor market. The latter permits narrowing the focus of the project on the early process of labor market insecurity and exclusion among school-leavers and its relation to social exclusion risk, and its potential consequences on other life domains (leaving the parental home, health and well-being, economic situation, etc.).


The analytic report (based on the analysis of several European micro-data sets) provides an overview of the labour market situation of recent school-leavers in Europe, comparing both different measures and data sets, almost all European countries and three points of time (pre-crisis, crisis; after-crisis). The focus of the report is on the following topics: labour market exclusion, insecure employment, and the labour market transitions affecting recent school leavers. Besides the results of the analysis, the report provides the readers and the rest of the project teams with a comparative overview of the advantages and disadvantages of central data sources (ELFS; EU-SILC, ESS – all used for carrying out the analysis in the respective report) for this type of analysis. As part of preparing the report, the codes/do-files for creating central variables and sample selections for the above-mentioned datasets were produced, facilitating and harmonizing in this way the data work of other teams/WPs.

The main results of the report can be summarised as follows:

- recent school leavers experience more disadvantage on the labour market than prime age workers: they are more likely to be unemployed or NEET (neither in education, employment nor training);
- the labour market situation of recent school leavers was weakened by the current economic crisis in the majority of European countries (except Germany);
- unemployment of recent school leavers varies considerably between European countries; Greece, Spain, Italy and Croatia provide the worst employment prospects for graduates;
• educational attainment is the most important factor that improves the chance of recent school leavers to enter the labour market;
• labour market insecurity for recent school leavers is closely related to labour market policy and country specific employment regulations;
• in Southern Europe, recent school leavers are overrepresented as temporary and part-time workers and are forced into these types of employment owing to the lack of available permanent employment contracts;
• in post-socialist countries, atypical, insecure forms of employment are a rare phenomenon for both recent school leavers and prime age workers;
• in Spain, Greece and Italy, the labour market exclusion of recent school leavers, as depicted by high unemployment rates, overlaps high employment insecurity;
• labour market entry trajectories differ between EU countries for recent school leavers. In Southern Europe and some post-socialist countries there is low labour market mobility, while in Austria and The Netherlands, and the UK, the transition of recent graduates into employment is much faster.


The working paper presents the findings of the analysis aiming at identifying socio-economic and demographic factors, which characterize young people most at risk of labor market exclusion in Europe. In the analysis, every country was treated as unique case with a unique youth labour market risk pattern. The risk group report served among others as input for forming the sample of youth at risk for cross-country comparative qualitative research carried out in WP3. The first part of the working paper presented the literature review of potential risk factors shaping the labour market exclusion risk of young people entering labour market: gender; educational attainment; field of studies; migration background; place of residence; household structure and family situation. The second part applied these factors in the analysis applying segmentation techniques. The central findings can be summarized as follows:

• The most vulnerable groups of youth across majority of countries tend to be the youngest, the least educated and females;
• Field of highest level of education or training might dramatically change chances of finding a job - in many countries people trained in arts, humanities or services have to deal with higher chances of facing some difficulties on the labor market;
• Based on the similarities in the decision tree structure - each decision tree started with a split on the most influential independent variable, which is the beginning of the tree structure and identifies the categories differing the most in terms of youth unemployment level), three groups of countries could be identified:
The tree structures that start with educational variables (highest attained level of education or field of studies): Austria, Denmark, Ireland, Sweden, Germany, Belgium, United Kingdom and Bulgaria. In case of most of the countries in the first group, the lower the general youth unemployment level, the higher are the chances for unemployment across different educational categories. Within groups with higher education, the risk of unemployment is shaped by the field of studies.

Tree structures starting with the variable indicating age group: Hungary, Italy, Poland, Romania, Portugal, Slovak Republic, Spain, Lithuania, Slovenia, Latvia, Czech Republic, Croatia, Malta, Finland and Estonia. In these countries, the oldest age group – 25-29 years old usually performs the best on the labour market, whereas the youngest group among the youth are usually in a greater risk of unemployment.

The tree structures start with variables related to housing situation (living with one/both parents or living alone): France, Greece, Netherlands and Cyprus. Surprisingly, people who lived with both parents were in a better situation than their mates who were living just with a single parent. A single parent household may work here as an indicator of ‘labor market disadvantages’ related to social origin.


The book chapter aims at providing a comprehensive review of the youth labour market issues specific to countries of the Central and Eastern Europe (CEE). The central findings of the paper can be summarized as follows:

- **It is not possible to treat the CEE countries as one homogenous labour market entry regime - the CEE countries differ between each other not less than the benchmark countries Austria, Italy, the UK, and Finland.**

- **Also the results confirm that youth chances vary on great extent across the CEE countries. For example, the youth transitions in Czech Republic, Slovenia and Poland resemble Austria where educational system has high vocational specificity and regular workers are well protected which seems to contribute to continuous employment in early career. For other countries, the differences in the employment protection legislation does not have a clear cut implication for youth labour market outcomes.**

- **There are some specific features of the CEE countries to be pointed out:**
  - The labour market inequality related to educational attainment is much more pronounced in the CEE countries that in the rest of Europe;
In the majority of the CEE countries (except for Slovenia and Estonia) the episodes of education and training among youth who finished formal education are rare, thus there are few opportunities to overcome the initial shortage of educational resources, which fits into a broader context of low participation in life-long learning activities in the CEE;

Employment per se in the CEE region does not always translate into favourable financial and economic situation of the youth. In Bulgaria, Romania and Hungary more than 20% of working youth still live in severely materially deprived households, and more than 40% of working youth report difficulty in making ends meet.
Working package 2 had the following four objectives:

O.2.1. Overview of education, labour market and social policies that address the problem of labour market and social exclusion.

O.2.2. The diffusion of inclusion policies for youth across Europe and their particular designs.

O.2.3. To evaluate whether these policies are effective in terms of increasing the social inclusion of disadvantaged youth and what their direct impact is on young people’s life.

O.2.4. To identify “best practises” of education, labour market and social policies, which is a precondition for deriving policy recommendations taking the historical and institutional context of national labour markets, social policies and welfare regimes into account.

After a short summary of the methodology applied in the introduction, the key findings on the four objectives of WP2 are highlighted in the subsequent parts.

Introduction

Working package 2 focused on a summative evaluation of youth employment policy interventions. Summative evaluation of an intervention generally involves assessing of five domains: the need of the intervention; the design of the intervention; its implementation; its impact or outcomes and its efficiency (Scriven 1991).

According some authors (Shadish et al. 1991) evaluations should attend to three aspects of the entity being evaluated (evaluand): its internal structure and functioning; constraints that shape design and delivery; societal factors that influence the development of evaluands, how evaluations themselves change over time and how in turn the evaluand contributes to social change. Taken together these aspects concern interventions design and implementation and the links between the evaluand and the context in which it is set (Owen and Rogers, 1999).

The approach implemented in the study could be defined as “goal-free evaluation”. The notion involves determining not only the stated goals but also unintended outcomes of the interventions – both positive and negative. Such approach allows to enlarge the circle
of identified effects of policy interventions and this distinguishes it from the most widespread “objective based evaluation”, involving judging the worth of an intervention on the basis of the extend to which the stated objectives of the intervention have been achieved. The preference for the “goal-free evaluation” is due to the fact that failing to provide full enough description of the results of program performance may overlook shortcomings for which it should be accountable and may distort the picture of its success (Rossi et al 2004).

Furthermore, because of the necessity to reflect the point of view of the target group, the report involves elements, that often are connected with another approach: “needs based evaluation”, which involves an assessment of the extent to which an intervention meets the needs of participants. The approach “needs based evaluation” makes the assumption that the objectives of an intervention do not necessarily represent the needs of participants (Owen and Rogers 1999: 48).

As for the forms of evaluation, mentioned in the literature, the report uses two forms: clarificative evaluation and impact evaluation. Clarificative evaluation concentrates on clarifying the internal structure and functioning of a policy intervention (Rossi et al 2004: 42). Impact evaluations are used to assess the impact of implemented interventions.

Such framework of policy evaluation is connected with the main issues (topics) and guiding ideas of the analysis. The most common of these is that policy interventions may be inadequate to the risk they are addressing. This idea is based on the existence of a gap between the results of the policy measures and the desired socially significant positive effects, respectively, between the main causes of risk and the goals of the policy interventions. The main signs of these gaps are the insufficient scale of positive effects and/or unexpected (and undesirable) effects from the implementation of the measures identified by some studies.

Identifying the causes of gaps is important for assessing the potential for improving policies. If gaps are due, for instance, to resource shortages, the answer may be to increase resources for interventions, extend their implementation period or extend their scope. But if the causes of gaps are different, increasing resources will not help.

Unexpected and undesirable effects may be linked to weaknesses in the political decision-making process itself (the political cycle). More precisely, unexpected effects (gaps between aims and outcomes) may arise because of discrepancies between the structure of the causes of the risk and the reasons for the interventions. Obviously, interventions cannot have a sufficient impact on risk unless they address the underlying causes even if resources increase significantly. In this case, reformulation of policy interventions is a more effective way to manage the risk of unemployment than increasing resources or extending the period of application of the measures. In such cases, some additional tools to influence the process may be necessary.

It is therefore important to identify as fully as possible all the effects of the interventions and to limit the possibility of partial monitoring of these effects. Whether and to what
extent the achievement of the direct objectives of employment measures (reduction of unemployment) really ensures the achievement of the other beneficial effects expected from the inclusion in employment depends not only on the measures themselves but also on the context in which they are applied. The context may not ensure that the expected effects are achieved, and the end results may differ from the expected positive consequences of the inclusion of the unemployed in employment. That is why part of the study is guided by the questions what is the context and how measures “work” in an unfavorable context where rates and type of economic growth that increase unemployment reduce the capacity of the labor market to absorb job seekers, as well as its capacity to ensure social inclusion of the employed. Youth employment policies are unlikely to bring about significant positive changes if there is a combination of a significant and prolonged deterioration in the economic situation (respectively - a reduction in the labor market capacity to absorb the supplied labor and to ensure social inclusion of the employed) and worsened human capital formation. In such a case it can also be expected that implementation of youth employment policies will be connected with a constant increase of the need for expansion of the applied policies; need to increase expenditures and increasing number of unexpected and possibly - to overcome the negative impact of this combination (high and sustainable unemployment and social exclusion of young people) through, there will be a constant increase in the need.

The analysis is based on national reports prepared by national experts according to a structured common template for the 9 countries involved as partners in EXCEPT project (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden, Ukraine and the UK.)

The national reports’ template consists of 8 parts outlining the structure for an analytical overview, analysis and recommendations in the field of national youth employment policies. The components of the template include: a general overview and assessment of youth employment policies, selection of concrete interventions, incl. good practices, and considering diffusion in EU; assessment of the consistency of youth employment policies with other interconnected policies; assessment of the overall effectiveness and outcomes. Other parts of the template are structured in line with the stages of the political cycle and focus on three main and interrelated factors that determine the level and dynamics of (youth) unemployment: a) overall economic situation that is widely recognized as a key to a successful youth employment policy; b) labour markets situation (aggregate labor demand and the degree it corresponds to labor supply (availability of sufficient vacant jobs, quality of job vacancies that ensures social inclusion of employees, adequacy to the aspirations of young people and may motivate them to go out for taking up these jobs); c) the human capital formation of the young jobseekers and its adequacy to the demand of labour

A shorter version of the basic template was implemented in other 19 member states where national experts also responded to the questions concerning youth employment policies in their countries.
The period covered by the national reports is 15 - 20 years prior to their preparation. The reason for this choice is the specific economic context and the fact that youth unemployment has been identified earlier and therefore the causes of youth unemployment have arisen and have an impact already from several decades.

Additionally EU wide statistical data and results and secondary analyses of other studies in the field are used as well.

Overview of education, labour market and social policies that address the problem of labour market and social exclusion

The first objective O.2.1 was to review education, labour market and social policies that address the problem of labour market and social exclusion. In this regard a comprehensive comparative overview was developed.


The working paper presents the results concerning the objective (O.2.1.) in Chapter 1 and 2. The detailed descriptive analysis consists of two parts: a) A general overview of the state of youth employment policies, incl. expenditure and participants, different types of measures and schemas & main directions of the youth employment policies in Chapter 1; b) A focus on selected interventions, providing more in-depth picture of the currently existing policy approach towards youth labour market inclusion in the different countries in Chapter 2.

Key findings in Chapter 1:

1. Young unemployed in all EU member states have access to employment measures. Usually most of the pro-employment measures are designed for all unemployed people and are accessible for young people or have a special focus on young people. Additionally there is a growing trend the countries to develop a set of measures specifically for youth.

2. Main trends of employment policies:

A) Expenditure and participants: In general, over the 2005-2015 period most of the EU countries increased the public spending on ALMP – both in absolute and relative terms (as a % of GDP). In several countries even a three- or fourfold increase could be seen (Czech Republic, Estonia, Greece, and Hungary). This is combined with a larger share in GDP of the public expenditure on ALMP measures. However, this trend is not uniform across all EU Member States. There are some notable exceptions, where the funding for ALMPs sharply declined. In Bulgaria, for example, public spending on ALMP measures declined by 33% and their share in GDP felt from 0.39% (2005) to 0.14% (2015); in
Romania respectively from 0.11% to 0.02%. Decline is present as well in Germany, Netherlands, Latvia, Italy, Spain, Slovenia, Portugal and Slovakia.

The increase/decrease in public spending is usually accompanied by increase/decrease in the total number of participants in ALMP measures, incl. in the number of participants 15-24 years old. Still there are some specific country variations in which this logic is changed. For example, in Poland, France and Luxembourg the total number of participants has increased, but the number of young participants decreased. On the contrary, in Austria the increase in public spending is parallel to an increase in the number of young participants but to a decrease in the total number of participants. In Portugal a small decrease in the public spending (by 0.004) is parallel to high increase in the total number of participants in ALMP (by 83%) and a very slight increase in the number of young participants (by 7%). Thus while in 2005 the share of the young participants was around one half of all the ALMP participants in 2015 it is already less than one third. Based on the described trends in expenditures and the number of participants, it can be argued that the country differences depict that especially in some countries the importance of the youth jobseekers as a target group has eroded.

Additionally, it is important to note that if expenditure on ALMP are an indication of political significance the distance between the best performing EU member state (Denmark) and the worst performing (Romania) is growing – 1.46% to 0.02% of GDP.

B) Main characteristics of labour market policies

In the past two decades, all countries implemented a transition from a passive strategy of reducing labor supply to a policy approach aimed at increasing labour supply (higher level of employment of enlarged groups of job seekers). Although this trend appears in some countries earlier than in others, it can be traced in all countries and involves several components: a shift from passive to active labour market measures, a large “retrenchment of welfare state” and (more recently) austerity measures.

This trend is anchored through legislative changes. In the recent years, all countries have changed the regulatory frameworks of their labor markets to make them more flexible, to facilitate the movement of the workforce, and to reduce unemployment; as well as the regulatory frameworks of their social protection systems and social policies in order to activate job search.

As a result a transition from passive to active labour market measures is clearly outlined. The trend consists of two types of accompanying changes in the overall system of passive measures:

- Changes in the conditions for receiving unemployment benefits: who is entitled, duration of the payment, increasing the categorical and/or contributory character of most benefits linked to social security contributions and portion of the salary, etc.
• Changes in the conditions for receiving social assistance benefits - enhanced and clear binding of the rules with participation in active labour market policies, including sanctions for claimants who refuse job offers.

These changes lead to important implications in relation to young people: In terms of activation, young people are rather at a disadvantage, since cutting benefits and difficulties in access to unemployment benefits are often introduced first for new-comers at the labour market. Additionally a more general pattern of increasing coercion for inclusion in employment through retrenchments of welfare state and austerity measures could be noted.

Key findings in Chapter 2:

Chapter 2 summarises the selected in the national reports (on the basis of predefined criteria) policy interventions (overall 121 policy interventions from all the countries). On the basis of the detailed descriptions presented success factors and challenges are outlined by country experts:

• Policy context matters. The success of a given policy intervention is strongly influenced by the existing economic and social conditions. When the labour demand is low and job openings are rare, the success of even the best designed and implemented interventions is questioned.

• Policy interventions need to address both labour supply and demand. This is particularly relevant in situations where youth unemployment is high and skills mismatch is an issue. In cases like these activation measures and the welfare-to-work approach will not be efficient if labour demand is not incentivized as well.

• Targeting is crucial. Many national examples point out that targeting of a policy intervention is one of the main factors behind its success.

• Young people in a disadvantageous position need much extra support. The youth target group is not homogenous. Young people have different needs and face different problems. For the youths in a disadvantageous position, public policies need to take into account and adequately address both the magnitude and depth of the factors preventing the young people from sustainable integration into the labour market.

• Comprehensive packages work better. Labour market services and measures offered to the youth are considered to be much more efficient if many different forms of support are provided. In that way, all possible barriers to employment can be addressed at the same time.

• Duration of support should correspond to the individual needs. For example, in the UK, part of the success of the “Work Programme” in reducing the long-term unemployment rates is due to the fact that it provides more secure employment prospects rather than short term work experience.
• Involvement of stakeholders and young people themselves in the design and assessment of the interventions is quite insufficient and widely neglected. This remains among the basic challenges that have to be solved.

• Many of the selected policy interventions lack adequate evidence on their influence on the youth. Despite the fact that all these interventions are considered to have influence on the youth employment situation, still in many cases their short- and longer-term effects are not being properly monitored and evaluated.

The diffusion of inclusion policies for youth across Europe and their particular designs

The second objective O.2.2 was to describe and comment the diffusion of inclusion policies for youth across Europe and their particular designs.


With regard to ALMPs diffusion could be discussed on different levels: policy guidelines, policy areas, policy measures and interventions.

Chapter 4 of the Working paper considers two different aspects of diffusion:

Diffusion of basic characteristics and approaches of youth labour market policies; and

Diffusion of five specific EU interventions: (1) Youth Guarantee; (2) Youth Employment Initiative; (3) Quality traineeships and apprenticeships; (4) EURES job; (5) Supported youth entrepreneurship

Main findings in ref. with basic trends of youth employment policies:

As already mentioned, the analysis finds out an overall trend towards the outlined above transition from passive to active labour market policies; activation turn; strong employability focus; predominant addressing of the individual deficits and lack of attention to structural ones; high preference to reactive and neglect to preventive measures; focus on any jobs instead to good jobs.

Although the trend is different in intensity, speed and specificity in the various Member States and Ukraine, it seems common of the current labour market policies in EU and its diffusion is unfolding over time. In this regard, a specific pattern of the diffusion mechanism is outlined:

• The trend is not limited to EU or Europe as the same trend is easily traced in USA and Japan as in many other locations. This forms somehow an almost universal pattern of policies that have replaced most of the economic and social policies of the previous period.
The questioning of the principle “one-size-fits-all”, which is quite spread when different policies and policy interventions at low level are considered, seems to be rarely applied when such common trend is discussed. What is more, this universal pattern seems to outline the boundaries of what is important and what is not, and makes it difficult to implement otherwise existing guides for action (such as: “… social progress, … the guarantee of adequate social protection, … quality employment,… a cohesive society in which people are empowered to anticipate and manage change, and can actively participate in society and the economy, … combining supply- and demand-side measures, … a boost to investment, … the benefits of economic growth reach all citizens and all regions, …more attention should go to preventative and integrated strategies.…(European Council, 2015)”. It seems that these objectives are not of the same importance as the described trend. On the contrary, they have controversial and dependent development and no diffusion is observed with regard to them and/or it is delayed.

In terms of timeframe, it seems that there is a pattern: a ‘model’ is tested in one or more countries, and then this ‘model’ is transferred to other countries. As regards the ‘activation turn’, for example, the model is being tested in Denmark and the UK and then is gradually transferred to other EU member states as well as to those in the process of integration.

As regards the content, Member States step on existing national practices and can adapt the implemented policies to their national economic and social context, in so far as they have the expertise and the political will to do so. At the same time, the degrees of freedom are quite different.

One possible effect of this specific pattern of diffusion of a common trend could be an insufficient attention to the national economic and social context (incl. national macroeconomic and social indicators) and the neglect of the need for national adaptation, at least for some countries.

Another effect is that such a framework guides the concrete EU interventions (Youth Guarantee; Youth Employment Initiative; Quality traineeships and apprenticeships; EURES job; Supported youth entrepreneurships) and probably constraints the way they are diffused and implemented.

Main findings in ref. with the diffusion of five specific EU interventions: (1) Youth Guarantee; (2) Youth Employment Initiative; (3) Quality traineeships and apprenticeships; (4) EURES job; (5) Supported youth entrepreneurships

All countries included in the study indicate some links of national youth employment programs with the EU initiatives: Youth Guarantee, Youth Employment Initiative and the European Social Fund. Still the character of these links is quite different and the countries could be classified in three groups:
For some countries, the influence of the EU youth employment initiatives is significant. For example, for Bulgaria and Greece, the YEI represents the most important source of financing for youth employment measures. As it is said in the national report for Greece “The YEI not only constitutes a main funding source of the Youth Guarantee in Greece, but also contributes to other pro-youth provisions in the national strategy for development” (National Report for Greece, 2016).

For the second group of countries (Poland, Czech Republic, Estonia, Italy, etc.) the importance of EU initiatives is acknowledged, but policy actors at national level are very active in formulating and testing different country-specific policy choices.

For the third group of countries (like Sweden, Germany, UK, Finland, etc.) the role of the EU employment initiatives is not so important. There are at least two reasons for this. On the one hand, these countries are less reliant on EU funding compared to the other countries. On the other hand, they have well-developed and mature national public employment services and in some way they are “providers” of policy solutions to be transferred at EU level and then – spread out across the other Member State.

Summarizing the overview provides interesting evidence on the diffusion of the basic LM trend and the five EU youth employment initiatives:

First, the basic trend in LM policies is diffused more intensively and more quickly than the concrete interventions and this trend shapes the way concrete interventions are diffused and implemented.

Second, policy initiatives that are formally adopted by the European institutions and provide less room for flexibility for the Member States in general have a greater impact. This is the case with the Youth Guarantee, YEI and QFT. EURES job and initiatives towards supporting youth entrepreneurship are important part of the EU youth employment agenda, but there is insufficient evidence that they have trigger policy change at national level.

Third, domestic factors matter as well and they shape the policy diffusion patterns. The reliance on EU funding, the severity of the youth employment challenge and the degree of development of national public employment services seem to be three of the factors that determine whether an EU initiative will cause big magnitude changes at national level or not.

The more severe the unemployment challenge is, more likely the country will adopt a policy approach elaborated at the EU level. This is particularly true for countries that have been struggling to find an efficient policy response to the problem of the youth labour market exclusion for a long period of time but the progress is not convincing enough and the problem consistently continue to exist. The less the reliance on EU funding, the lower the influence of the EU youth employment initiatives.
• The development and performance of national public employment services is also important. Two examples could be mentioned here. In countries, such as Bulgaria, where public employment services are not well-developed and not supported by the state, the EU initiatives are translated at national level but outcomes are far from expected. On the contrary, Germany and Sweden have experimented with many policy approaches before the adoption of the EU initiatives and have found the policy directions best suited to their national context. Therefore, policy approaches induced from external factors are less likely to be adopted especially when the youth employment challenge is not so high.

• The importance of the EU youth employment initiatives is bigger in these countries that: (1) receive a large amount of funding from the EU Structural and Investment Funds (ESIF), and (2) face greater youth employment challenges to be addressed by the country-specific recommendations. Thus the link of the national measures with EU initiatives to some extend replicates the usage of the EU funding.

To evaluate whether these policies are effective in terms of increasing the social inclusion of disadvantaged youth and what their direct impact is on young people’s life

The third objective O.2.3 was to evaluate if the described in O.2.1 and O.2.2 policies are effective to increase the social inclusion of disadvantaged youth and how they impact on young people’s life. As mentioned in the introduction this objective implies a significant extension of the range of research questions compared to the usual assessments of the effectiveness of the policy.

Results of the evaluation are available in.


In order to evaluate policies the following research steps were undertaken: Analysis of youth employment policies following the stages of policy cycle framework; Analysis of the magnitude and intensity of the real activation effect that the complex of policy interventions has on (un)employed, labour market performance and its outcomes with focus on the consequences for youth participation in employment; Identification of the main components of the context (state and dynamics of the economy and labour markets) in which the youth employment policies are implemented; Analysis of the interactions between context and employment policies; Identification of the effects (consequences) of the interactions between the components of the complex of policies’ interventions and the context, which are usually not identified when effectiveness is
assessed; Since human capital is important factor of youth employment, attention is paid to the impact of labour market and employment measures on the formation of human capital; Analysis of the interactions of youth employment policies with other policies and the effects of these interactions. The goal is to look for a larger frame of opportunities to tackle more effectively youth unemployment and social exclusion by involving other policies in unemployment reduction and improving the interactions of different policies and other conditions underpinning the success of policy interventions.

Main findings

The research of the youth employment policies within the policy cycle framework identifies the following features of the cycle stages:

- The stage of Agenda-setting (defining the social problem (risk) and groups it affects, as well as the need of state intervention). Youth unemployment is widely recognized as important risk and the need of state intervention is shared across the countries participating in the study. At national level there is a relatively high consensus about the risk and the groups it affects: statistical data, policy documents and research share to a large extent the vision on the youth and other key risk groups at the labour market. The similarities in the identifications of risk groups suggest a common trend – policy debates have enforced importance of the risk groups and their inclusion in policy agenda.

- The stage of Policy formulation (focus on ALMPs): the process is centralized, with a high subordination in relation to the formulation of basic policy guidelines (including for some countries distinctly supranational) and strengthened horizontal coordination at lower levels. The space for bottom-up impacts on the broad policy guidelines remains uncertain. Additionally for many interventions information on expected effects is either missing or not publicly available. Due to the lack of relevant information an assessment of their achievements could hardly be provided. The ‘good job’ concept is not incorporated in the policy formulation.

A significant mismatch between the reasons for the risk, addressed by the policy interventions (measures) and the causes of young unemployment mentioned by National reports could be interpreted as a signal for weaknesses of the central component of this stage - analysis of the causes of the risk, and as insufficient problem solving capacity. Such mismatch is an indication that some of the reasons for the risk may not be identified and addressed by the measures, and the neglect of the causes of the risk is a sign that the underlying premise for the success of the measures is seriously weakened. The analysis of the policy evaluation stage suggests that the reason for this weakness is probably deficiencies of policy research.

- The stage of policy implementation: Unlike the stage of policy formulation in the stage of implementation there is a clear general trend in involving private actors and including different stakeholders (social partners, NGOs, etc.) in employment
services’ delivery. Youths participation also seems significant compared to the other stages of policy cycle.

- The stage of policy evaluations: The analysis of this stage reveals several issues relating to the quality of the evaluations, their purpose, scope and transparency. Problems linked to the evaluations’ quality and approach are more or less characteristic in different degree in all countries and special efforts are needed to improve and make better activities in this important field. The implementation of evaluations is hampered also by the way in which programs are designed (formulation of aims and results’ reporting).

- Impact of policy research on the stages of policy cycle. Two stages of the policy cycle are strongly affected by deficiencies of policy research: policy formulation and policy evaluation.

Weaknesses of policy research reduce problem-solving capacity during the policy formulation and contribute to decreasing of measures’ usefulness. The gap (discrepancies between the causes addressed by employment measures (objectives of employment interventions) and causes, mentioned by National reports and other studies) indicate that probably some of the causes of the risk are neglected. Since the cause-to-objectives relationship is a major premise for successful addressing of the risk and indication that the things that are being done are really “the right things”, neglection of causes undermines in a fundamental way the effectiveness of interventions.

In some cases policy formulation process relies on scientific findings and recommendations whose validity seems to be doubtfull under some conditions (for instance, the economic argument concerning the link between youth unemployment and relative wages of young workers).

The stage of policy evaluation is negatively affected mainly when researches miss unintended and unfavorable effects of given interventions. Such research neglects possible gaps between the stated objectives of interventions and their real effects (for instance the impact of employment measures on the balance between demand and supply of labour). Obviously this peculiarity of policy research hinders improvements of policy interventions.

**Impacts of policy interventions**

The large described above policy shifting exercises a complex set of impacts on individuals’ behavior, employment and the labor market.

- The central feature of the complex of impacts is an increased coercion to engage in employment;

- The impacts are not limited to the pressure to increase the participation of young people in employment. The impacts are also aimed at significantly expanding the range of potential job seekers, since not only young people but also other groups are exposed to the activating effect. Unlike the traditional measures to reduce
unemployment that aim to facilitate the functioning of the labor market by addressing barriers hampering the operation of the market mechanism, the real “activating” impact is not only to enable the unemployed to find jobs, but it significantly increases as well the number and share of jobseekers (i.e. the unemployed).

- The intensity of the "activating" impact (force of coercion) of the complex exceeds many times the activating impact of the youth employment policies (ALMP);
- Since the effect of the actual activating impact is the significant and relatively rapid increase in labor supply, also by groups that previously had profited from the opportunity not to offer their labor on the labor market, the whole policy complex is a significant intervention that distorts the labour market performance by increasing labor supply and changing the ratio between labor demand and supply, and the price of labour. Therefore, the achieved reduction in unemployment is not a sufficient benchmark for assessing the effects of policies that generate actual activating effect.

That is why in order to gain a broader picture of the effects of the real activating impact, it is necessary to cover not only the increasing labor market entry and participation but also other effects whose monitoring allows to supplement and extend the judgments based solely on the achievement of the specific objectives set for individual employment measures.

- Whether and how the set of employment policies will affect the functioning of the labour market depends mainly on the state/dynamics of the economy and the labour market. The context in which the complex of policy interventions is applied is characterized by two features: low rate of economic growth over a long period of time and changes in the regulatory framework regulating the labour markets (liberalization / deregulation of the labour markets)

Effects of the impacts

Despite the increased employment rate (or at least maintaining relatively high rate of employment), the study identifies a larger complex of other effects of activation policies, that are often neglected:

- Under these conditions (the complex of impacts of strong activation and the context in which policies are applied) a “tsunami of labour market developments” arises, to which governments have paid little serious political attention. The three main determinants of this tsunami are:
  - fast and significant increasing of labour supply (by large scale and intensive activation of enlarged circle of nonemployed to engage in employment);
  - restrained labor market potential to absorb labor supply (because of relatively low economic growth, low investment activity and absorption of increased labour supply mainly within existing firms);
- increased vulnerability of (un)employed (because the liberalization of labor markets weakened legal and trade union protection at the workplace and in case of unemployment);

- The general effect of this “tsunami” is distortion of labour market equilibrium and performance because of increased labour supply in unfavorable economic context.

Moreover, the changes in the bargaining power of the actors in the labor market (mainly the increased vulnerability of the unemployed and the employed and the strengthened positions of the management of the companies) signal that the deregulations of the labor markets aimed at liberating the market forces from the regulatory restrictions have in fact strengthened the hierarchical structures in companies and thus eroded the market mechanism and to some extent have replaced the market interactions (negotiations, bargaining) between the participants with hierarchical ones.

Changes in the labor market, along with the state of the economic context and the strong activation impact of policies, have also produced other effects:

- Expansion of underemployment (arising areas of precarious employment), because when absorbing the excess labor supply, companies hire new workers mainly through nonstandard forms of employment and thus increasingly create ‘secondary’ jobs (low quality jobs - low-skill, low-pay, part-time and other similar types of jobs) which are aiming at overcoming the (re)employment economic barriers;

- Underemployed not only occupy jobs of low quality but also pose a threat to those in full-time work who might be better placed to influence the wages in the economy, and as a consequence can generate stagnation or relative decreasing of wages. Indeed, underemployment can not only curb wage demands, but can also achieve a wider range of effects, which generally consist in the fact that, in conditions of rising (high) underemployment, the propensity of workers to accept deterioration of other dimensions of job quality increases, especially in periods of economic depression;

- Reduction of hours worked per worker; stagnation or reduction of real wages and increasing the share of working poor; stagnation or even decline in labour productivity; reducing the share of labour in income; increasing income inequalities; increase in poverty.

These effects adversely affect the use and formation of the human capital of young people:

- The combination of policies with a strong activating effect, poor economic growth and a deregulated labour market with a low capacity to absorb the labour supply deteriorates the quality of jobs and employment and young people are one of the groups most negatively affected by these changes.
The effects of the labour market tsunami (mainly the increased economic inequalities), together with the reduction of the social investments in human capital formation, have led to a pronounced increase in the social differentiation of the human capital formation process. For a significant part of the youth, differentiation means deterioration in the formation of their human capital. This makes it difficult and will continue to hamper their social inclusion in the future for a prolonged period of their upcoming lives.

The previous effect (worsening of human capital, respectively, the chances for employment) as well as the implementation of policy interventions with too strong activating effect (simultaneous activation of large groups of unemployed, especially - adults and young people) are basic arguments to conclude that the consistency of applied policies is not high and their impact is contradictory. When the set of policies influencing human capital formation fail to deal adequately with the risks of this process, youth employment policies and youth employment measures are usually unable to overcome the negative effects of other policies. When such dissonances arise, youth employment measures cannot achieve significant positive effects. Youth employment policies become mainly compensatory in relation to other policies and are reduced to a follow-up and often delayed and ineffective impact on the consequences of risks that have not been neutralized during earlier phases of a life cycle. This lowers their relative effectiveness because as stated “…Later remediation of skill deficits acquired in early years often does not meet the cost-benefit criterion. (Heckman and Jacobs, 2010)

- Particularly remarkable effect of the implementation of the policy interventions at the macro level are the changes in the "mechanisms" that determine the primary and secondary distribution, and as a result of these changes, significant changes in the basic proportions of the distribution of GDP and National Income have occurred.

The identified effects of policy interventions with a strong "activating" impact under conditions of a combination of low economic growth and a deregulated and distorted labour market refute the view that employment policies are positive "by definition". In an unfavourable economic and policy context, the effectiveness of policy interventions, conceived as "doing the right things" is significantly reduced. And it is difficult to find adequate explanations (reasons) for the application of the studied policy interventions in the context described.

Proposal for improvements

1. National reports emphasize the need to remove the identified inconsistencies between different policies (the application of too strong activating interventions in an unfavourable economic context) as a major means of reducing the negative effects of their interference. In this most general framework, the idea of a change in the social and economic context is important: the pace and, especially, the type
of economic growth. This idea is also supported by data on recent changes in the context of the surveyed countries and the impact of these changes on labour market performance and its outcomes, including changes in unemployment. Obviously, such changes require changes in the economic policies that shape the context and reduction in the strong activation impact of policy interventions by reconsidering social policies, especially those that are most closely related to human capital formation (the early phases of the process). The results of the study also outline the need to reduce the intensity of coercion into employment and to strengthen the stabilizing impact of passive measures during "bad times" for the economy.

2. The survey clearly identifies also the need to improve labour market regulation. Deregulation which was announced as a means of increasing employment contributes to weak quantitative changes (increase) but also contributes to the deterioration of the quality of jobs and employment. In addition, instead to "free" market forces from unnecessary restrictions deregulation actually establishes imbalances in the negotiating power of market participants and thus erodes the effect of the market mechanism as it is replaced by a hierarchical relationship between market actors.

3. In terms of policy cycle framework in the foreground stand out the following proposals:

- Improving the credibility of identification of the causes of youth unemployment as a key prerequisite for improving the ‘policy formulation’ stage;
- Better targeting of the impact (objectives) of the measures to the identified causes of the problem;
- Provision of adequate resources to achieve the defined objectives;
- Complementing evaluation of the effectiveness with periodic evaluations of the measures implemented in order to give a fuller picture of all the effects that the measures create
- Significant improvement in the quality of policy evaluations.
- Differentiation of social protection (the amounts of benefits in unemployment, sickness, work-related accidents and the period of their payment) based on age (length of service) in many cases turns into age discrimination. The weaker social protection of young people entering the labour market reduces the attractiveness of employment and the formal labour market, thus contributing to the expansion of informal employment. It is therefore necessary to reconsider the normative framework of the social security of the employed, which is disadvantageous for young people (such as the more limited periods and rates of unemployment benefits, but also of the other types of benefits). Some of these
unfavourable solutions have been introduced as "activating measures" but "activating measures" should be formed as incentives rather than as coercion. The main incentive to integrate young people into the labour market should be the good quality of jobs and employment, not the coercion.

- Measures are needed to accelerate the dynamics of wages, especially when the link between wage/salary levels and life maintenance is violated (high levels of working poor).
- Training measures (qualification and retraining) need to be accompanied by issuing of training certificates. Training programs without certificates could be implemented only in special cases and after proving special rationale.
- The interventions (measures) to increase employability need to be broadened by measures facilitating labour market inclusion, such as measures to solve housing problems when the workplace and the dwelling are located in different settlements.
- There is also a clear need to improve public investments in human capital formation by identification and implementation of the most effective forms of such investments and by increasing their scale.
- Measures are needed to reduce the signs of "policy based evidences" - mainly by ensuring independent research of policy interventions.
- The policy formulation stage could be improved by ex-ante social impact assessments of the envisaged policy interventions, as well as by expanding the preliminary public debates on draft decisions.
- The policy evaluation stage could be significantly improved by enhancing the quality of research, including by assessments of their effectiveness. An opportunity for such an improvement is the wider involvement of the target groups and their representatives (NGOs, Trade Unions, etc.) in the evaluations of policy interventions. For more active engagement of these participants, it is also possible to introduce practice to prepare their own views and suggestions for the Country Specific Recommendations. These opinions could be submitted directly to the European Commission where their usefulness to be assessed and, where appropriate, taken into account.

Proposals for future research

The analysis leads to formulating of important research questions that need attention:

- Exploring the reasons why, despite the negative effects, the implementation of "over-activating" interventions in an unfavourable context lasted for several decades without adequate corrections being made.
• Exploring the causes of policy research (evaluation) weaknesses and signs of production of policy based evidences, as well as the opportunities to address these causes through wider participation in research (for example, through participatory research).

• Investigation of those distortions in the mechanisms of primary distribution due to which wages (and the share of labour in income) grow relatively slowly, despite the increase in rates of economic growth.

• Investigation of the social inequalities (differentiation) of human capital formation and possible interventions for their reduction or compensation - for example through adequate forms of lifelong learning.

In the following key findings of additional EXCEPT publication that also addresses evaluations of ALMPs are presented. With the aim to consider outcomes of meta-analysis results of Active Labour Market Programs on exit from unemployment spells to employment M. Taru provided an overview on meta-analytic studies of the ALMP-s.

Taru, M. (2016). Overview of Meta-Analysis of Active Labour Market Programs, EXCEPT Working Papers, WP No 5. Tallinn University, Tallinn

The overview covers six systematic reviews and meta-analytic studies focusing only high-quality impact studies based on experimental research designs or on designs, which use some method to correct for selection bias.

Key findings from Taru (2016)

• This overview of meta-analysis about ALMPs implemented with a hope that they will help people to exit unemployment paints a picture where there is little evidence of effects of ALMPs. Available evidence tells that ALMPs in general are not very effective; as studies show, most of them have no effect or have negative effect. There is even less evidence of ALMP effects on young people and the evidence is even less positive.

• However, these results are partly due to the fact that meta-analysis uses pooled data from a range of studies, which irons out effects occurring at the level of individual studies. As studies show, interaction effects (e.g. how useful a particular type of ALMP measure is for a particular target group) and contextual factors (e.g. effectiveness of ALMP measures during economic growth or downturn) play important role in understanding the role of a particular program. Being more focused would eliminate the ironing out effect of meta-analysis since from the beginning research goal can be more specific.

• When looking at the original studies, one sees that a range of details play important role when making sense of evaluation results: country of a study, economic situation cycle, target group, ALMP measure, and others. In fact, studies reported that
evaluation results are linked to the circumstances and conditions where and when evaluation was carried out.

- Also interaction effects were present, i.e. certain type of interventions work better for certain groups and not so well for other groups, certain type of interventions work under certain economic conditions and so on.
- In addition, there is a specialisation in evaluation of ALMP measures – different ALMP measures are evaluated using different evaluation methods.
- As a result, the universe of potential input studies contains a lot of variation and compiling a dataset that would be suitable for analysis of a certain target group, a policy measure, or economic situation or any other feature of interest is a real challenge.

Identification of “best practices” of education, labour market and social policies

The fourth objective O.2.4 was to present “best practices” in youth employment policies. In this regard ‘best practices’ overview in presented in the cited Working paper, Chapter 3 and additionally publications for the two groups of countries are available. Below the main findings are consequently presented.


The overall aim of Chapter 3 in the working paper is to provide an analytical overview of selected policy interventions that are considered as good practices according to the national reports where common underlying criteria for identification have been used.

The ‘good practice’ research outlines different challenges. They can be approached from two research directions, i.e. from substantive and methodological point of view (Colleti, 2013). Substantively, these good practices are analysed at least in two contexts – the context in which these practices have been implemented, and the context in which their applicability are being assessed. From methodological point of view, it is not just enough to analyse the design and implementation mechanism of these practice; sufficient evidence on their impact is also necessary as they might be either focused on the preferences of narrow target groups that conflict with the preferences of other groups and communities or they might not be sufficient knowledge on the unintended effects of these practices (Wagenaar and Noam Cook, 2003). In other words, positive effects produced in favour of some groups and communities might be neutralized by other effects negatively influencing the wellbeing of other groups and communities. Contextual factors should be addressed in good practice research as well. This is necessary to avoid “rash and misleading translation and transfer of (seemingly positive) strategies from one
locality and one country to another” (Wollman, 2007: 394). Therefore, careful consideration of contextuality and conditionality of such good examples is required. Additionally, good practice research is tightly linked to the so-called transferability of practices under scrutiny. The degree to which a given practice is transferred can vary as well – from exact application (photocopying) to the so-called selective imitation (Rose, 2005: 81). Thus the so-called good practice research includes very high degree of complexity.

Considering these circumstances, the process of identification of good practices on youth employment has been based on the criteria developed for the purposes of the Mutual Learning Programme under the European Employment Strategy1. In addition, in order to facilitate good practice comparisons, data on their following features has been collected as well: (1) design; (2) duration; (3) EU relevance; (4) results; (5) existence of evaluations.

National reports proposed 42 ‘good practices’ among the selected interventions. The analysis of these practices points out some important challenges.

**Main findings:**

- If three categories of evaluations are considered: (1) effects on employment outcomes; (2) effects on earnings outcomes; and (3) effects on business performance outcomes (Kluve et al. 2016), usually what is evaluated are effects on short-term employment outcomes. Effects on earning outcomes and quality of proposed jobs are rarely considered. Following the declared aims of the interventions, which as a rule do not focus on quality of jobs, results in evaluations neglect it as well.

- The majority of youth measures presented in the national reports as good practices clearly mention that various stakeholders – public and private, are involved in the design and implementation phases. While stakeholders in general actively participate in the implementation process, the evidence on how young people themselves are involved is not so straightforward. Notwithstanding some positive examples, it seems that the genuine youth involvement in youth employment measures’ designing, formulation, implementation, monitoring and evaluation is more an exception than a rule and this is a common institutional challenge in the EU. This confirms the European Commission services conclusion when assessing the Youth Guarantee on the need to better involve young people and youth organisations. (European Commission, 2016: 20).

- The ‘good practices’ proposed rarely are specifically targeted at those young people at greatest risk of labour market exclusion. It seems that policy interventions that work with groups who are better off much more easily could be turned into ‘good practices’.

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1 Mutual Learning Programme under the European Employment Strategy
The good practices’ identification could be improved by improving the applied methodology, including more attention to the long-term results, to the impact of the context on the effects of policies and to the transferability conditions.

The overview of the selected good practices shows that not all of them have been subjected to evaluation. This is so due to different reasons – for example, the practice might be at its initial stage of implementation, data on results might not be accessible, weak national experience in evaluation, etc.

Good practices ignore the negative moments (effects, mistakes) of policies. The learning by doing process could be greatly improved, the knowledge gained from it could be greatly expanded, and its contribution to policy improvements could be greatly increased if a "good practice" procedure is applied to failures (“bad practice”) as well. Such a procedure could also exert a stronger pressure than "good practices" for relatively quick corrections of inadequate policies. This is quite important as past experience proves that it is impossible to rely only on good political will to remedy weaknesses in current policies and to achieve the necessary improvements.


The review presents good practices on youth labour market inclusion in EXCEPT partner countries (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden, the UK, and Ukraine). It includes 22 selected policy interventions that vary in their form, target group, types of undertaken actions, level of implementation, source of funding and EU relevance.

Detailed information about 22 good practices is presented. The detailed description of the main characteristics of the selected good practices provided the necessary data for their assessment against the predetermined in advance of assessment criteria. The policy interventions have been reviewed against the criteria used for the purposes of the European Commission’s Database of labour market practices under the European Employment Strategy: (1) policy relevance, (2) scope; (3) evidence-base; (4) timescale; (5) effectiveness; (6) potential for learning and replication. 4 good practices have not met the established assessment criteria and therefore have been excluded from the list of good practices proposed.

Main findings:

Sixteen of the interventions are presented as good practices to be considered for inclusion in the Database of labour market practices.

The main factors contributing to the success of the selected good practices are: early intervention, individualized support, providing an integrated approach, focus on human
capital development, widening of opportunities of young people and correcting market failures.

The review depicts as well some weaknesses, especially insufficient coverage, inadequate stimuli provided to the young participants and the fact that the most vulnerable young people are not prioritized. It could be argued that these weaknesses are not so much a result of the selected policy interventions themselves, but of the wider labour and social context.

Thus the question about the necessity of two levels of evaluations is raised: interventions assessed on their own and an assessment of the cumulative effect of different interventions.


This working paper presents information about twenty policy interventions - examples of ALMPs (active labour market practices) directed at youth labour market inclusion from 19 EU countries: Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Hungary, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Romania, Slovakia, Slovenia, Spain. These policy interventions have been proposed by national experts from each country as good practices in the relevant field of study.

The aim of the paper is to facilitate mutual learning and exchanging knowledge on policy measures which have potential to, or have proven themselves to be effective in managing labour market risks faced by young people in the respective countries. The paper includes detailed information on the twenty measures and their assessments.

The evaluation process included 2 steps: 1. The information with respect to the design, implementation mechanism and results of the interventions was systematized and assessed; 2. The proposed 20 measures were further assessed on the basis of the criteria of the Mutual Learning Programme Database (including the requirement that in order to be included in the Database, each measure should have an assessment of all criteria “Medium” or “High”). In such a way the evaluation process provided a systematic review of the proposed policy initiatives and consistency with the good practices proposed from the EXCEPT Project partner countries.

On the basis of the systematic review the proposed 20 policy interventions are divided into two groups: a) Measures that match the criteria of the Mutual Learning Database; and B). Measures that not fully match the criteria of the Mutual Learning Database. Following the assessment criteria, nine of the 20 measures are assessed as not enough convincing to be proposed as good practices. This is mainly due to some informational and/or evaluation deficits.
Main findings:

Eleven of the interventions are presented as good practices to be considered for inclusion in the Database of labour market practices.

Three main problems have been distinguished during the review of the proposed “good practices” provided by the field experts from different EU countries:

- Major differences could occur in the interpretation of what is “good practice” even if key requirements for identification are outlined. Thus additional efforts are needed to provide consistency and comparability between the country fiches.
- Although some measures could be promising, their short duration could block the opportunity for in-depth, sophisticated and independent evaluations. Thus some requirements concerning time duration need to be included.
- There is high variance between the types of evaluations carried out in different participating countries. This further increases the difficulties to compare effectiveness of the presented “good practices” and evaluate them.

All national reports, which previous findings are based on, are or will be published as EXCEPT working papers.

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### No. 57- Synthesis of the main empirical findings of EXCEPT project

| Author(s) | Title | WP No | University | URL |
|-----------|-------|-------|------------|-----|-------|
| Pantea, M.-C. | Youth employment policies in Romania | 45 | Tallinn | [http://www.exceptproject.eu/working-papers/](http://www.exceptproject.eu/working-papers/) |
| Yoon, Y. | Youth employment policies in United Kingdom | 51 | Tallinn | [http://www.exceptproject.eu/working-papers/](http://www.exceptproject.eu/working-papers/) |

### Additional exploitable results of WP2 in progress

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<td>Tallinn</td>
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Synthesis of methodology of WP3: Development and implementation of qualitative interviews of youth

By Sonia Bertolini

Working package 3 had the following four objectives:

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Methodology

This in-depth investigation through the qualitative interviewing of almost 400 young people, between 18 and 29 years old, in 9 countries, essentially responded to the 4th objective of the Project, that of investigating how youth in disadvantaged labour market positions perceive their autonomy and how they cope it.

Building the tools

As stated in the D3.3 A methodological report, the organisation and analysis (before this the collection) of this vast (386 qualitative interviews) and rich empirical material required the construction and adoption of common tools (e.g. Interview Outline, Sampling Plan, Codebook, Synopsis) and sophisticated and shared methodological and conceptual apparatus and procedures among all the 9 EXCEPT country teams. This complex process allowed us to build common and shared tools through a participatory process that involved all the WP3 teams driven by the UNITO team.

Coded interviews and synopses were the data-sources for the country reports, and synopses and country reports for the comparative (thematic) reports.

The real name of each interviewee was substituted by an alias, that is invented pseudonym for privacy, and each interview was collected and transcribed in each country in its original language. All the team followed the same transcription guidelines, therefore the same signs and symbols, to indicate the way the interviewee pronounced words and phrases (for example, to indicate he/she was smiling while speaking) and other aspects of the non-verbal communication.

2 These “general transcription guidelines” are enclosed in the Deliverable D3.3 “A methodological report”, Annex 1b, (page 33)
For each interview we prepared a synopsis in English; precisely each of the 9 national team prepared the synopsises of the interviews conducted in its country: the synopsis was a short report of each interview and contained information and quotations taking into account interviewee experiences, coping strategies, feelings and points of views. The synopsis template and codebook that everyone used to identify relevant quotations were constructed by means of a process aimed at making the most of the theoretical and methodological traditions and the competences of all the multidisciplinary teams in the EXCEPT project. Each of them contributed to the process and enriched it with different concepts. The construction process of both the synopsis and codebook was collaborative, shared and intersubjective among the partners, starting from a draft elaborated by the UNITO team in cooperation with the AUTH team.

The result was a common and simple synopsis template and codebook built up together with all of the teams. A meeting was also devoted to the training of researchers on coding interviews and implementing synopses. The codes of the codebook reflected themes and concepts included in the synopsis template (and vice versa), which, in turn, reflected the themes of the interview outline.

Specifically, as written in **D3.3 A methodological report**, the shared codebook was characterised by three different types of codes (**“thematic”, “cross-thematic”** and **“qualifying”**) with different functions that were conceived in order to be combined and used together. The function of the thematic codes was to identify the thematic area that a certain quotation referred to; and cross-thematic codes were used to specify the issues addressed/developed within each theme, in the quotation. Finally, the last type of codes, the qualifying codes, aimed at qualifying, from the point of view of the interviewee, their experiences, judgements, feelings and meanings as positive or negative, and as formal or informal (e.g. the kind of support they received and the strategies adopted to cope with past/present economic and working difficulties and health problems).³

Based on the synopsises of each interview and the report outlines provided by the UNITO and AUTH teams, each country team wrote a country report on each theme (Autonomy, Health and Well-being, Socio-Economic Consequences) and focused on its national institutional and cultural context where the analysis of the interviews was reported, and transcribed in the original language, and the synopses in English.

**Samples**

The qualitative comparative report is based on the analysis of 386 interviews conducted in 9 EXCEPT countries. This paragraph gives an overview of the main specificities and similarities among the samples of interviewees in each country. According to the

³ The codes for the three specific themes (well-being, autonomy, economic consequences) are based on the issues emerging both from the literature and from the reading of the first interviews conducted during the process of interviews implementation. Moreover all the teams had the possibilities to add codes “emerging” from the reading of the interviews over the codes established in the way described (that is literature and reading of the first interviews).
common sampling strategy (D3.1 “Overall survey and sampling strategy”) in each of the 9 countries involved in the EXCEPT project, at least 40 face-to-face qualitative interviews with youth were conducted compliant with common criteria.

These were to:

- interview young people aged 18-30, but to oversample the age group 18-24, in one of the following occupational conditions: temporary workers, unemployed, NEET and non-contractual workers but including some successful stories (youth with permanent jobs) in the national sample
- include all the educational levels, but oversampling low educated people
- include at least 20 young people involved in policies (active and passive labour market policies, Youth Guarantee Programme, Employment Offices services, Income support, programmes for disadvantaged youth and so on)
- balance the sample well from a gender point of view
- include ethnic minorities and/or migrant groups
- at least two different areas (for instance big cities and small towns or villages or rural areas) with different characteristics regarding structural indicators such as: employment and unemployment rates for young men and women, share of population below the poverty line, proportion of low-educated young people, long-term unemployment rate. At the same time, specificities of each country were taken into account identifying risk groups and oversampling specific categories, as identified in D1.5 “Guidelines for construction of risk groups” (WP1: NEET, immigrants, disabled individuals), in each National Sampling Plan.

The result was a sample with a common and comparable basis but also carefully aimed at national specificities. 386 interviews were carried out in the period November 2015-November 2016. In Figures 2 and 3 here below, the main characteristics of the young people involved in the qualitative research are outlined.

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4 In the selection of the areas, all partners have taken into account the territorial cleavages relevant in each country.
As can be seen from the Figures above, the sample covered a wide range of disadvantaged (at risk) people, as planned: they constituted one third of the overall EXCEPT sample. NEET represented 9% of the total sample, unemployed 46%, and youth with precarious jobs (temporary or non-contractual) one third. There were also some permanent workers since the WP3 research teams, on the suggestion of the TLU team, decided this could be useful to disentangle successful trajectories from precarious to permanent jobs and to individuate protective factors against social exclusion and labour market exclusion. 49% of interviewees were involved in policy measures (active and passive labour market policies, Youth Guarantee Programme, Employment Offices services, Income support, programmes for disadvantaged youth and so on). About one third of the overall sample of young interviewees in the 9 countries was tertiary educated, about 47% had secondary-level education and a quarter low-level education,
with significant differences between the national samples in certain cases. In particular, in the Ukrainian and UK samples tertiary educated people were over half; in the German and Estonian samples, the situation was the opposite, the greater part of the sample being low educated (55% and 44%). In all the other cases, the larger group in the national sample was that of young medium educated.

**Comparative qualitative analysis**

The last phase of Wp3 consisted of the analysis of the empirical material in a comparative way, starting from the tools we collected during the entire qualitative research process. We used the synopses and qualitative national reports on the three topics (Autonomy, Health and Well-being, Socio-economic consequences).

We decided to use a down-top approach, starting from the voice of young people. In this way, some topics emerged from the youth quotations.

The Unito team worked on the part on autonomy, and the Auth team on economic consequences and health and well-being.

In our analysis, the main axis in these cases was topics, subtopics and countries. The aim was to understand the feelings and mechanisms inside the specific institutional contexts of similar groups of young people with similar goals and similar phases of their life in which they became adults and faced important issues, like leaving the parental home, finding a job, managing money, planning a future and facing problems of well-being in this delicate and important phase of their life. Other parts of the project allowed us to reconstruct the institutional context (WP2) in which young people acted and the macro relations among variables (WP5, 4 and 6 quantitative analyses).

The method used for the analysis of the interview data in each country was thematic analysis, which is a categorizing strategy, a process of encoding qualitative information. Thematic analysis involves the searching across a data set (i.e., a number of interviews) to find repeated patterns of meaning (Boyatzis 1998; Braun & Clarke 2006; Grunow & Evertsson 2016). In order to identify themes (and subthemes), researchers of the EXCEPT Project were advised (a) to use both an inductive (bottom up) and a deductive (top down) way, that is, to rely both on the data (what the participants/individuals actually say) as well as on theory; (b) to use both a semantic approach (which means look at the explicit, surface meanings of the data) and a latent approach (that is, to examine underlying ideas, assumptions and conceptualizations); and finally (c) not to rely exclusively on certain questions from the interview guide.

Based on the above, the basic categories/themes that emerged in the national reports for well-being and health as well as for the socioeconomic consequences of unemployment were also followed in the two comparative part of the report prepared by AUTH teams and the categories/themes emerged for autonomy are the basis for the comparative part of the report prepared by UNITO team. The aim was to critically
compare and discuss the experiences and self-perceptions of youth among the nine European countries in order to come up with similarities and differences.

Concerning the process, at the beginning, researchers read the 9 national reports on one topic, and then shared the reading of various national reports and used the synopses to integrate the contents. They used the criteria of saturation of topics with reports, text and quotations, and synopses. All the topics and subtopics emerging from the interviews were inserted in the outline of the comparative reports. In the last phase, all national reports were read again, but transversally to the reports and country, looking at specific topics in a comparative way. A table of topics and countries was created in which that topic was developed.

Some topics emerged in some countries but not in others, and the researchers decided to respect the fact that people solicited by the same stimulus, and questions on the interview outline, reacted in different ways, interpreting this as a specificity of that country. This could be linked to the cultural or institutional national context.

Then we analysed specific quotations of young people of each country relative to the different topics or subtopics, looking at the decisions and social mechanisms and feelings of young people, building groups of countries/cases on specific topics based on the common feelings of young people.
Synthesis of findings of WP4:
Consequences of labour market insecurity on youth`s well-being and health

A) Synthesizing the quantitative findings on well-being and health

by Michael Gebel and Jonas Voßemer

Working package 4 had the following three objectives:

<table>
<thead>
<tr>
<th>O.4.1</th>
<th>To describe the association between individual labour market disadvantages and youth well-being and health for different groups of young people throughout the EU-28 and Ukraine.</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.4.2</td>
<td>To explain this between-country variation based on country differences in institutional settings and policies.</td>
</tr>
<tr>
<td>O.4.3</td>
<td>To disentangle the causal mechanisms with respect to how youth’ experiences of labour market insecurity affect their trajectories of well-being and health in the short-run and long-run.</td>
</tr>
</tbody>
</table>

In WP4 we analysed the association between labour market disadvantages and well-being and health for young people? Bringing together the research on unemployment and job insecurity, we compared those unemployed to workers with fixed-term or no contracts and workers with permanent contracts. Additionally, we compared young people, who subjectively assess their job as insecure, with those who assess their position as secure. As outcome variables different objective and subjective measures of well-being and health were used. The measures for well-being include global life satisfaction and happiness ratings, whereas the indicators for health include self-rated health as well as more specific measures based, for example, on reports of depressive symptoms. These measures were chosen to highlight both the well-being and health consequences of labor market exclusion and job insecurity. As young adults in general have good health, it is important to complement global measures of self-rated health with those on well-being to make sure that the psychological consequences of labour market disadvantages are appropriately reflected.

After summarizing the state-of-the-art in chapter 1, the key findings on the three objectives of WP4 are highlighted in the subsequent chapters.
1. The state-of-the-art: The effects of labour market exclusion and job insecurity on health and well-being

WP4 started with a literature review on the health and well-being consequences of (youth related) insecure employment and the creation of a systematized bibliography, which includes 330 references that were classified on various conceptual and methodological dimensions. As an additional work, a comprehensive literature review was written based on the literature that was collected and published as an additional output.


This literature review discusses studies on the effects of labour market exclusion and job insecurity on health and well-being for youth. To assess the potential short- and long-term negative effects, this review highlights the central findings of qualitative and quantitative empirical studies on the effects of young people’s labour market position on their health and well-being. Bringing together research on unemployment and job insecurity, it provides a comprehensive review that also emphasizes differences in the experiences and consequences of early labour market exclusion and job insecurity across individuals, social groups, and countries.

With respect to youth unemployment the following results stand out. Unemployment negatively affects mental health and well-being and to a lesser extent physical health. Research illustrates that this negative association is unlikely to be explained by health selection alone such that the causal account of most theories is supported. Although more research is needed on this question, the existing studies indicate that the negative consequences of youth unemployment are not only transitory but may persist for several years such that its costs may be underestimated if only the immediate effects are considered. Long-term unemployment and repeated unemployment are associated with more negative effects, although studies for the general population highlight that the unemployed adapt to their situation to some extent. However, research that addresses differences in the experience of unemployment (i.e., duration, reason for job loss and unemployment, repeated unemployment) almost always is based on the adult population leaving open whether the results are similar for youth and young adults.

Moreover, most studies that examine effect heterogeneities are based on the adult population. Although these studies show that the effect of unemployment differs across individuals, social groups, and countries, the results are often inconclusive. For example, contrary to the dominant assumption it is far from clear whether unemployment is more detrimental for the young or the old, females or males, or those with a lower or higher socio-economic status.
With respect to country-level moderators the findings are mixed, too. For example, the prominent idea that unemployment hurts less if there is more around is anything but a fact. Indeed, a lot of recent studies suggest that the unemployment rate does not moderate the effect of unemployment on health and well-being at all or even intensifies it. Here it may be interesting to examine whether the results depend on which context is studied (e.g., household, neighbourhood, city, state, country). Research about unemployment protection indicates that welfare states are able to buffer the negative effects of job loss to some extent, but again it is not clear whether this result also applies to youth. Given that the eligibility and generosity of unemployment benefits often depends on age, future research should examine differences in the buffering effects for youth and workers in their mid- and late-career. For studies on youth it may be particularly interesting to examine the moderating role of coverage of unemployment insurance. In general, quantitative and qualitative research highlights that future studies have to pay more attention to context in order to explain why, for example, gender differences in the effects of unemployment vary across age groups or different countries.

With respect to job insecurity the results suggest that both temporary employment (objective insecurity) and, in particular, subjective job insecurity can have negative effects on health and well-being. However, more longitudinal research is needed to clarify issues about causation and selection. Moreover, the majority of studies do not focus on youth such that it is unclear how temporary employment and other forms of insecure employment affect youth’s health and well-being during their transition from school-to-work and their early career. In contrast to research on unemployment, almost no studies are concerned with the long-term effects of job insecurity such that it is still unclear whether potential negative effects are transitory or persistent.

2. Describing the association between individual labour market disadvantages and youth well-being and health

The first objective was to describe the association between individual labour market disadvantages and well-being and health for different groups of young people based on EU microdata (ESS, EQLS and EU-SILC) and micro data from Ukraine.


Results were summarized and published in Chapter 2 of Athanasiades et al. (2016). Detailed descriptive analyses of the association between labour market exclusion and job insecurity and different objective and subjective measures of well-being and health.
in EU28 & Ukraine were performed. Thereby, we address the major research question: what is the association between labour market disadvantages and well-being and health for young people?

Analysis of the three EU Microdata datasets showed that all three have their advantages and disadvantages with regards to answering different research questions. The main analysis in this task relied on the data from five rounds of the ESS from 2006 to 2014 for EU28 (and additional data for Ukraine) for the sake of brevity and consistency throughout the report, as well as because this data set contains a wider range of measures on health and well-being for a longer period of time compared to the other two data sets. Comparable information based on the EQLS and EU-SILC was presented in the appendix of Chapter 2 of Athanasiades et al. (2016). The sample was restricted to 15-29yo who were not in education and who acquired their last education during the last 5 years.

From a methodological perspective, descriptive analyses were performed of the association between labour market exclusion and job insecurity and different objective and subjective measures of well-being and health in EU28 & Ukraine. Bringing together the research on unemployment and job insecurity, unemployed people were compared to workers with fixed-term or no contracts and workers with permanent contracts. Additionally, young people, who subjectively assess their job as insecure, were contrasted to those who assess their position as secure. Unemployed youth were compared to employed youth. Long-term unemployment was defined as having experienced an unemployment spell lasting over 12 months, either recently or in the past. A measure of subjective labour market insecurity was based on whether an individual thinks (s)he could become unemployed in the next 12 months. The measure of objective labour market insecurity was the type of contract distinguishing between temporary workers, permanent workers and (informal) workers without a contract.

The measures for well-being included global life satisfaction and happiness ratings, whereas the indicators for health include self-rated health as well as more specific measures based, for example, on reports of depressive symptoms. These measures were chosen to highlight both the well-being and health consequences of labour market exclusion and job insecurity. As young adults in general have good health, it was important to complement global measures of self-rated health with those on well-being to make sure that the psychological consequences of labour market disadvantages are appropriately reflected. Specifically, self-reported measures of health status (5-point scale of “How is your health in general?”) happiness (11-point scale of “Taking all things together, how happy would you say you are?”) and life satisfaction (11-point scale of “All things considered, how satisfied are you with your life as a whole nowadays?”) were used as key outcomes.

The situation was compared across countries in order to detect those countries where youth in insecure labour market positions suffers most and those countries where the
effects are less harmful. Next to the cross-country comparison, an overtime comparison
was performed in order to describe the situation before and after the recent economic
crisis. Not only the association between labour market exclusion and job insecurity on
the one hand and subjective well-being and health on the other hand was analysed, but
also examine how the effects vary across subgroups of young people (e.g. by gender).
In this respect, subgroup-specific analyses were performed.

Key findings of the descriptive analyses were that health, happiness and life satisfaction
are lower among the unemployed, particularly the long-term unemployed, compared to
the employed. Health and well-being are worse among those who believe that they may
become unemployed in the near future. The gap between the employed and unemployed
is larger for men compared to women especially with regard to happiness and life
satisfaction. The magnitude of the employed-unemployed gap differs considerably
across countries. The largest unemployed-employed gap in terms of happiness is
observed in the Netherlands, Denmark, Belgium and Austria. The largest unemployed-
employed gap in life satisfaction is seen in Spain, Denmark, and Croatia. The
unemployed-employed gap by country is smaller in terms of health and Cyprus, Finland,
and Lithuania are the countries with the largest gap. In very few cases the gap is reversed
with the unemployed reporting better well-being and health.

There are smaller (well-being) or no differences (health) by type of contract. Concerning
the type of contract, country differences are not as pronounced as for the employed-
unemployed gap and there is no sign of an impact of the crisis. There is also cross-
country variation in the effect of unemployment and temporary employment on well-being
and health. In terms of temporary compared to permanent jobs, the largest difference
between temporary and permanent workers is found in Cyprus, Ireland, Hungary, and
Lithuania for health, as well as the Netherlands, Finland, Italy, and Denmark for
happiness and Belgium, Finland, and Sweden for life satisfaction. In some countries the
gap runs in the opposite direction, with temporary workers reporting better well-being
and health.

There is a mixed picture regarding the relationship between employment and well-being
and health before and after the financial crisis. Overall, the difference in health and
happiness between the unemployed and employed drops after the crisis while there are
no big changes in life satisfaction ratios. In terms of temporary employment, in some
countries the difference reduces and in others increases after the financial crisis.

3. The moderating role of the institutional setting and policies

The second objective O.4.2 was to explain this between-country variation based on
country differences in institutional settings and policies. Thus, a comparative perspective
was applied when investigating the effects of labour market exclusion and job insecurity
on well-being and health based on microdata. It was analysed which policies/institutions
mitigate the negative effects of labour market exclusion and insecurity on well-
being/health. Thereby, the second major research question which institutional setting and policies are effective in mitigating the negative effects of labour market exclusion and insecurity on well-being/health was addressed.

Institutions/policies were identified that are seen as relevant for moderating the effect of labour market exclusion and insecurity on well-being/health. Specifically, hypotheses on the role of (1) the economic situation and the recent economic crisis (Chapter 3 of Athanasiades et al. 2016), (2) active and passive labour market policies and employment protection legislation (Chapter 4 of Athanasiades et al. 2016), (3) the education system (Chapter 5 of Athanasiades et al. 2016) and (4) cultural attitudes with respect to individualism/collectivism (Chapter 6 of Athanasiades et al. 2016) and the importance of work and objective measures of income inequalities (Chapter 7 of Athanasiades et al. 2016) were investigated in multilevel analyses.

From a methodological perspective, we adopted a multilevel design with individuals nested in countries and time. We measured the institutional and policy setting in a quantitative approach by using macro-indicators of structural, institutional, societal, and cultural country-level factors. Specifically, we investigated cross-level interactions, i.e. how macro-indicators moderate the individual-level effect of labour market exclusion and job insecurity on well-being and health (see Figure 3). Given this focus, the different chapters mainly focused on theoretical derivations concerning the respective cross-level interactions. Explanations for the micro-level associations between disadvantaged labour market positions and health and well-being can be found in the synthesis of Nordenmark and Strandh (1999) and are discussed in more detail in the literature review by Vößemer and Eunicke (2015). The basic argument was that unemployment and job insecurity result in the loss of economic and psychosocial resources which, then, translates into lower well-being and health.

![Figure 4 Multilevel design to investigate the moderating role of policies and institutions](source: Own illustration.)

The results of multilevel analyses were published in Chapters 3 to 7 of Athanasiadès et al. (2016). In Chapter 3 of Athanasiadès et al. (2016), Nizalova et al. examined the moderating role of country-level factors such as unemployment rates and GDP as well as the severity with which countries have been affected by the financial crisis on the relationship between disadvantaged labour market positions and young people’s health and well-being. Using data from the European Social Survey (ESS) and applying three-level models the authors find mixed evidence regarding how an economic downturn moderates the negative effects of unemployment and insecure jobs. There is virtually no effect of macro conditions on the relationship between job insecurity and health/wellbeing. It is just found that unemployment leads to more dissatisfaction and unhappiness in countries that are worse off financially (i.e., have lower GDP levels). Moreover, the negative effect of unemployment on health and happiness is mitigated in countries that have high levels of unemployment. The relationship between employment status and health or wellbeing does not seem to be moderated by the crisis. The detailed results of the analyses concerning life satisfaction (well-being) and health are summarized in Tables 1 and 2. Additional results regarding happiness can be found in the chapter.

Table 1 Results on the moderating effects of economic situation and the financial crisis with respect to the effects of labour market exclusion on well-being and health

<table>
<thead>
<tr>
<th>Indicators for economic situation and financial crisis</th>
<th>Moderating effects on...</th>
<th>Moderating effects on...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>... the negative effect of labour market exclusion on well-being</td>
<td>... the negative effect of labour market exclusion on health</td>
</tr>
<tr>
<td>Aggregate unemployment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in unemployment rate (level)</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Increase in unemployment rate (year to year growth)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Increase in unemployment rate (5 year growth)</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>GDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in GDP per capita (level)</td>
<td>+</td>
<td>0</td>
</tr>
<tr>
<td>Increase in GDP per capita (year to year growth)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Increase in GDP per capita (5 year growth)</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Financial crisis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country severely affected by crisis</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Own illustration

Remarks: A positive sign “+”, highlighted in green, means that the negative effect of labour market exclusion on well-being/health is statistically significantly mitigated. A negative sign “-”, highlighted in red, means that the negative effect of labour market exclusion/job insecurity on well-being/health 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 well-being/health is moderated by the policy
measure/institutional reform. Any ambiguous findings are not highlighted and the ambiguous findings are summarized.

Table 2 Results on the moderating effects of economic situation and the financial crisis with respect to the effects of job insecurity on well-being and health

<table>
<thead>
<tr>
<th>Indicators for economic situation and financial crisis</th>
<th>Moderating effects on...</th>
<th>Moderating effects on...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>... the negative</td>
<td>... the negative</td>
</tr>
<tr>
<td></td>
<td>effect of job</td>
<td>effect of job</td>
</tr>
<tr>
<td></td>
<td>insecurity on well-</td>
<td>insecurity on health</td>
</tr>
<tr>
<td></td>
<td>being</td>
<td></td>
</tr>
<tr>
<td><strong>Aggregate unemployment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in unemployment rate (level)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Increase in unemployment rate (year to year growth)</td>
<td>0</td>
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<td>Increase in unemployment rate (5 year growth)</td>
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<tr>
<td><strong>GDP</strong></td>
<td></td>
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<tr>
<td>Increase in GDP per capita (level)</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Increase in GDP per capita (year to year growth)</td>
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<td>Increase in GDP per capita (5 year growth)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Financial crisis</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country severely affected by crisis</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Own illustration. See Table 1 for remarks

In Chapter 4 of Athanasiades et al. (2016), Voßemer et al. investigated the moderating role of labour market policies in detail. The results concerning life satisfaction (well-being) and health are summarized in Tables 3 and 4. Using micro data from the first six rounds of the ESS (2002-2012) and time-varying macro indicators they find that higher levels of unemployment benefit generosity mitigate the negative effect of early-career unemployment on well-being. In contrast, higher expenditures on active labour market policies seem to intensify the negative effects. This result may indicate that training programs or job creation programs do not resemble regular employment close enough in order to provide comparable economic and psychosocial rewards. It may also be explained by participants perceiving ALMP as paternalistic and not as investments in their skills and employability. For employment protection legislation, the results are ambiguous. However, there is some evidence that the deregulation of restrictions on the use of temporary employment may result in more negative well-being consequences of youth’ labour market exclusion. For the effects of insecure jobs, they do not find any important moderating effects of passive and active labour market policies as well as employment protection legislation. One potential explanation for this result may be that the insecurities associated with having no contract at all or only a fixed-term contract are less malleable by labour market policies, because they “only” represent the threat of unemployment. The results clearly differ between well-being and health. Specifically, for health the authors do not find similar moderating effects of unemployment benefit generosity and active labour market policies as well as employment protection legislation. Robustness checks show all these findings are robust to time-constant unobserved heterogeneity between countries.
Table 3 Results on the moderating effects of labour market and educational policies with respect to the effects of labour market exclusion on well-being and health

<table>
<thead>
<tr>
<th>Indicators for labour market and education policies</th>
<th>Moderating effects on...</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>the negative effect of labour market exclusion on well-being</td>
<td>the negative effect of labour market exclusion on health</td>
</tr>
<tr>
<td><strong>Labour market market policies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in generosity of unemployment benefits</td>
<td>+</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increase in expenditure on active labor market policies</td>
<td>-</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Deregulation of protection for regular contracts</td>
<td>+/0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Deregulation concerning the use of temporary contracts</td>
<td>-</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Education policies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease stratification of the education system</td>
<td>+</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increase enrolment rates in higher education</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Increase second chance opportunities</td>
<td>+</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own illustration. See Table 1 for remarks.

Table 4 Results on the moderating effects of labour market and educational policies with respect to the effects of job insecurity on well-being and health

<table>
<thead>
<tr>
<th>Indicators for labour market and education policies</th>
<th>Moderating effects on...</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>the negative effect of job insecurity on well-being</td>
<td>the negative effect of job insecurity on health</td>
</tr>
<tr>
<td><strong>Labour market market policies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in generosity of unemployment benefits</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increase in expenditure on active labor market policies</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Deregulation of protection for regular contracts</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Deregulation concerning the use of temporary contracts</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Education policies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease stratification of the education system</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increase enrolment rates in higher education</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increase second chance opportunities</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own illustration. See Table 1a for remarks.

In Chapter 5 of Athanasiades et al. (2016), Högberg et al. investigated the moderating role of education policies. The results concerning life satisfaction (well-being) and health are summarized in Tables 2a and 2b. Additional results for depressiveness can be found in the chapter. Based on ESS data from 26 countries in four rounds (2006, 2008, 2010, and 2012) and applying linear random intercept multi-level models the authors find that less stratified education systems mitigate the negative effects of unemployment on life satisfaction but there is no moderating effect with respect to health. Higher enrolment rates in tertiary education reduce both the negative effects of unemployment on life satisfaction and on health. Providing more second chance opportunities in the education system mitigates the negative effects of unemployment on life satisfaction but there is
no moderating effect with respect to health. For the well-being and health effects of insecure jobs, the authors do not find any moderating effects of education policies. Thus, the support is much stronger for the moderating impact of educational policies on the effects of unemployment than on the effects of insecure employment. One potential explanation for this finding is that the theoretical line of reasoning behind the moderating policy effects are arguably more relevant in the case of unemployment than regarding insecure employment. Unemployed individuals are by definition further away from a normal labour market status, and thus in greater need of opportunities to strengthen their human capital. That is, their capabilities are more constrained in the first place, and they need greater institutional support to achieve comparable capabilities as individuals with employment or in education.

In Chapter 6 of Athanasiades et al. (2016), Täht et al. investigated the moderating role of social inequality. The results concerning life satisfaction (well-being) and health are summarized in Tables 3a and 3b. Additional analyses regarding psychological unwell-being are discussed in the chapter. Based on EU-SILC data from 29 European countries and applying two-level random intercept models the authors find that the negative effect of unemployment on life satisfaction is intensified the more unequal a society is perceived with respect to the income distribution. No evidence on the moderating effect is found when objective measures of income inequality are used. Reversed findings are reported with respect to the health effect of unemployment. The negative effect of LM exclusion on health is stronger in objectively more equal societies rather than in unequal societies. Here no evidence on the moderating effect is found when subjective measures of income inequality are used. Regarding the consequences of job insecurity, the authors find that life satisfaction of temporary workers as compared to permanent contract holders is not affected by the objective income distribution as measured by the Gini coefficients. There is evidence that in more equal societies (as depicted by the ‘objective’ measure of income share at the lowest 10%), and in societies where people perceive more inequality (as depicted by the ‘subjective’ inequality measure), youth tend to suffer more from job insecurity in terms of perceived life satisfaction. Reversed findings are reported with respect to the health effect of job insecurity. The negative effect of job insecurity for health is stronger in objectively more equal societies rather than in unequal societies. No evidence on the moderating effect is found when subjective measures of income inequality are used.

In Chapter 7 of Athanasiades et al. (2016), Xanthopoulou et al. investigated the moderating role of cultural values. The results concerning life satisfaction (well-being) and health are summarized in Tables 5 and 6. Additional analyses regarding psychological unwell-being are discussed in the chapter. Based on EU-SILC data from 29 European countries and applying two-level random intercept models the authors find that the higher the level of individualism in a society the more negative is the effect of unemployment on health. However, the level of individualism does not moderate the relationship between unemployment and well-being. Another finding is that the negative
effect of unemployment on life satisfaction is stronger in societies that attach a greater value to work. However, contrary to expectations, the negative effects of unemployment on health are mitigated in societies that attach a greater value to work. Neither the degree of individualism nor the value of work moderates the effects of job insecurity on well-being. Regarding health, the negative effects of job insecurity on health are more pronounced in individualistic countries. Contrary to expectations, it is found that the negative effects of job insecurity on health are mitigated in societies that attach a great value to work.

Table 5 Results on the moderating effects of social inequality and cultural values with respect to the effects of labour market exclusion on well-being and health

<table>
<thead>
<tr>
<th>Indicators of social inequality and cultural values</th>
<th>Moderating effects on…</th>
<th>… the negative effect of labour market exclusion on well-being</th>
<th>… the negative effect of labour market exclusion on health</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social inequality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease income inequality (Gini)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase the income share of the poorest 10%</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease the perceived inequality</td>
<td>+</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Cultural values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High individualism/low collectivism</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing the value attached to work</td>
<td>-</td>
<td></td>
<td>+</td>
</tr>
</tbody>
</table>

Source: Own illustration. See Table 1 for remarks.

Table 6 Results on the moderating effects of social inequality and cultural values with respect to the effects of job insecurity on well-being and health

<table>
<thead>
<tr>
<th>Policy measure / institutional reform</th>
<th>Moderating effects on…</th>
<th>… the negative effect of job insecurity on well-being</th>
<th>… the negative effect of job insecurity on health</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Inequality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease income inequality (Gini)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase the income share of the poorest 10%</td>
<td>+</td>
<td></td>
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<tr>
<td>Decrease the perceived inequality</td>
<td>+</td>
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<td>0</td>
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<tr>
<td><strong>Cultural values</strong></td>
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<tr>
<td>High individualism/low collectivism</td>
<td>0</td>
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<tr>
<td>Increasing the value attached to work</td>
<td>0</td>
<td></td>
<td>+</td>
</tr>
</tbody>
</table>

Source: Own illustration. See Table 1 for remarks.

In the following key findings of additional EXCEPT publications will be discussed that also addressed the research question which policies/institutions mitigate the negative effects of labour market exclusion and insecurity on well-being/health.

In their article Voßemer et al. (2017) took a cross-national comparative perspective to investigate how passive and active labour market policies (PLMP, ALMP) as well as employment protection legislation (EPL) shape the experience of unemployment and insecure jobs. Micro data of round 1–6 (2002–2012) of the European Social Survey were complemented with time-varying macro indicators of PLMP, ALMP, and EPL. The data included about 89,000 individuals nested in 112 country-rounds and 26 countries respectively. The sample was restricted to employees and unemployed individuals aged 15–64 years, i.e. in contrast to the previous EXCEPT multilevel analyses on the young people, this analysis extends the perspective to all age groups of workers. A three-level random intercept models as well as pooled linear regression models including country fixed effects were applied.

At the individual level the results reveal that both unemployment and insecure jobs have negative effects on well-being and health. In particular, the effect of unemployment is about five times larger than the effect of having only a temporary contract or no contract at all. This suggests that unemployment still represents the greater threat to workers’ well-being and health. Complementing the micro data with time-varying macro indicators, the analyses, however, also show that the negative effects of unemployment and less so insecure jobs vary with welfare states’ institutional arrangements.

The results on cross-level interactions in the multilevel analyses show that labour market policies are important in shaping the experience of unemployment, but are less relevant for workers in insecure jobs. Specifically, higher unemployment benefit generosity buffers the negative effects of unemployment on well-being but not health. This result also holds if we only focus on within-country changes in benefit generosity and, thereby, eliminate time-constant unobserved heterogeneity between countries. This is important, because it reduces concerns about the cross-cultural comparability of subjective well-being. However, Voßemer et al. (2017) do not find a positive moderating effect in the analyses concerning self-rated health, suggesting that labour market policies may work better with respect to the psychological than the physical aspects of health. In contrast to previous studies (e.g., Carr and Chung 2014; Scherer 2009), Voßemer et al. (2017) do not find that unemployment benefits are able to mitigate well-being and health inequalities within the workforce, that is, between workers in secure and insecure jobs.

Moreover, different interpretations are discussed for the finding that higher ALMP expenditures are associated with more negative effects of unemployment on well-being and health. Assuming that ALMP participants are mostly included among the unemployed, this finding, although consistent across different models, is according to Voßemer et al. (2017) at odds with their theoretical arguments that emphasized the positive aspects of activation in terms of providing a “functional equivalent” to work and the increased employability associated with investments in unemployed individuals’ skills. Voßemer et al. (2017) suggest that the negative moderating effects of ALMP may also be explained by the fact that ALMP involve forcing elements and may be perceived as paternalistic. According to Voßemer et al. (2017) an additional, more positive explanation
for the negative coefficients of the cross-level interactions may be that higher ALMP expenditure works well resulting in a selective pool of unemployed individuals who have not yet been activated and have lower well-being as well as worse health.

With respect to EPL it is found that in countries with high insider protection, deregulating the restrictions on the use of temporary employment increases the negative effects of unemployment on well-being and health. This result is in line with concerns that a partial deregulation or a flexibilization at the margins may have resulted in a particularly strong cleavage between insiders and outsiders (Barbieri 2009).

4. Disentangling the causal mechanisms

The third objective O.4.3 was to disentangle the causal mechanisms with respect to how youth’ experiences of labour market insecurity affect their trajectories of well-being and health in the short-run and long-run.

From a methodological point of view in-depth quantitative longitudinal data analyses were conducted to measure the causal effects and underlying mechanisms. Taking a dynamic individual level perspective, the theoretical mechanisms and causal relationships were investigated. Additionally, a life course perspective was adopted in order to differentiate between the short-term and long-term effects of labour market disadvantages on individual trajectories of well-being and health.


The results were published in Baranowska-Rataj, A. et al. (2016). This working paper presents the evidence on the causal effects of various forms of labour market insecurity on health and well-being based on longitudinal data. It draws on selected national panel survey and life history survey data (the Social Diagnosis data from Poland, the Ukrainian Longitudinal Monitoring Survey from Ukraine) as well as comparative harmonized longitudinal surveys (The Survey of Health, Ageing and Retirement in Europe (SHARE), the European Union Statistics on Income and Living Conditions (EU-SILC)) that provide detailed measures of health and well-being. It examines self-rated health and life satisfaction in both short and long-term perspective.

In chapter 1 of Baranowska-Rataj, A. et al. (2016), Nizalova et al. used data from the Survey of Health, Ageing and Retirement in Europe (SHARE) to investigate whether unemployment during youth has lasting negative effects on health more than 30 years later. Versions of the independent variables were cumulated years in unemployment between the ages 14 and 29 years, cumulated years in unemployment within the first 10 years after leaving full-time education and experiencing unemployment during the respective periods. The dependent variables were well-being measures with the CASP-
12 scale and a five-point self-rated health scale. Accounting for individual heterogeneity, a significant negative effect of youth unemployment on health and well-being 35+ years later is found. The effect is considerably larger in magnitude for males than for females. Another key finding is that exposure to unemployment during youth shifts both the health and well-being age trajectories downwards in levels, but it does not change their shape.

In chapter 2 of Baranowska-Rataj, A. et al. (2016) Nizalova and Norton estimated the long-run effects of experiencing an exogenous job separation on health and wellbeing in Ukraine in the period following massive economic downturn using data from the Ukrainian Longitudinal Monitoring Survey (ULMS) and applied growth curve modelling. Dependent variables were self-reported health, life satisfaction and various measures of health behaviour and outcomes (such as BMI, alcohol, tobacco consumption, and physical activity). Gender and life course interaction effects were tested. Nizalova and Norton found that compared to individuals who have continuously been working, those, who had at least one exogenous job separation, are less likely to be satisfied or fully satisfied with life, among both men and women. There are negative health effects for men but not for women. Exploring the pathways for health effects it is shown that men are more likely to engage in health compromising behaviours following a job separation. The effects of employment losses on health compromising behaviours are stronger among those who experienced the first labour market shock when they were young.

Using hybrid panel data models drawing on the Social Diagnosis panel survey from Poland Rokicka et al. studied in chapter 3 of D4.3 the impact of job loss on well-being. Measures of happiness and willingness to live were used as the dependent variables. The paper particularly focused on the moderating role of the individual meaning of work in the impact of job loss on well-being. Rokicka et al. show that a job loss decreases both personal life assessments and willingness to live. The negative effects are stronger the more a person valued the role of employment in his/her life.

In chapter 4 of Baranowska-Rataj, A. et al. (2016) Baranowska-Rataj and Strandh examined the impact of transition to unemployment on self-rated health among young people’s partners. The question was addressed whether there are spillover effects of job separations, i.e. whether becoming unemployed among youth affects the health of their family members. EU-SILC panel data from 30 countries were analysed using random effect models and correlated random effect models. The key dependent variable was respondents’ self-assessment of overall health at the time of the survey. The key explanatory variable was the labour market status of individuals and their partners, distinguishing between employment, unemployment and inactivity, controlling for partnership status to account for person-years in which a person is not partnered. Baranowska-Rataj and Strandh find that the health consequences of job separations extend beyond the unemployed youth and affect also their partners. These spillover effects of job separations are stronger in case it is a male partner who loses a job.
In the following key findings of additional EXCEPT publications will be discussed that also tried to disentangle the causal mechanisms with respect to how youth’ experiences of labour market insecurity affect their trajectories of well-being and health in the short-run and long-run.


Building on their work in chapter 4 of Baranowska-Rataj, A. et al. (2016) Baranowska-Rataj and Strandh examined in their additional working paper the impact of transitions to unemployment on self-rated health among young people’s partners more in detail. Partnership, understood as a union of two adult persons living in the same household, plays a crucial role in shaping psychological and health-related functioning and hence constitutes the most relevant context to investigate processes of interference of distress and ill health related to adverse life course events. Panel data from the EU-SILC for 30 European countries over the period 2003-2013 were analysed using random effect models and correlated random effect models. The key dependent variable was respondents’ self-assessment of overall health at the time of the survey. The key explanatory variable was the labour market status of individuals and their partners, distinguishing between employment, unemployment and inactivity, controlling for partnership status. The results show that the effects of partners’ transitions into unemployment are stronger among women as compared to men, implying that contagion of health effects of unemployment is gendered. The results highlight the role of within-household social interactions and income pooling for health outcomes of people who lose their jobs. Moreover, it is shown that the degree to which partner’s unemployment is detrimental depends on the country-specific context. Men’s unemployment deteriorates their female partners’ health most of all in conservative countries, with social norms supporting male breadwinner supremacy. These effects are also stronger in countries with stronger work ethics and lower in countries with high aggregate unemployment, which proxies the so-called social norm of unemployment.


This article contributes to the growing literature on the long-term effects of job loss and unemployment on health (Daly & Delaney, 2013; Schröder, 2013) and, in particular, complements previous studies on the lasting negative health consequences of youth unemployment (Bell & Blanchflower, 2011; Brydsten et al., 2015; Strandh et al., 2014).
Specifically, it examines the effects of involuntary job loss in the first ten years after labour market entry on self-rated health measured for more than 30 years later. In addition, it takes up the increased interest in the mechanisms behind this relationship (e.g. Strandh et al., 2014) by analysing to what extent the negative effects are mediated through channels such as increased subsequent unemployment risks and employment instability.

Using detailed retrospective data from the third wave (2008/09) of the Survey of Health, Ageing and Retirement in Europe (SHARE) the analysis shows that workers’ who involuntarily lost a job in their early career have on average a 6 percentage point higher probability to report fair or poor health at the time of the interview. Comparing the size of this effect to other effects in the same model, it is about as large as the effect of having five years less of education. These results are based on analyses that carefully control for health selection and confounding. Specifically, health-induced job losses due to illness or disability were excluded beforehand and the regression models adjusted for demographics and education, childhood health, childhood socioeconomic status as well as characteristics at the first job. Moreover, it was revealed that the effects are very similar for involuntary job losses due to layoffs and plant closures. As in plant closures almost all workers are let go, it is less likely that the corresponding job loss is due to health or other observed and unobserved individual characteristics (Strully, 2009). This should further reduce concerns that the revealed associations are spurious.

Moreover, this article also contributes to our understanding of the mechanisms behind these long-run relationships. Additional analyses controlling for indicators of unemployment risks and employment instability concerning workers’ subsequent careers showed that the total effect of an early-career involuntary job loss was only reduced by about 10–15%. In line with previous studies, these findings highlight the importance of early career experiences for workers’ later life health.


The profound economic and political changes of the 1990s had detrimental social effects in many domains of life in post-socialist countries, including diminishing life expectancy and growing unhappiness. Despite economic improvements in the second decade of transition, research has documented that happiness lagged behind. We test whether past unemployment experience can explain this “transition happiness gap in the context of Ukraine”, a country with a painful delayed transition from planned to market economy. We analyze unique longitudinal data for the period 2003–2012. Current unemployment substantially reduces subjective wellbeing, and the effect is roughly 50% larger for men than for women. The effect of past unemployment is significant, but small in magnitude compared to the effect of current unemployment. However, it does correspond to around
8% of the “transition happiness gap” found by Guriev and Melnikov (2017), suggesting that past unemployment experience can be considered as a partial explanation.

B) Synthesizing the qualitative findings on well-being and health in the context of the quantitative findings

by Christina Athanasiades

According to the results of the aforementioned quantitative studies regarding the relationship between well-being and labour market exclusion, it is evident that unemployment seriously harms the health and well-being of young people. However, what is the experience of young people themselves? What do the personal stories of the young people who participated in the interviews, conducted within the EXCEPT Project, “say” about their well-being and health in relation to unemployment experiences? Are young people in Germany and Sweden (where unemployment rates are lower among youth compared to other European countries) happier in relation to young people in Greece and Bulgaria? Qualitative research has attempted to answer this kind of questions and, above all, the question of how young people face the impact of unemployment on their mental and physical well-being.

This in-depth investigation through the qualitative interviewing of almost 400 young people, between 18 and 29 years old, in 9 countries, essentially responded to the 4th objective of the Project, that of investigating how youth in disadvantaged labour market positions perceive their well-being and health and how they cope with health problems and the problem of low level of subjective well-being.

The results of this investigation are found on Part III (Thematic Section on Health and Well-being) of the D3.6 Report on the Consequences of Labour Market Insecurity & Inclusion Policies, which was written by the Italian and the Greek team. The D3.6 Report is based on the comparative analysis of the national reports on Autonomy, Health and Well-being, and Socio-economic consequences in each country.

Wellbeing and health was considered a cross-sectional topic during the interview process. The focus was (a) on subjective perceptions of youth and definitions of their own situation of well-being and health, (b) on concrete experiences related to well-being and health (or lack of it), as well as (c) on coping strategies used to promote well-being at different levels, such as the individual, the familial, the social, and the institutional.

According to the results, young people who participated in the interviews gave a variety of meanings to their well-being and health. For example, well-being and health was associated with: (a) a ‘good’ job, that is stable, interesting, and fulfilling, (b) a job that offers good money or sufficient income, (c) good health, (d) good family relationships
and friendships, (e) material goods (i.e., house, fun, travel), and (f) a sense of security and stability in life.

More particularly, the Estonian, the Polish and the Ukrainian youth complained about “toxic” work and “harsh” working conditions (i.e., exhausting working hours, no insurance, mobbing, sexism, etc.), which obviously have detrimental effects to their wellbeing and health. They all seemed to ask for stability and safety in the labour market along with better salaries in order to be able to afford everyday living. The same was the case with the Bulgarian youth, despite the fact that they tended to evaluate their living/working conditions as better when comparing it with that of most people in the country.

The economies of the above post-socialist countries have some special characteristics which differentiate them from other Northern or Southern European countries. For example, Estonia and Poland -despite the crisis- have already a positive economic growth, while youth unemployment rates in these two countries and Ukraine are between 10-15% (Rokicka, et al., 2015). On the other hand, Ukraine and Bulgaria have the lowest wages in Europe and are among the countries with the highest percentage of brain drain. Low wages, plus lower female participation in the labour market, is probably the reason why temporary and/or part-time employment constitute a very small proportion of the young labour force in all post-socialist countries (Rokicka, et al., 2015). It seems that most workers in these countries end up in this type of employment involuntarily, therefore, they ask for better, more stable jobs and higher salaries.

On the other hand, youth in Greece and in Italy sounded hopeless and totally disappointed from their career prospects and future orientation. The truth is that the most severe GDP decline with a sharp growth in youth unemployment rate occurred in Greece (Rokicka, et al., 2015). Greece and Italy have also the worst employment prospects for university graduates. Moreover, in South Europe youth are forced to temporary and part time work (not to mention atypical or informal employment) due to lack of available permanent employment contracts (Rokicka, et. al, 2015).

On the contrary, youth unemployment rate in Germany has been decreasing for the last 6 to 7 years (Rokicka, et al, 2015). Therefore, being unemployed in Germany seems to provoke both feelings of shame and self-blame as well as social outrage and prejudice. This is reinforced, on the one hand, by the fact that everyone has a job (or that is not difficult to find one) and, on the other hand, by the generous unemployment benefits. Relevant literature suggests that in times of low unemployment, there is a strong social work norm, which negatively affects the health of the unemployed; on the contrary, in times where everyone in a country is in a bad economic condition, the negative effect of unemployment and job insecurity on well-being may be mitigated by the relative comparisons (as for example in Bulgaria) (Nizalova, et al., 2016. Voßemer & Eunicke, 2015). Moreover, multi-level analyses on the moderating role of cultural and societal values suggest that the unemployed are less satisfied and report higher levels of
impaired well-being than the employed in societies that attach a great value to work (Xanthopoulou, et al., 2016).

Last, in United Kingdom and Sweden, while unemployment rate of recent school leavers had initially increased, since 2010 it has started to decline (Rokicka, et al., 2015). This is probably the reason why youth from these two countries sounded more optimistic than the rest and asked for career opportunities that respond to their qualifications and dreams, as well as to a higher purpose in life. Also, in Scandinavia a high proportion of recent school leavers work part time and this is primarily a voluntary choice (Rokicka, et al., 2015), which allows the employee to devote time to himself/herself and/or to his/her family, enhancing thus wellbeing and satisfaction with life.

In relation to risk factors, participants identified three kinds of risks: (a) micro-risk factors that are associated with the individual, (b) meso-risks that are associated with the family and other social networks, and (c) macro-risks that are associated with the state and the institutions. Micro-risk factors included mostly disability and mental health problems that might interfere with the individual’s wellbeing and prohibit him/her from finding a good and stable job. Having children early in life was also mentioned as a factor that limits work opportunities, especially for women, thus interfering negatively with wellbeing and health. Personal characteristics, such as excessive worry, anxiety, pessimism and feelings of low self-esteem and insecurity were also mentioned as micro-risk factors to wellbeing and health. Meso-risk factors included mostly family conflicts, family dependency (over-protected families), parental loss and living in a small town or in ghettos. Macro-risks included primarily high unemployment rates and precarious employment, while a number of participants in certain countries referred also to stigmatization, sexism and racism in the labour market.

The above categorization applied also to coping strategies identified by the participants. Therefore, coping strategies were divided into micro-, meso- and macro-. Micro-coping included (a) mental/cognitive strategies, such as positive thinking, focusing on the present, controlling emotions, avoidance behaviours, etc., (b) personal characteristics, such as optimism, persistence, etc., and unfortunately, (c) the consumption of sedatives and drugs. Meso-coping strategies referred exclusively to the support from parents and the family, while macro-coping strategies included the use of youth policies and unemployment benefits.

Overall, the analysis of the interviews revealed similarities as well as differences among the way young people in the nine countries subjectively perceive their wellbeing and health and cope with adverse conditions in the labour market. Youth perceptions in each country were shaped according to the particular cultural and socioeconomic context and the degree to which this was influenced by the global economic crisis of 2008 and its aftermath.

Nevertheless, and despite their differences, unemployment constitutes a serious risk factor for the wellbeing and health of all youth participating in the interviews. However,
even though macro risk factors (such as unemployment) pose the greater threat to wellbeing and health, most of the interviewees resort to individual coping and family support. It seems that institutional/state support is very low/bad even in countries where the economic crisis has been mild. For example, in Germany, youth talked about discrimination and prejudice against the unemployed coming even from people working in welfare and employment services. Although individual agency should be reinforced, especially in times of economic crisis, this should not replace the state’s responsibility to care for its citizens and particularly those in need of welfare resources. Moreover, research about unemployment protection indicates that a well-developed unemployment benefit system seems to be able to buffer some of the negative effects that unemployment brings along (Voßemer, et al., 2016).
Synthesis of findings of WP5: Consequences of labour market insecurity on autonomy

A) Synthesizing the quantitative findings on autonomy

By Valentina Goglio, Sonia Bertolini, Rosy Musumeci, Chiara Ghislieri

Working package 5 had the following four objectives:

**O.5.1** To elaborate the association between individual labour market disadvantages and leaving the parental home with respect to young people throughout the EU-28 and Ukraine

**O.5.2** To explain this intercountry variation based on country differences with respect to institutional settings and policies, taking into account also micro-factors such as gender, age, education and citizenship

**O.5.3** To examine the complex interactions between labour market vulnerability and housing autonomy among youth, in the short-run and long-run

**O.5.4** To detect the transition patterns to adulthood and the social mechanisms underlined, referring to the subjective representations and devoting particular attention to youth’s coping strategies

After summarizing the state-of-the-art in chapter 1, the key findings on the four objectives of WP5 are highlighted in the subsequent chapters.

**The state-of-the-art: the association between individual labour market disadvantages and leaving the parental home with respect to young people throughout the EU-28 and Ukraine**

WP5 started with a literature review on the consequences of (youth-related) insecure employment on young people’s autonomy. We considered autonomy as a multidimensional concept, which encompasses not only housing, but also psychological and economic autonomy. The issue of Autonomy was addressed considering three dimensions: housing, economic and psychological because today the transition to adult life is a multifaceted process, in relation to the complexity of the labour market that young people face.

In details, the three dimensions of autonomy were operationalized in three corresponding outcome variables:
a) housing autonomy was built as a dichotomous variable associated with the residential condition of the individual. An individual is considered as having reached housing autonomy when he/she lives in a household not including his/her parents in the family (EU-SILC database provides information about members of the household);

b) economic autonomy: in order to identify youth who could be defined as fully economically autonomous as opposed to individuals who showed a certain degree of economic dependency (on whoever – the State, the family etc.) we built an ad-hoc indicator composed of three main categories (and based on information available in EU-SILC database). Autonomous individuals are defined as those who do not live in a household at risk of poverty and receive a personal income from employment; those with the same characteristics who yet receive some transfers (from the family or the institutions as unemployment benefits or housing and social exclusion allowances) are considered as “partly autonomous”. The opposite situation is that of individuals who live in a household at risk of poverty and are thus considered as non-autonomous, as well as individuals who do not have any form of income from employment or self-employment.

c) Psychological autonomy means the degree to which individual behaviour is experienced as willingly enacted and endorsed, and to which individuals is able to shape their life or activities free from other people’s control. In empirical research it is measured as a proportion of agreements (i.e. answers “I strongly agree” or “I agree”) with the statement “I feel I am free to decide how to live my life”, as available in EQLS dataset.

We also collected literature that deals with coping strategies aimed at buffering the effect of job insecurities on autonomy. As an additional work, a comprehensive literature review was written based on the literature that was collected and published as an additional output, a book, and made available to the wider public.


Previous studies show that the rising labor market uncertainties have contributed to the postponement or even abandonment of long-term binding decisions such as leaving the parental home, (Barbieri and Scherer 2005, 2009; Nazio and Blossfeld 2003; Mills and Blossfeld 2003; Pisati 2002; Reyneri 2011; Bertolini 2011). However, the magnitude of such consequences differs notably between countries, suggesting that institutional contexts at the nation-state level mediate the effects of globalization on young individuals in a nation-specific way.

In fact, leaving the parental home is a complex process. In general, the generosity of the welfare state for young people can influence this transition. Research has shown a
positive link between youth autonomy and generosity of the welfare state. Researchers show that postponement takes longer in countries in which there is less universalistic welfare state assistance («particularism» Ferrera 1996) and which is often targeted at specific relevant political target groups («clientelism» ibid.). Some countries are characterized by the absence of a universal system of protection and some categories of workers, such as the atypical category, are excluded from unemployment protection (Schizzerotto and Lucchini 2002).

While a lack of employment opportunities and limited earnings are a barrier for youth to achieve housing autonomy, the economic factors can also have an influence on the decision to leave home. Regardless of how much a government invests in active labor market policies, the impact of structural and macroeconomic changes may be much more powerful, because it implies the possibility of finding a new job if you have lost one. Still, the ratio between youth earnings and the price of housing should be taken into consideration in order to make housing more easily available. There is a whole range of policies that support renting or buying one’s own house among youth and hence increase the opportunity for young people to leave the parental home. Turi and Del Boca (2010) presented evidence that the availability of conventional home-purchase loans to first-time buyers increased opportunities for young people to leave the parental home. Their results also indicated that higher levels of public expenditure devoted to youth in the form of social housing, active labor market policies, and policies for other contingencies such as income support programs, speeded up the transition to residential independence (Baranowska et al., 2015).

Institutions and policy regimes have historically developed based on national ideologies concerning social solidarity, engagement for social equality, and gender ideology (Flora and Alber 1981, Esping-Andersen 1990) and a certain inertial tendency to persist (Esping-Andersen 1993), that have given shape to the policy fields. According to the nation-specific design of social policies, it can be expected that unemployed youth and youth experiencing labor market insecurities face different abilities to gain autonomy from parents (e.g., via the provision of social housing and financial support for unemployed youth).

Recently, several authors pointed out the impact of cultural factors as another important dimension for explaining the decision to leave the parental household (Goldscheider and Goldscheider 1989, 1993; Surkyn and Lesthaeghe 2004, Billari and Liefbroer, 2007; Giuliano, 2007). Following Moreno (2012) comparative European research has shown the combined influence of the welfare regime on what some authors refer to as the transition regime (Leccardi and Ruspini, 2006; Walther, 2006) and of culture on the diverse trends observed in the transition to adulthood in various European countries. For instance, Van de Velde (2008) refers to the cultural impact of familism (a form of intergenerational solidarity or group membership) to explain the extended transition of
young people in Spain, as compared to countries such as France, Denmark, or the United Kingdom. Naldini and Jurado pointed out similar findings also for Italy (2013).

Several authors have described how families negotiate this support and how it affects the practices of young people (Holdsworth 2004; Bendit et al., 2009). In parent-child negotiations, the familistic culture of Southern European countries encourages parental reinforcement of permanence in the home as a strategy for accumulating human capital (Bynner, 2008) and facing risks and insecurities (Moreno, 2008). In contrast, the role of the family in Northern European countries has been to encourage young people to leave home early (Holdsworth, 2004). As you can see, the relation between low labor market attachment and housing autonomy can be mediated by different structural, institutional, and cultural variables.

Starting from this background, based on multi-level models, in this section we will look at the mediating effect of institutions and different kinds of policies and macro factors on the relation between low labor market attachment and the propensity of leaving the parental home of young people across EU-28. The aim is to understand which kind of conditions and policies could be useful to influence this transition, starting with the point that many young people today experiment situations of unemployment.

For the purposes of our work, we will mainly focus on welfare state policies, in particular on labor market policies and family policies, taking into account cultural factors as well. Indeed, as summarized by Billari and Liefbroer (2007) individuated in studies, there are three classes of determinants on the process of leaving the parental household. The first class of determinants deals with young adults’ involvement in parallel events, such as getting a job, going to college, and marriage, which trigger the decision to leave home. The second class of determinants relates to the opportunities and constraints that either facilitate or impede the decision to leave the parental home, such as housing market conditions, economic conditions and the circumstances within the parental home. The third is represented by the impact of cultural norms.

From a macro-level perspective, other important determinants are related to socialpolicies. Finally, the third type of determinants is represented by the impact of cultural norms. In fact, even in the presence of the same working and institutional conditions, people can make different decisions in terms of leaving the parental home, by linking their decisions to values and attitudes. This attitude can differentiate based on gender.

In fact, in countries «where the male-breadwinner model is predominant, it will be more important for males to establish themselves in a secure job as opposed to females» (Blossfeld et al. 2005, 19). Empirical research shows a common pattern in all European countries: young women tend to leave the family home earlier than young men do.

Studies carried out in some European countries have shown that women leave the parental home earlier than men to form a couple and a family, even if they do not have
a stable job. Men delay their residential independence and associate it with job stability, which at some point will allow them to become the head of the family (Robette, 2010; Vitali, 2010, Moreno, 2012).

Describing the association between individual labour market disadvantages and leaving the parental home with respect to young people throughout the EU-28 and Ukraine

The first objective O.5.1 was to describe the association between individual labour market disadvantages and leaving the parental home with respect to young people throughout the EU-28 and Ukraine by using EU-SILC and EQLS microdata. The results of this analysis are described in Section I “Descriptive analyses on the association between experiencing labor market insecurity and youth autonomy using cross-sectional data” of the Except Working paper n. 9.

In particular, the key objective was to show the association between individual labour market disadvantages and the propensity of young people to become autonomous across EU-28 and Ukraine. Another objective was to explain this cross-country variation based on country differences in the institutional setting and policies, taking into account also micro factors such as gender, age, education and citizenship. It focused on the relationship between labour market exclusion (Hp 1), objective job insecurity (Hp 2), subjective job insecurity (Hp 3) and housing autonomy and psychological autonomy. The dimension of economic autonomy is also considered.

Housing autonomy

Testing the association between labour market exclusion and housing autonomy authors found 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 clear pattern associated to some countries in particular does not emerge. Indeed, the group of countries with the highest difference in percentage points between employed and unemployed individuals is quite heterogeneous, including a Scandinavian country as Sweden, continental ones as France and Luxemburg and a post-socialist country as Estonia. On the other side, among countries with the lowest difference authors find Eastern European countries as Slovenia, Slovak Republic, Hungary but also Denmark. Moreover, authors do not find remarkable gender differences, since the direction of the relationship is the same with higher proportions of housing autonomy among employed individuals. However, in five of the countries considered (Belgium, Estonia, Spain, Finland and Slovak Republic) the association for female is not significant which, may be due to the small sample size but might also suggest that for female the working condition could be less important in the decision of leaving the parental home, compared to men.
Findings for Ukraine indicate that the country has one of the widest gaps between employed and unemployed in terms of share of people living autonomously, compared to almost every European country, and that when considering women and men separately, the relationship remains the same, with lower proportions of unemployed males and females living autonomously compared to employed ones.

The regression analysis on the pooled sample of EU28 countries confirms the negative effect of labour market exclusion on housing autonomy, which is stronger for youth in the age range 25 to 29 years old. The average marginal effects for single country regressions confirm the negative association between unemployment and housing autonomy in all countries, but with few exceptions, where the relationship is not statistically significant. Again, a clear pattern of countries where the effect of unemployment is larger is not easy to detect, as the group is quite heterogeneous, including Denmark, Estonia, Greece, France, Luxemburg and Latvia. However, it is important to bear in mind that with cross-sectional data, authors observe the characteristics of those who are already out of parental home and thus findings may have a problem of reverse causation.

The relationship between objective job insecurity and housing autonomy shows a general trend of lower proportions of individuals living autonomously among employed with a temporary contracts compared to those in a permanent job. However, the relationship is not statistically significant in most of the countries considered. The regression analysis confirms a negative effect of objective labour market insecurity on housing autonomy, which is however statistically significant in a small and heterogeneous group of countries, including Germany, Luxemburg, France and Italy, Portugal and Poland. These results may be subject to a problem of reverse causation (once living autonomously individuals tend to accept whatever type of contract to keep covering the costs of housing), but may also indicate that as temporary contracts are now the most common first step for youth entering the labour market, the type of contract may not be a good indicator for differentiating youth, in particular with respect to the dimension of autonomy.

The results about subjective labour market insecurity and housing autonomy show that a negative association between is not fully supported. Indeed, in Scandinavian, French-speaking -and slightly also the Post-socialist- clusters, the proportion of those living out of the parental home is greater among individuals with perceived secure jobs compared to those with insecure jobs. On the contrary, the relationship is reversed in the Southern European and Anglo-Saxon clusters. The results from the logistic regression go in the same direction and show a non-significant relationship of subjective job insecurity and living autonomously.

Authors then compared the effect of labour market exclusion, subjective and objective job insecurity before and after the crisis. Although authors are not able to observe any causal link with the crisis, it is interesting to notice how the relationship varied across the two periods. As far labour market exclusion is considered, for most of the countries the
sign and magnitude of the association between unemployment and housing autonomy have not changed in the two periods (if negative or not significant in 2014 remained the same for 2007). However, in Czech Republic, Hungary, Poland, Denmark, the Netherlands, Spain, and Portugal the relationship became negative in 2014 only, while in 2007 was not statistically significant and in Belgium it was even positive. With respect to objective job insecurity, for most of the countries the comparison between the two periods does not show any significant change in the role played by a temporary contract (as opposed to a permanent one) on housing autonomy. The only exceptions are Germany and Poland, where the small negative association is only significant in 2014 (and not in 2007). The relationship between subjective job insecurity and housing autonomy remained stable across the two periods in the Scandinavian, German-speaking and Post-socialist countries, while the proportion of youth with insecure jobs living autonomously increased in the Southern-European, Anglo-Saxon and French-speaking clusters. However, estimates from the logistic regression show that the relationship is not statistically significant in both periods 2011 and 2007.

Economic autonomy

Finally, authors explore the association between economic and housing autonomy. The authors developed an ad hoc indicator of economic autonomy which combines information about: labour market situation, transfers from third parties and risk of poverty. These explorative analyses show that among those living independently from parents, in half of the countries the share of individuals fully or partly autonomous reaches 70% and in general, in all countries it reaches at least 50% of the sample. The distribution of economic autonomy for the group of young people living with parent remains quite high, reaching more than 80% of fully or partly autonomous in a heterogeneous group of countries as Austria, Malta, the Netherlands and Denmark. On the contrary, the share of fully or partly autonomous individuals is lower in some Southern-European countries (Greece and Portugal) and Poland. The comparison with the pre-crisis situation highlights that the proportion of fully autonomous individuals decreased in 2014 compared to 2007, accompanied by an increase of non-autonomous individuals, particularly in Ireland, Lithuania and Southern-European countries as Cyprus, Spain, Greece and Portugal. Descriptives from Ukraine show that the proportion of fully autonomous individuals is lower than in most of other EU28 countries. The category of partly autonomous is the dominant one between both young people living independently and living with parents, and 98% of them declare some transfers from the family. As expected, the comparison between 2007 and 2017 shows that the share of non-autonomous individuals increased, accompanied by a decrease of fully autonomous.

Psychological autonomy

The analysis of the association between the labour market status and psychological autonomy among youth in Europe revealed interesting differences within and across country groups. Overall, 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 the welfare state regime. The lowest difference is observed in Southern European countries. Interesting observations were made regarding the group of inactive youth, who were as limited in terms of psychological autonomy as the unemployed in most country groups, with the exception of the French-speaking cluster, where their autonomy exceeded the level observed among both unemployed and employed youth. With respect to objective job insecurity and psychological autonomy, emerges that in the South of Europe, the difference between the psychological autonomy of permanent versus temporary employees amounted to 5 percentage points. However, in Anglo-Saxon countries employees with fixed-term contracts had higher levels of psychological autonomy than permanent employees, and the difference amounted to 7 percentage points. In other country clusters, the differences between these two groups of young workers were actually very small. This implied that objectively measured employment insecurity did not affect the psychological autonomy. When looking at the association between subjective job insecurity and psychological autonomy, the results suggest that in most country clusters, the jobs perceived as more secure were associated to a higher degree of psychological autonomy. However, in Anglo-Saxon countries there was virtually no difference in psychological autonomy among employees with fixed-term and permanent contracts.


- Regarding housing autonomy, the results show: a common trend of decreasing housing autonomy due to unemployment (HP1) and, to a much lesser extent, due to temporary contract (HP2), but high heterogeneity across countries for the association between objective insecurity and housing autonomy, no association between subjective job insecurity and housing autonomy (HP3).

- Regarding psychological autonomy results show negative association between psychological autonomy and LM exclusion (HP1 – unemployment/inactivity), and subjective job insecurity (HP3 - current and future job); no association between temporary contract and psychological autonomy; Cross area variation: impact of unemployment most detrimental in Scandinavian countries compared to other clusters.
Explain the intercountry variation based on country differences with respect to institutional settings and policies

The second objective O.5.2 was to explain this intercountry variation based on country differences with respect to institutional settings and policies, taking into account also micro-factors such as gender, age, education and citizenship by using EU-SILC and EQLS microdata. “Multilevel analyses on contextual factors moderating labor market insecurity and youth autonomy” of the Except Working paper n. 9.

Through multilevel analyses we considered structural factors (such as the economic cycle, the demographic structure and the distribution of income), institutional factors, such as the public expenditure for labor market policies and support to housing and family, and then cultural norms, more (or less) oriented toward a traditional division of gender roles.

As far as residential autonomy and its relationship with unemployment is considered, the multilevel analysis shows that among the set of structural factors, a statistically significantly moderating effect is observable in some circumstances:

With respect to the structure of the housing market, multilevel analyses show the following results:

- a well-developed and widespread mortgage market, proxied by the ratio between residential loans and GDP of a country, positively moderates the association between labor market exclusion and housing autonomy, reducing the negative impact of unemployment. This supports the hypothesis that a mortgage-friendly structure of the housing market positively moderates the negative effect between unemployment and housing autonomy. This hypothesis is further supported by the results for the opposite variable, the proportion of people owning their house with no mortgage, indicating a small mortgage market, which indeed negatively moderates the relationship between labor market exclusion and housing autonomy. However, results for the year 2013 show an opposite tendency related to the level of indebtedness for home purchasing: indeed, empirical data supports the hypothesis that high levels of indebtedness of households, proxied by the ratio between residential loans and disposable income of families, have a negative moderating role. This seems to suggest that if the debt is not designed to take into account the specific situation of young people with precarious jobs, and their risk of income discontinuity, the ability of families to repay the debt can be compromised. These results have to be further investigated taking into account the effect of the crisis on the banking sector and on family budgets. For example, the economic crisis has made borrowing more dangerous: if families are highly indebted, the banks face a greater risk of insolvency and therefore they are less willing to grant loans.

Regarding institutional factors that may moderate the relationship between unemployment and housing autonomy, multilevel analyses have shown that:
- passive labor market policies play a positive mediating role, meaning that – as hypothesized - in countries where the public expenditure for passive labor market policies is more generous, unemployment has a weaker effect on housing autonomy. This result is statistically significant for both periods considered (2007 and 2013).

- family support policies: policies that go in the direction of helping to reconcile work and family seem to play a positive moderating role. Indeed, for the year 2007, the greater the coverage of early childhood education and care (ECEC), namely the participation of children aged 3 to 5 in childcare services and early education, the weaker the negative association between unemployment and housing autonomy. Similarly, the greater the public expenditure on family and children allowance, the 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, thus indirectly promoting housing autonomy.

Finally, among cultural indicators, those selected for the diffusion of traditional behaviours act as hypothesized (in 2007): as an example, the negative relationship between unemployment and housing autonomy is stronger in countries where the marriage rate, as a proxy for traditional values, is greater. Indeed, as hypothesized, where the traditional way of leaving the parental household is marriage (and thus the marriage rate is greater), it is reasonable to argue that the dominant male breadwinner model requires the men to have employment. Similarly, using an item developing within the European Values Study, which refers to the proportion of individuals who agree that a preschool child suffers from having a working mother (a proxy for a traditional orientation toward gender roles), has a negative moderating effect. 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.

As far as psychological autonomy is considered, results of a multilevel analysis suggest that 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 (Baranowska-Rataj et al., 2016). Objective job insecurity, intended as a fixed term contract, does not have a significant impact on youth psychological autonomy. On the contrary, 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. 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. Main findings are summarized in the following tables.

**Table 7** Summary of findings for the moderating effect of macro-level variables on the relationship between LM exclusion and housing autonomy

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Macro-indicator</th>
<th>2007</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMIC SITUATION (HP1)</td>
<td>GDP per capita</td>
<td>+</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>GDP per capita growth</td>
<td>-</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Unemployment rate</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>HOUSING MARKET (HP2)</td>
<td>Residential Loans to GDP</td>
<td>+</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Fraction of owners with no mortgage</td>
<td>-</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Residential Loans to Disposable Income</td>
<td>n.s.</td>
<td>-</td>
</tr>
<tr>
<td>PASSIVE LM POLICIES (HP3)</td>
<td>Public expenditure (as % GDP)</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>ACTIVE LM POLICIES (HP4)</td>
<td>Public expenditure (as % GDP)</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>EMPLOYMENT PROTECTION LEGISLATION (HP5)</td>
<td>EPL Index</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>POLICIES SUPPORTING HOUSING AND FAMILY (HP6)</td>
<td>Public expenditure on housing support (including rent benefits) as % GDP</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Public expenditure on family support (as % GDP)</td>
<td>+</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Childcare coverage</td>
<td>+</td>
<td>n.s.</td>
</tr>
<tr>
<td>CULTURAL</td>
<td>TRADITIONAL VALUES ON GENDER ROLES (HP7)</td>
<td>Behaviours (marriage/divorce, cohabitation)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Attitudes (EVS items)</td>
<td>-</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Traditionalism indicator (EVS)</td>
<td>n.a.</td>
<td>+</td>
</tr>
</tbody>
</table>

*Source: own elaboration*

**Table 8** Summary of findings for the moderating effect of macro-level variables on the relationship between LM exclusion, job insecurity, and psychological autonomy

<table>
<thead>
<tr>
<th></th>
<th>LM exclusion &amp; psychological autonomy</th>
<th>Objective job insecurity &amp; psychological autonomy</th>
<th>Subjective job insecurity &amp; psychological autonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRUCTURAL</td>
<td>ECONOMIC SITUATION (HP1)</td>
<td>GDP</td>
<td>n.s.</td>
</tr>
<tr>
<td></td>
<td>Unemployment rate</td>
<td>+</td>
<td>n.s.</td>
</tr>
<tr>
<td>CULTURAL</td>
<td>TRADITIONAL VALUES ON GENDER ROLES (HP7)</td>
<td>Dual breadwinner model</td>
<td>+</td>
</tr>
</tbody>
</table>

*Source: own elaboration*
Key findings from Section 2 of Baranowska-Rataj et al (2016)

- Concerning the *moderation role of macro-factors on housing autonomy* and economic situation results show that 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.

- Concerning the housing market, policies aimed at broadening the access to mortgages can make the negative association between unemployment and housing autonomy weaker. However, an easier access to housing market should be accompanied by policies that help reduce the burden of mortgages on the income of families (e.g. more flexible repayment or support to repayment in case of job loss).

- Passive Labour Market Policies: it is 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.

- About policies supporting family, greater development 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.

- Finally, regarding the cultural variables the results show that the negative relationship between unemployment and housing autonomy is stronger in countries where traditional attitudes and behaviours are dominant. It is therefore important to invest in measures that can improve the diffusion of a plurality of cultural model in family formation process.

- As far as *psychological autonomy is considered results of a multilevel analysis* suggest that the negative effect of unemployment on psychological autonomy is weaker when unemployment is a widespread experience in a specific society.

- Economic situation: 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: 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.
Examining the complex interactions between labour market vulnerability and housing autonomy among youth, in the short-run and long-run

The third objective O.5.3 was to examine the complex interactions between labour market vulnerability and housing autonomy among youth, in the short-run and long-run. It deals with an in-depth quantitative longitudinal data analysis intended to capture the dynamics of leaving the parental home. The results were published in the following working paper n.11.

In this part of the project, five country studies that explore the longitudinal relationship between low labour market attachment and the transition out of parental household for youth in Europe.

The longitudinal research design allowed for establishing the temporal ordering of events and hence brought us closer to understanding causality beyond observed relationships. This report also provides empirical evidence from a number of countries with very different institutional and cultural settings: namely Italy, the UK, Poland, Estonia and Germany. Every study aimed at capturing different peculiarities of the local labour market and societal conditions, which provides interesting insights on the process of leaving parental home across Europe.

The studies included in this work drew on selected national panel surveys (the Social Diagnosis data from Poland; Understanding Society, the UK Household Longitudinal Study (UKHLS); the Socio-economic Panel for Germany (SOEP)) as well as comparative harmonized longitudinal surveys (the European Union Statistics on Income and Living Conditions (EU-SILC)) that provided detailed longitudinal information on labour market status and co-residence with parents. The general research question that all contributions included in their work dealt with whether and to what extent labour market exclusion (defined as unemployment or inactivity) influenced the decision to leave the parental household in the medium term. Most of the country studies (Italy, UK, Poland and Germany) also considered the role played by job insecurity (proxies are temporary, loosely regulated, low work-intensity and sometimes even non-formal types of employment) on the decision to leave parental home. Some of the country studies presented here (Italy, Estonia, Poland) also considered a third research question, which dealt with the consequences of the economic crisis that took place in 2008, testing whether and how it affected the process of transition out of the parental home. In addition, each country study focused on specific features of the national context in order to provide insights on the differential impact of common challenges (such as current changes in the labour market) on different institutional settings. In this framework, particular attention was devoted in all country studies to sub-groups of individuals more exposed to the risk of social vulnerability, which in the case of the country study presented here, were females and low-educated individuals, including immigrants for the UK case only.
Overall, summarizing the findings of the five contributions presented in the working paper, authors isolated some key points. First, according to our expectations, the effect of unemployment on leaving the parental home was mediated by the Welfare State system. Indeed, unemployed or inactive individuals had a lesser chance of exiting the parental home in Italy, the UK and Poland. On the contrary, in Germany, such a negative effect of unemployment was limited to men in the western part of the country, while in Estonia, unemployment did not emerge as a critical factor in the process of exit parental home. Second, against our theoretical expectations, authors found only limited evidence of a negative effect of temporary employment on the probability of exiting the parental home, because the great majority of the estimated effects were small and statistically insignificant in all the countries. Finally, the economic downturn generated by the economic crisis in 2008 also seems to have contributed to delay the transition out of the parental home, although with different timings across countries.

Below, are summarised the major findings emerging from the country studies more in detail:

- **labour market exclusion**

  Overall, a negative association could be seen between labour market exclusion (namely being unemployed or inactive) and the chances of getting housing autonomy. The background of such a research question is the assumption that deteriorated economic conditions, following the economic crisis, hamper the process of leaving parental home. However, some other reasons may also be associated to the delay of the process, as an example, a general time trend towards leaving parental home later due to value change. Thus, when reading the results, authors have to bear in mind that the type of analyses presented here are not able to distinguish the true effect of the crisis from other potential effects compared to employed individuals. However, the extent of this effect was heterogeneous across countries and gender: unemployed or inactive individuals had indeed a lesser chance of exiting the parental home in Italy, the UK and Poland. On the contrary, there was only a negative effect of unemployment limited to men in West Germany and no effect in Estonia. Consistently with the male-breadwinner model hypothesis, findings in Italy and Poland confirmed that labour market exclusion was less detrimental for women than for men on the chances of exiting the parental home. However, findings for the UK, a typical example of a liberal regime, showed significant differences by gender. Indeed, women tended to be disadvantaged by any form of labour market exclusion (unemployment and inactivity) and job insecurity (temporary and part-time job), while estimates for men are less precise to be able to make definite conclusions.

- **job insecurity**

  Objective job insecurity, stemming from temporary, atypical or non-formal types of contracts, did not seem to be key risk factors in the transition out of the parental home in most of the country studies. With the only exception of the UK, where women in temporary jobs or part-time (permanent) jobs had a lower risk of exiting the parental
home; findings in Italy, Poland and Germany did not show any significant association between temporary forms of employment and a reduced chance of housing autonomy. Therefore, it seemed to emerge that the key element in the transition to housing autonomy was having employment, independently from the type of contract. This may come as the result of two trends: on one side temporary employment (and other atypical forms of employment) was becoming the dominant form of entry into the labour market for young people, thus reducing the variability but also the perception of insecurity, as most of their peers only found temporary contracts. On the other side, it might also be the result that after a certain age, independently from the contract, young adults aimed at gaining housing autonomy, thus learning, or accepting to deal with, the risk of temporary contracts.

• economic crisis

The studies, testing whether the economic crisis of 2008 reduced the chances of exiting the parental home, showed that such a negative association existed, although with some variability. Indeed, in Italy, individuals observed in the period after the crisis (from 2010 onward), and exiting with a partner, had a lesser chance of exiting the parental home compared to their peers observed in the pre-crisis period. However, the effect was not significant for those exiting alone. Nevertheless, the same negative effect was only observed in Estonia for individuals in the peak of the crisis (2008-2009). Estimates for Poland showed that individuals, who started to be observed in 2007, had a higher propensity to exit the parental home compared to those who entered the following waves. The issue of the economic crisis and its consequences was not included in the country study on Germany, as it did not assume great relevance, being the least involved European country in the economic recession.

The other interesting findings that emerged from particular aspects of the single country studies, dealt with:

• parental background

The Italian and Estonian country studies also considered whether a higher parental background, represented by the highest level of education of the parents, might play a positive role in supporting the transition to housing autonomy of their children (considering thus a direct effect of parental background on leaving home, net of individual labour market status and education). Results from Italy support the hypothesis that higher cultural resources of parents are positively associated to the transition out of the family of origin; having at least one parent with a higher education increases the propensity of individual exit for both men and women. The fact that the (direct) association was significant for individual exits, but not for exiting with a partner, suggested that the educational background of the parents might be associated with attitudes towards a model of education oriented toward the independence of children and less conservative in terms of gender roles. A weak positive association of higher parental background was also observed in the country study on Estonia, although the
effect was rather modest and not very clear-cut, as it became non-significant when looking at the mediating effect of parental education on young adults’ employment status. The study on the United Kingdom included a variable on the poverty status of the parental household and showed that neither poverty status of parental household nor the parents’ employment status when the respondent was 14 years old bear any significant effect on the estimates of interest. Moreover, the variables, which serve as proxies for family background, are themselves not statistically significant, with the exception of mother’s employment for men.

• social ties

The country study on Poland highlighted the protective role of social support in buffering the negative effects of labour market exclusion and job insecurity on housing autonomy. Interestingly, findings showed that the more friends that young people had, the more likely they were to leave the parental house when holding a temporary contract. This finding was consistent with the substitution hypothesis of the Conservation of Resources theory, by which one type of resource (i.e. support from friends) might substitute for the absence of other types of resources (i.e. objective job security).

• ethnic origin

The country study on the United Kingdom also included some controls for regional and ethnic origin of the individuals and showed that being a black woman (compared to being white), as well as living in Wales, it takes much longer to leave parental home.

Key findings from Baranowska-Rataj A, Bertolini S., Goglio V. (2017). (Eds by)

- Most of findings are country-specific, but overall it can be summarized that:
  - the effect of unemployment on leaving the parental home was mediated by the Welfare State system.
  - Indeed, unemployed or inactive individuals had a lesser chance of exiting the parental home in Italy, the UK and Poland.
  - In Germany, such a negative effect of unemployment was limited to men in the western part of the country, while in Estonia, unemployment did not emerge as a critical factor in the process of exit parental home;
  - against our theoretical expectations, authors found only limited evidence of a negative effect of temporary employment on the probability of exiting the parental home;
  - the economic downturn generated by the economic crisis in 2008 also seems to have contributed to delay the transition out of the parental home, although with different timings across countries.
Detecting the transition patterns to adulthood and the social mechanisms underlined, referring to the subjective representations and devoting particular attention to youth’s coping strategies

The objective O.5.4 has been shifted to WP3 under T3.4.11 based on the grant amendment. Work done in the frames of this objective dealing with in-depth qualitative analysis of own survey data to understand the effects of labour market insecurities on youth’ pathways to autonomy is described under WP3 T3.4.11.
B) Synthesizing the qualitative findings on autonomy in the context of the quantitative findings

by Sonia Bertolini

According to the results of the aforementioned quantitative studies regarding the relationship between labour market exclusion and autonomy, it is evident that unemployment seriously harms the autonomy of young people. However, what is the experience of young people themselves? What do the personal stories of the young people who participated in the interviews, conducted within the EXCEPT Project, “say” about their autonomy in relation to unemployment experiences?

The results of this investigation are found on Part I (Thematic Section on Autonomy - Italian team) of the D3.6 Report on the Consequences of Labour Market Insecurity & Inclusion Policies, which was edited by the Italian and the Greek team. The D3.6 Report is based on the comparative analysis of the national reports on Autonomy, Health and Well-being, and Socio-economic consequences in each country.

Starting from the initial theoretical dimension of the project, the empirical results led us toward the breakdown of the three dimensions of autonomy – housing, economic and psychological. They were interrelated, together with job insecurity. In particular, objective job insecurity had a direct effect on Economic autonomy while subjective job insecurity had a direct effect on both housing and economic autonomy; economic autonomy had a direct effect on housing autonomy and psychological autonomy as the capacity of taking decisions was a results of economic and housing autonomy, but also a pre-requisite to both.

The institutional context affected all the decisions and informal social support was a transversal dimension that appeared in all the autonomies.

If this is the general picture that emerged from the interviews, we have to try to summarise some results about the working path, and their links with the three autonomies.
A common trait of our youth samples around Europe was *job discontinuity*, which could have led to income discontinuity, depending on the formal and informal social support in the countries. Institutional contexts filtered the impact of job insecurity perception on autonomy, making the consequences of job instability and unemployment more complex. We have to at look at the different dimensions of autonomy.

**Job insecurity and housing autonomy**

A relation between job insecurity and *housing autonomy* emerges in our interviews, but this relation is also mediated by social cultural and institutional factors: first, the meaning and the pressure of leaving the parental home in different countries; second, the protection offered by the institutional context in the different countries; third, the level of salaries associated with the different types of contract.

In a first group of countries, our results showed that the *self-perception of an individual’s labour market position might affect decisions of leaving the parental home, even in different ways. In Italy, Poland and Greece, it was a matter of job insecurity; young people still considered having a stable job and economic autonomy as a prerequisite for housing autonomy. In particular, the reference to a permanent contract was often present in the quotations of young people. In Ukraine and Bulgaria, the young people expressed more a feeling of insecurity due to low income attached to the contract and not the security of their jobs. This aspect was linked to all types of contract and, sometimes, pushed young people, especially in Ukraine, to plan to leave the country.*
On the contrary, in a second group of countries, the UK, Estonia and Sweden, it was not only having a secure job but also having enough money that affected the decisions of leaving the parental home.

Finally, Germany, and partly Sweden, were single cases where there was a mediation of institutional context in perceived relationships between job insecurity and housing autonomy. In this case, job insecurity did not affect the decision.

Informal social protection in the form of material help was very important to leaving the parental home in countries lacking housing policies. In Poland, just as in Italy, the availability of familiar resources was very important for making this transition. In particular, regarding housing autonomy, if one young person had access to a house belonging to the family, this helped the transition.

**Becoming an adult**

Regarding the importance and the path for housing autonomy toward becoming an adult, we found very different positions of youth around Europe. Indeed, perhaps in connection with ever decreasing job opportunities due to the economic crisis, it appeared that job insecurity in most countries (Greece, Bulgaria, Ukraine), but especially Italy, prompted youth to consider either the most immediate present or the foreseeable future, which was dreamed about rather than planned. With regard to this, not only did they postpone the transition from leaving home but were also not able to plan the intermediary steps, how and where, for making this transition.

We must underline that not only Ukraine and Bulgaria, but also Italy and Greece, were countries in which young people did not feel it was so urgent to leave the parental home. In fact, from the interviewee it emerged that not all the young people in the countries considered leaving the parental home as important in order to become an adult. Of course, this could also be because it was difficult for economic reasons to leave the parental house, especially in countries where institutional support and job policies were scarce. It was then possible that young people were adapting to the construct situation (readjustment of preferences toward the down period, Elster, 1999) and/or building a new rhetoric to justify their situation and hide the fact that they were the losers in globalisation. In the UK, Sweden, Germany and Poland, this was considered very important. Nevertheless, the process of transition could have different pathways, in which housing autonomy could also be achieved toward a different pathway. In the UK, leaving the parental home was also considered an important step: their perception of adulthood and what it meant to become an adult was often intrinsically linked to their accommodation status. At the same time, the order of transition and the strategy to become residentially independent were multidimensional and disordered, while in Germany they were more ordered, such as having a job is the first step.

In some countries, the transition of leaving the parental home and the transition of starting a new family were strongly connected (Poland, Bulgaria, Greece, Italy and Ukraine). Pressure by parents to become residentially autonomous was very strong in
Sweden and the UK, while a bad relationship with parents was the main reason for which our interviewees left the parental home in Estonia. Other reasons expressed by young people were linked more to their freedom and their will to realise their aspirations. These reasons were much stronger in Sweden and Germany. Residential autonomy in these countries was driven by economic autonomy: opposite to the situation in Italy, where leaving the parental home meant being economically independent.

Finally, an important point to underline in the link between job insecurity and housing autonomy was the accessibility, according to the type of contract in order to earn enough to buy a house, and the tradition of leaving the parental home as an owner or renter. This has changed the perception of young people and their feelings about unstable job contracts, and this has an effect on the decision process of leaving the parental home. An important link between economic and housing autonomy was access to credit in order to get a mortgage/loan or take on smaller debt in order to sustain housing expenses, particularly in specific steps (i.e. the cost of leaving the parental home).

In the UK, Greece and Poland, one of the most popular strategies to cope with housing expenses was cohabitation and sharing the expenses with other people. Only in Greece did we find the coping strategy of living together but also apart from parents. Only in Greece did we find the coping strategy of living together but also apart from parents.

**Job discontinuity and economic autonomy**

Economic autonomy status emerges as a sort of direct effect of working paths that had to be taken into account in analysing the effect of insecurity and unemployment on housing autonomy, given the institutional context. Everywhere, the interviews revealed the link between economic autonomy and employment as an important issue/feeling, but we found different connotations. According to the German respondents, economic autonomy was seen and socially expected as something to be achieved through employment and earnings, which meant without any financial support from the state or family. By contrast, in Estonia or Italy, receiving support was not considered a threat to autonomy. Moreover, in other countries many interviewees stressed that having a job did not necessarily involve being autonomous in economic terms. Several respondents in Bulgaria highlighted the issue of low wages; what mainly concerned the continuity of income was underlined in Italy, Poland and Greece.

The youth interviewed put a different emphasis on short-term or long-term perspectives: the young people who were unemployed or more economically deprived, seemed more likely to associate autonomy with the ability to cover their own daily expenses (such as cigarettes, sometimes a beer with friends, petrol for their car). On the contrary, those who had an income or were financially supported and, therefore, partially autonomous, tended to connect economic autonomy to future prospects, as well as in the case of the interviewees with a personal income and more highly educated in all the countries. Especially in Italy, Greece and Poland, many respondents gave more emphasis on a short-term meaning of autonomy. In these countries, such as Germany, Estonia, Sweden and the UK, respondents defined economic autonomy in a longer-term perspective.
Among the Italian interviewees, not only a short-term perspective emerged but also a levelled downtrend conception of economic autonomy: their ability to acquire their own daily personal necessities, by cutting expenses deemed unnecessary, such as holidays or leisure activities.

Comparing these results with the institutional groups, we see that, in general, countries with higher institutional support for young people offered them a longer-term perspective in terms of economic autonomy.

**Informal social support**

*Informal social support* plays a crucial role in the youth precarious lives: turning to family, friends and social networks for financial support emerged as the main coping strategy at a meso level, not only among the unemployed, to cope with the lack of economic autonomy. A strong presence of family support was identified by the Greek and Italian respondents, confirming previous research that highlighted how in southern Europe family solidarity was very important in providing social support to young people and compensating for the deficiencies of the welfare state (Bohnke, 2008; Majamaa, 2011). A widespread recourse to parents for economic support, added to weak institutional support, also characterised some Bulgarian interviewees and the Polish ones. In contrast, both the German and Swedish interviewees seemed to show a different pattern, in which informal social support only had a residual role, even if the two countries were ascribable to different welfare regimes. In these countries, young people benefited from a higher level of institutional support and social protection. Though support expected from parents was noticeable in the case of an emergency (especially illness), the family network as a source of financial support was much less relevant in the interviewees’ life than in that of the respondents in the EXCEPT countries mentioned above. The Estonian and UK interviewees showed another interesting pattern, based on a mix between institutional and informal support. Combining different sources of support seemed to be youth’s most widespread coping strategy.

If we take into account the institutional context, we see that countries in which the institutional support was weak like Italy, Greece, Poland, Bulgaria and Ukraine, youth relied more on informal social support. Estonia and the UK were the atypical cases. Possibly Estonia was because it was among the eastern countries. Moreover, another unusual case of inspiration was the Nordic countries system and the UK due to the crisis.

**The link among the three autonomies**

A common worry among youth of different countries was losing economic autonomy when they were seeking housing autonomy. Youth faced different strategies depending on the institutional context.

The individual/family behaviour in terms of money management and accounting can be a sort of protective factor against the effects of job insecurity and unemployment on
economic and housing autonomy, if a person had the possibility and the competencies to save while they worked.

Saving is a widespread strategy to maintain economic autonomy, but there were differences among countries given the institutional contexts. In fact, saving could be only a strategy to cope with job insecurity, using saving in time of unemployment (all countries). In the UK, Sweden and Germany saving was a strategy to maintain economic and housing autonomy but, paradoxically, in some cases in Italy and Greece, saving was possible only by losing housing autonomy.

The psychological autonomy

The need for psychological autonomy – intended as deciding for oneself, in a personal space of their own lives, despite limits – was a shared and common value, although it had declined in specific forms and ways not only for the different countries but especially based on the different conditions (employment and economic).

Psychological autonomy was mainly described as taking care of oneself without strong support from other people or institutions, and taking responsibility for the decision-making process, related to important aspects of life, capable of reflecting their own interests and values (all country reports with the exception of Bulgaria). When this kind of decision latitude was difficult, due to a low economic autonomy and lack of housing autonomy, people sought ways to reach almost little daily autonomy, managing oneself each day and not just when making important life decisions.

The lack of psychological autonomy was sometimes connected to the housing situation, especially living in the parental house and not having one’s own house, but some interviewees who lived with their parents used negotiation with them as a coping strategy regarding autonomy and explained they needed more freedom and wanted to be more autonomous and adult.

In the decision-making process, some country reports (Italy, Greece, Poland and Ukraine) outlined the need not only to make decisions but also to manage consequences in a process of gradual detachment from parents and self-image construction.

The relationship between autonomy and job was a crucial theme: sometimes a job was intended as an income opportunity (all countries but more explicitly in Italy, Germany, Sweden, Estonia and Greece), and sometimes a job was considered as an identity opportunity. The challenge for young people interviewed (Italy, the UK and Sweden) was to be autonomous and satisfied for their work and life choices. This meant that work was still a way to shape one’s own identity, as long as they knew how to recognise their own interests and attitudes and be able to choose.

The two aspects (economic and identity) could be in contradiction because, to have economic autonomy, and therefore be able to look after themselves and others, young people (this was the case in the Italy and the UK) could be pushed to accepting any job,
alhough this might not make them psychologically autonomous in the sense of fully realised in a workplace that reflects interests and training paths.

On the other hand, having any work was a stimulus to start a process of autonomy and detachment from parental figures that, if you waited for the “right” job, it was likely to be constantly postponed. Here, it appeared that some sort of a virtuous cycle was brought about because having a job granted proper financial means and, at the same time, asked for responsibility and required youth to meet their commitments.
Synthesis of findings of WP6: Socio-economic consequences

A) Synthesizing the quantitative findings on socio-economic consequences

by Dirk Hofäcker, University of Duisburg-Essen

Introduction

Working Package 6 focused on the socio-economic consequences of unemployment and employment uncertainty. It had the following four objectives:

**O6.1** To provide a detailed description of how employment uncertainties and labour market exclusion are connected to socio-economic disadvantage across EU-28 countries and the Ukraine.

**O6.2** To investigate the medium- and long-term effects of employment uncertainty and labour market exclusion, i.e. the question in how far disadvantage in early career extends into later career/life course phases.

**O6.3** To investigate how critical youth perceive their own socio-economic situation and which strategies they develop to cope with the risk of socio-economic disadvantage.

**O6.4** To establish links between the country-specific incidence and selectiveness of socio-economic disadvantage and the design of national labour markets and welfare systems.

The following overview reports on the key findings of the Working Package within the three-year duration of the project. It starts by disentangling what is actually meant by the generic term “socio-economic consequences” and explores its multidimensionality. It then outlines the analytical approach of the working package, differentiating between different time horizons, ranging from the immediate effects of unemployment and employment uncertainty for youth to its long-term impacts for savings and old age income. Subsequently, the data basis and methods for investigating these different questions are being explained. The overview then turns to a stylized synthesis of the key results. It thereby considers the effects of both employment uncertainties and of unemployment for the socio-economic situation of youth in Europe. Furthermore, it discusses policy options to mediate their potentially negative effects.

Socio-economic consequences as a multidimensional phenomenon (O6.1, first part)

Socio-economic consequences refer to multiple dimensions. Despite a long history of related research, the question how to best describe and measure it is still contested in
contemporary research. As part of O6.1, a literature review was developed in the first project months that provided an overview of the key concepts that have been applied to investigate socio-economic situation as well as their previous application in the study of youth.

Hofäcker, D. and Neumann, I. (2016): Socio-Economic Consequences of Employment Uncertainty and Labour Market Exclusion of Youth – Literature review” (also Deliverable 6.1)

This review gave an overview on existing theoretical and empirical findings concerning how employment uncertainties and labour market exclusion are connected to socio-economic disadvantages among youth. The aim of the literature review was twofold. On the one hand, it focused on various measures of socio-economic consequences that have been applied in earlier research. In that respect it distinguished various different dimensions that were alter applied in the single analyses of the Work package.

- measures of income poverty, which assume that individuals can be considered poor when falling below a predefined income threshold (considered to reflect a level necessary to satisfy basic everyday needs). While the concept of relative income poverty refers to the amount of income an individual or a household has available relative to that available to a specific group of comparison (usually within the same country), absolute income poverty considers people to be in poverty if their income is not sufficient to afford a predefined bundle of goods in a given year;

- measures of material deprivation, referring to the inability to afford some items considered by most people to be desirable or even necessary to lead an adequate life; and

- measures of subjective poverty reflecting how people themselves perceive their situation; i.e. whether they consider themselves as being poor.

On the other hand, the literature review provided an overview of the literature that specifically focuses on socio-economic consequences of insecure employment among youth. Specifically, in this part, the review differentiated between the effects of unemployment and various types of atypical employment, as well as on the effects across time – short-term, medium-term and long-term – that reflect the WP’s analytical perspective. The written report was supplemented by a database that listed and classified all existing literature according to main analytical categories.

Findings from the literature review were supplemented by an additional EXCEPT publication that contrasted different of the afore mentioned measures empirically.

The paper started from the assumption that previous poverty research had focused mostly on measures of expert-based objective poverty – such as relative income poverty or deprivation - while measures of subjectively perceived poverty, e.g. based on the individual’s perception of its own situation, frequently has received lesser attention. Yet, both measures may not necessarily coincide: individuals classified as poor from an objective viewpoint may not feel poor subjectively and vice versa.

Based on a comparison of EU countries, this paper contrasted measures of objective (deprivation) and subjective poverty (satisfaction with own living standard) in order to investigate in how far these measures overlap and whether and where they show discrepancies. In a second step, it investigated within-country discrepancies in objective/subjective poverty definition with regard to age, gender, education, housing status and employment contract. Empirically, the paper used data from three waves of the European Quality of Life Survey (EQLS), a representative household sample of EU member states dealing with a broad range of social and labour market issues. Its trend design with waves in 2003, 2007/8 and 2010/11 also allowed to additionally investigate how the financial crisis in 2008 has impacted on poverty and its perception among the European population.

Findings points to a number of relevant conclusions for poverty research. At the aggregate national level, even though the majority of the population consistently classifies itself as poor or non-poor, deviations amount to up to a quarter of the population. More detailed analyses show that deviations between the two measures not only occur at the aggregate level but also can be observed with regard to relevant determinants. While the objective incidence of poverty has increased throughout the economic crisis, the subjective feeling of being poor effectively has declined. They confirm positive effects of human capital for both the prevention of objective and subjective poverty. Similarly unique effects are observed for employment types, where unemployment, agency work and short-fixed term increase the risk of both objectively being and subjectively feeling poor while long fixed-term employment exhibits now significant differences to regular jobs. However, residence within the parental home appears to have different effects on objective (which is reduced) and subjective measures of poverty (which is increased).

**Socio-economic consequences of insecure employment: Three temporal perspectives**

Research within WP 6 analysed the socio-economic consequences of unemployment and insecure employment for youth from three different temporal perspectives (see graph below):

- **Short-term:** The short-term perspective was guided by the assumption that being unemployed or experiencing fixed-term employment or other atypical work forms may be related to immediate socio-economic disadvantage. This effect may stem
from the lack of a wage-based income (in case of unemployment) or lower and less predictable wages (in case of fixed-term employment or other atypical work). The guiding question from this perspective thus was: Do youth affected by unemployment respectively temporary employment instantaneously experience signs of poverty or deprivation?

- **Medium-term**: Supplementing these analyses by a medium-term perspective is based on the assumption that both the affectedness by labour market uncertainty as well as their socio-economic consequences are dynamic phenomena. On the one hand, it has been shown that early career uncertainty can have cumulative negative effects. Young individuals initially affected by atypical employment or unemployment will carry a “scar” from this experience, i.e. they will also be more likely to be negatively affected by this initial experience in the future. Alternatively, it has been argued that the vulnerability to labour market uncertainty is only a temporary phenomenon. Youth affected by unemployment may use this time as a job search period after which they will be able to enter a safe labour market position. Youths in atypical employment may use this period as an “extended internship” to better display their qualifications and capabilities to their employers and thereby increase their chances to enter into a permanent, continuous contract. The aim of the medium-term analyses was to empirically investigate which of the previous arguments is more salient. This was done by analyses focusing on the question whether youth experiencing unemployment or temporary employment are not only initially disadvantaged, but also still affected by poverty or deprivation five years after this experience.

*Figure 6 Exploring socio-economic consequences for youth – three temporal perspectives*

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*Experience of unemployment or employment uncertainty*

**Immediate socio-economic consequences of unemployment and job uncertainty**

**Medium-term perspective**

Consequences of unemployment and job uncertainty after five years

**Long-term perspective**

Consequences of unemployment and job uncertainty for socio-economic security

**Old age**

Qualitative interviews: Subjective Perceptions, Coping Strategies and Savings Behavior
• **Long-term:** The rationale behind taking a long-term perspective was that experiencing unemployment or insecure employment not only may be related to immediate socio-economic disadvantages or possible consequences in the near future of the next 5-10 years. Having no or only an insecure income may also hamper youth’s ability to make long term financial savings. This restriction is vital, considering that due to demographic ageing and the related cutbacks in the generosity of public pension insurance, additional savings are urgently needed to ensure a decent standard of living in old age. The question from this perspective thus was: To what extent does unemployment and temporary employment prevent young people from making savings for the future, increasing the risk of poverty in old age? The research considered all possible options for additional savings, including public pensions, employer-based occupational pensions and market-based private pensions.

To address these three different research questions, research within WP6 used different methodologies.

- To investigate **short-term consequences**, EXCEPT analyses reverted to cross-nationally comparative Europe-wide social surveys that allowed reconstructing the risks of poverty and deprivation for EU-28 countries.
- **Medium-term consequences** were analyzed using longitudinal surveys that trace individual life course and career developments across time. The EU-SILC study provided a “bird’s eye” pan-European-perspective on such trajectories, while additional country case studies (using nation-specific data sets) allowed investigating significant country-specific developments in thorough detail.
- For the analysis of **long-term socio-economic consequences**, WP6 researchers conducted desk research on how public pension systems treat periods of youth unemployment, fixed-term employment or low pay in the calculation of future pension benefits. This was complemented by expert interviews with scientific experts and business professionals involved in the management of private or employer-based savings schemes.

**Socio-economic consequences of insecure employment: The short-term perspective (O6.1; second part)**

Another main component of O6.1 was to provide a detailed description of how employment uncertainties and labour market exclusion are connected to socio-economic disadvantage across EU-28 countries and the Ukraine. These were addressed in one particular working paper.

Short-term analyses were conducted using both cross-sectional and longitudinal data from the EU Statistics of Income and Living Conditions (EU-SILC). Their aim was to describe the short-term economic consequences of insecure labour market positions for youth in EU-28. To that end, various different indicators of socio-economic consequences were considered:

- **The individual income situation** was approximated by *hourly earnings*, which were calculated based on gross earnings in the main job. At the household level, the financial situation was reconstructed based on household disposable income available for spending or saving. To account for household structure, it was equivalised for number of persons and person age, using the standard OECD equivalence scale. In line with standard EU definitions, those households were regarded as being *income poor*, which fell under 60% of the median income within a given country.

- **Material deprivation** (at the household level) was measured by the enforced lack of at least four items from a standard scale reflecting basic requirements, possession of consumer durables, and household conditions.

- **Finally, subjectively perceived financial distress** of the household was measured using an item investigating in how far the household is able “to make ends meet”, whereas those reporting “great difficulty” or “difficulty” were regarded as subjectively feeling poor.

Figures for these indicators were reported descriptively for the entire sample, but also split by employment versus unemployment as well as permanent versus temporary employment. Furthermore, logit regressions were conducted to investigate the relationship between the aforementioned measures of socio-economic disadvantage and personal respectively household characteristics. From a longitudinal perspective, yearly out-of-poverty-transitions were investigated as were individual sequences of being in poverty or not within a three-year time span (2011-2013).

Analyses show that on the whole, young individuals face a higher risk of experiencing negative socio-economic consequences than those in mid-life (i.e. aged 30-59), even though there exist large differences between European countries, with highest socio-economic disadvantage among youth in some Eastern European countries (Romania, Hungary and Bulgaria). Socio-economic disadvantages are particularly widespread among the young *unemployed*, which are more likely to be income poor, have a higher chance to live in a severely deprived household and more often report to face financial difficulties subjectively. These differences remain even when controlling for further personal characteristics. Youth with a *temporary contract* often earn significantly lower wages. They are also less satisfied with their financial situation than those in permanent employment. Again, results remain relatively stable when controlling for other factors. Lower wages and lower financial satisfaction are also observed among young *part-timers*; yet, the significant difference to full-time employment vanishes when controlling for further characteristics. Beyond the negative impact of experiencing labour market
uncertainty, socio-economic disadvantage is more widespread among lower-educated youth, youth with an immigrant background and youth living outside the parental home.

Notably, the economic crisis has enhanced the incidence of poverty, the experience of severe deprivation and the feeling of being poor among the young generation. This applied particularly to youth in employment, which experienced a notable increase in income poverty throughout the crisis.

**Socio-economic consequences of insecure employment: The medium-term perspective (O6.2; first part)**

The first part of O6.2 was to investigate the medium-term effects of employment uncertainty and labour market exclusion. These were addressed in the analyses summarised in D6.3


Medium-term analyses focused on the socio-economic consequences of unemployment, fixed-term employment and other atypical work forms within a five-year time window. Results combined an internationally comparative analyses with customized analyses of nation-specific data sets from selected countries.

The **comparative analysis** (Chapter 2), again used data from the EU-SILC, focusing on the four-year period from 2011 to 2014 and restricting the sample to respondents aged 18-29 years, excluding those in education. Using fixed-effects logit regression models, the risk of still being socio-economically disadvantaged at the end of the four-year period (2014) was investigated, conditional on the employment situation in the first wave (2011) and other control variables (e.g. gender, age, education, household and residential situation). As in the short-term analyses, alternative indicators of socio-economic situation were used, including the risk of income poverty, material deprivation and the financial situation of the household. The employment situation was captured by variables reflecting being unemployed or having a temporary job. In order to investigate the differentiated effect of the length of unemployment for poverty and deprivation risks known from earlier literature, EU-SILC analyses considered various length of unemployment, from 1-6 months up to 25-48 months. Interaction effects were included into the models, to account for the age- respectively education-specific nature of the effects of labour market uncertainties.

Findings from this analysis provide evidence for a scaring medium-term effect of unemployment experienced by youth. Young people who experienced unemployment at age 18-29 are more likely in four years’ time to be at the risk of poverty, to live in a materially deprived household, and to live in a household which reports more financial. Moreover, for the older youth, the detrimental effect of unemployment is stronger, as they
are more likely to be at the risk of poverty, in both objective and subjective terms. The impact of unemployment experience on subsequent financial situation also varies depending on the length of unemployment spells. A longer period of unemployment in youth translates into a higher probability of being poor, to live in a materially deprived household and to express greater household financial distress. This finding has considerable importance for policy-makers, requiring policy attention and more intensive inclusive policy for youth excluded from the labour market.

For temporary jobs, however, results do not confirm the existence of a large material disadvantage as compared to those holding the permanent one; neither do temporary job holders face a worse subjective financial situation as compared to those with permanent employment. Only one of the indicators of material situation (risk of poverty) indicates in both descriptive statistics and the logistic model indicates that those who have temporary job at 2011 have higher probability to be socio-economically disadvantaged in 2014. However, the impact of temporary contracts on career of youth varies depending on their educational achievements. For those with higher skills, temporary jobs seem to be more a stepping stone than a trap, being associated with similar financial gratifications as in permanent contract.

Four nation-specific analyses (Chapters 4-7) complemented these international findings. Country teams from Germany, UK, Italy and Estonia used nation-specific longitudinal survey data to investigate the medium-term consequences of employment uncertainty for various socio-economic outcomes. Given nation-specific peculiarities of the data sets used (in terms of both variables available and sample size), these analyses varied in some details. They used different dependent variables: Both the German and the UK study could use measures of all three main dimensions of the socio-economic situation of youth: income poverty, material deprivation and subjective poverty. The Italian study had to confine itself to subjective poverty while the use of official register data in Estonia implied that only objective income poverty measures could be analysed. Similarly, the time window considered varied between five years (UK, Italy, and Germany) and four years (Estonia). Apart from these differences, analyses were constructed in a similar fashion, with all of the country studies using logistic regression techniques and using largely the same key independent respectively control variables.

Nation-specific analyses largely could confirm findings from the previous international analyses. It was confirmed that experiencing unemployment unanimously led to negative socio-economic disadvantages in the medium-term, with the effect being stronger as number and the duration of unemployment spells increased. An interesting additional finding from the Estonian country study was that the detrimental effect unemployment may less stigmatising during the economic downturn as employers do not to use it as a signal of lower productivity, but may increase in times of recovery (Unt and Täht; ch.6).

Findings for the medium-term effects of temporary employment were less conclusive, with only minor negative effects of having a temporary contract on perceived subjective
poverty in the Italian study (Bertolini et al; ch.5) and virtually no effect on any indicator of socio-economic disadvantage in Germany (Hofäcker, Neumann and Braun; ch.7). The German country study additionally explored the socio-economic effects of mini-/midi-jobs as a new form of precarious employment. These jobs relate to employment relationships in which employees can earn a comparatively low maximum wage of up to 450€ per month without being obliged to pay social security contributions. Results show that young people in such jobs have a more negative subjective self-evaluation of their socio-economic situation, suggesting that the use of such types of jobs within the youth labour market would need to be critically reconsidered.

**Socio-economic consequences of insecure employment: The long-term perspective**

(O6.2; second part)

The second part of O6.2 was to investigate the medium-term effects of employment uncertainty and labour market exclusion. These were addressed in the analyses summarised in D6.5

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The rationale behind the investigation of long-term consequences was to investigate how current labour market uncertainties hinder young people to make adequate savings in public, occupational or private pension programmes. To this end, a differentiated empirical strategy was implemented.

- In a first step, European survey data from the Eurobarometer study respectively the European Social Survey were employed to measure young people’s attitudes to savings and their actual savings behaviour.
- Assuming that later-life socio-economic consequences of early career uncertainty not only depend on individual savings behaviour, i.e. the “demand” for pensions, but also on the characteristics of available pension solutions, two further parts focused on this “supply side” on the pension market. Public pensions systems in Europe were compared with regard to how they treat early career uncertainties respectively employment interruptions of young people. Based on information on (i) the assessment basis for public pensions, (ii) the minimum qualifying period, (iii) the pension treatment of periods of unemployment and (iv) the pension treatment of periods of childcare, an index was constructed reflecting the sensitivity of national pension systems to early career uncertainties.
- Given that little information is available on both private and occupational pension systems and their treatment of early career uncertainties is publicly available, expert interviews focused on these two types of schemes were conducted by the national teams of Germany (UDE), Italy (UNITO), UK (KENT), Sweden (UMEA),
Poland (IBE), Estonia (TLN) and Ukraine (KEI). The interview guideline covered various facets of these pension systems, their treatment of periods of unemployment, uncertain employment and job mobility as well as the expected consequences for future pension payments. Based on this questionnaire, each country was asked to conduct at least three interviews, including one with a professional engaged in the administration and/or management of occupational pensions; one with a professional engaged in the administration and/or management of private pensions and one scientist from the field of social policy and/or pension system research. Country teams analysed the interviews applying methods of content analysis, and country synopses were provided based on a previously shared template.

- The focus on today’s pension systems and its consequences was complemented by a retrospective focus on unemployment experienced at young age on the risk of poverty and deprivation at age 50 and beyond. To this end, the KEI team analysed data from the Survey of Health, Ageing and Retirement in Europe (SHARE), particularly the SHARELIFE survey from 2008/2009 where retrospective life histories were sampled for 14 European countries. For respondents aged 50 and over at the time of the interview, it was investigated how early career unemployment (between age 15 and 29) affected the risk to be either income poor, materially deprived, subjectively poor, to possess inadequate financial assets and to lack an individual retirement account. Depending on the scale of measurement of the dependent variables, linear or probit regression models were estimated.

In sum, findings from the long-term analyses showed that young people nowadays are well aware of the need for sufficient public pension and additional savings to ensure a decent living standard in their old age. Yet, current labour market uncertainties and the unpredictability of future employment prospects often keep them from actually making these savings. This is even more critical given that the generosity of public pensions is decreasing substantially and that increased savings into additional pension pillars are increasingly required to avoid old age poverty.

Particularly negative long-term effects are expected for the experience of unemployment which not only often reduces contributions to public pensions, but also makes contributions to occupational and private pension plans impossible. The retrospective analyses demonstrate that even more than 30 years after experiencing unemployment episodes, experiencing unemployment still has a substantial effect on various poverty indicators. Fixed-term jobs – which implied no or only little significant increase in poverty risks in the medium-term – may lead to socio-economic disadvantages in old age, given that lower wage levels have long-term negative consequences for public pension savings and restrict the opportunity to start investing into occupational or private plans. Even seemingly successful young people that are highly mobile on the labour market may experience social security deficits in old age, when their high mobility leads to a high number of fragmented pension rights that yield only little revenues.
Socio-economic consequences of insecure employment: Policy responses (O6.4)

Beyond merely reconstructing the relationship between unemployment and insecure employment, on the one hand, and negative socio-economic consequences, on the other hand, analyses in WP6 also focused on how social and labour market policies could possibly mediate the negative consequences.


For the short-term perspective, the above working paper combined an analysis of how (i) expenditure for active/passive labour market policies and (ii) the design of industrial relations (employment protection, level of unionization) influence the risk of being affected by different dimensions of socio-economic disadvantage. By contrasting the institutional effects in 2007 and 2013, the paper aimed to identify the effects of the crisis on the mediating effect of institutions. Micro-data were again taken from the EU-SILC, using the waves of 2007, 2010 and 2013. Measures included income poverty (60% of the median of equivalised household income), subjectively experiencing financial difficulties for making ends meet and the risk of exclusion from social life. The sample was restricted to young people aged between 16 and 29 years and not being in education or military service. Micro and macro indicators were included into multi-level regression models to predict the occurrence of the different dimensions of socio-economic disadvantage. To approximate the mediating effect of the aforementioned policies for the socio-economic outcomes of youth, interaction effects between the macro indicators and unemployment status respectively temporary employment were introduced.

Results reveal that institutional factors matter for the economic situation of young unemployed and temporary workers in Europe (see Tables 1a/1b below). Country-level expenditures to active and passive labour market policies effectively mitigate the negative impact of unemployment on the financial situation of youth. The negative effect of temporary work is lower in countries with a high level of unionization, suggesting that labour unions may not only protect permanent but also fixed-term employees. No consistent results were found for the legal protection of fixed-term contracts, both as such as well as in relation to that of permanent employees. Comparing the effects of policies before and after the crisis revealed that ALMP expenditures became more effective in protecting the young unemployed from socio-economic disadvantage after the crisis. Furthermore, the described positive effect of unionization for fixed-term employees only started to surface during the crisis.
Figure 7: Multilevel design to investigate the moderating role of policies and institutions

MACRO-LEVEL

Z1: ALMP/PLMP Expenditure per person
Z2: Employment Protection Legislation (OECD Index)
Z3: Trade Union Density

MICRO-LEVEL

X1: Unemployment
X2: Temporary Job

Y1: Income poverty
Y2: Financial difficulties
Y3: Social exclusion

Source: Own illustration.

Table 9: Results on the moderating effects of macro-variables on poverty and deprivation, short-term perspective

<table>
<thead>
<tr>
<th>Indicators for economic situation and financial crisis</th>
<th>Moderating effects on ...</th>
<th>Moderating effects on ...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>the negative effect of unemployment for poverty/deprivation</td>
<td>the negative effect of temporary employment for poverty/deprivation</td>
</tr>
<tr>
<td>Labour market policy expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on ALMPs (in% of GDP)</td>
<td>+</td>
<td>n/a</td>
</tr>
<tr>
<td>Expenditure on PLMPs (in% of GDP)</td>
<td>+</td>
<td>n/a</td>
</tr>
<tr>
<td>Labour market regulation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Protection Legislation (OECD EPL Index)</td>
<td>n/a</td>
<td>n.s.</td>
</tr>
<tr>
<td>Δ in EPL between regular and temporary contracts</td>
<td>n/a</td>
<td>n.s.</td>
</tr>
<tr>
<td>Degree of unionization</td>
<td>n/a</td>
<td>+</td>
</tr>
</tbody>
</table>

Source: Own illustration.
Table 10 Results on the changes in moderating effects of macro-variables on poverty and deprivation during the financial crisis, short-term perspective

<table>
<thead>
<tr>
<th>Indicators for economic situation and financial crisis</th>
<th>Development of effect during the crisis concerning…</th>
<th>… the negative effect of unemployment for poverty/deprivation</th>
<th>… the negative effect of temporary employment for poverty/deprivation</th>
<th>Stronger effect after the crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour market policy expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on ALMPs (in% of GDP)</td>
<td>Stronger Positive effect</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on PLMPs (in% of GDP)</td>
<td>No change in effect during crisis</td>
<td>n/a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour market regulation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Protection Legislation (OECD EPL Index)</td>
<td>n/a</td>
<td>No change in effect during crisis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degree of unionization</td>
<td>n/a</td>
<td></td>
<td>Stronger Positive effect</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own illustration


For the medium-term, a study by Strandh and Högberg investigated how a country’s employment protection legislation and its educational system influence the likelihood to successfully transit from temporary to permanent employment, based on multilevel logistic regression analyses. Again, macro indicators were combined with micro-level data from the EU-SILC within the framework of multilevel regression models. While EPL was operationalised using the standard OECD scale for permanent and temporary employment, educational systems were approximated by a standard measure of vocational specificity. Findings show that also in the medium-term, nation-specific institutions mediate the negative influence of uncertain labour market status for the socio-economic situation of youth. This particularly holds for education policies promoting vocational specificity and a largely similar regulation of both permanent and fixed-term contracts. Particularly under these conditions, fixed-term employment may not become a trap for young people but in the medium-term act as a stepping-stone into financially safe permanent employment.
Based on the results from the stylized comparison of public pension systems and their consideration of youths’ labour market uncertainties as well as the expert interviews about occupational and private pension systems, Hofäcker, Schadow and Kletzing (2017) also propose a number of policy recommendations to mediate the negative effects of unemployment and labour market uncertainty in the long-term:

- Given that in most countries, public pensions are still the main source of retirement income a universal coverage of public pensions should be reinforced, by including more groups into the compulsory insurance, like self-employed or new types of jobs, such as zero-hour-contracts or crowd-working. Furthermore, periods of unemployment should at least partly be considered as contribution years in the calculation of future pension benefits.

- As for young people in atypical employment, opportunities to invest into additional pensions are often limited access conditions linked to atypical and self-employment should be flexibilised in all types public, occupational and private pension arrangements, as young people will need savings from all three pillars to sustainably ensure their standard of living. Furthermore, the UK’s current policy initiative to make occupational pensions mandatory at the beginning of a new contract may also be considered in other countries.

- One additional problem for youth is the portability of savings within the different pension pillars in cases of high job mobility. In order to avoid savings losses when changing jobs or being mobile beyond borders, the portability of private and occupational pensions between jobs and/or countries should be enhanced.
B) Synthesizing the qualitative findings on socio-economic consequences in the context of the quantitative findings (Q6.3)

by Lia Figgou, Aristotle University of Thessaloniki

The qualitative study focused on the subjective construction of socioeconomic consequences of unemployment and precarity and attempted to shed light on the categories that social actors themselves use in interview discourse. Specifically, economic consequences were constituted in terms of material deprivation, budget management and (short and long term) financial planning; social consequences were discussed in relation to family life, social life and friendships and in terms of rights and entitlements’ restrictions. Finally, coping strategies were categorized into personal strategies, meso-coping strategies (activating resources and support from family and social networks) and macro-coping (taking advantage of available institutional resources).

As far as material deprivation is concerned - and in line with the results of quantitative study (Hofäcker, 2017) - qualitative analysis indicated that the duration of unemployment and job precariousness, as well as, low education constitute factors that affect the degree of expressed deprivation. Of course, there are also substantial differences between countries. In some national contexts being unemployed seems to have more direct consequences on the material situation and on one’s ability to cover main needs, while in others it does not necessarily lead to feelings of deprivation.

At one extreme seems to be countries (like Ukraine, Bulgaria and Greece), where participants’ accounts reveal a close causal relationship between unemployment and material deprivation. Poverty in these countries seems to affect entire households and not only the unemployed or precariously employed youth. Even between these contexts though, the ways in which respondents account for deprivation differ. In Bulgaria and Ukraine youth relate poverty to low wages and construct deprivation as a sine qua non condition of the reality of even permanently employed youth. Greek participants, on the other hand, tend to draw temporal comparisons differentiating between their pre-crisis and present material/financial situation and relate poverty to the massive rate of unemployment in the country due to financial crisis and its implications.

At the other extreme seems to be countries (like Germany and Sweden) where protection from the most severe forms of deprivation seems to be part and parcel of the benefits

5 Qualitative data was elicited by interview questions on a) participants’ current economic situation and b) savings and financial short and long term planning. Participants were also encouraged to talk about the consequences (of unemployment and precariousness) on their living conditions and about future family plans and expectations. Needless to say, that apart from answers elicited by the above direct questions participants accounted for social and economic consequences of their (un)employment situation in other parts of their interviews.
system. Hence, again in common with quantitative comparative analysis (Hofäcker 2017), qualitative findings indicate that institutional support can mediate the negative influence of labour market uncertainty for the socio-economic situation of youth. On the other hand, according to interview accounts, even in these national contexts in which there is institutional protection, the most vulnerable seem to be the least protected. The most severely deprived participants (e.g. homeless) maintain that they have difficulties and/or limitations to claim benefits. The above make apparent that policy making should be oriented to the protection of the most disadvantaged.

Polish and Estonian participants, although seem to face economic difficulties, they do not subjectively evaluate their material position as extremely disadvantaged, something that may be related both to institutional factors and to the fact that these countries have been relatively less affected by the economic crisis. It also seems to be related, however to social and cultural norms that restrict the expression of complaints about their financial situation in the context of the interview. Italy also seems to constitute a specific case mainly due to huge differences between the North and the South of the Country. Hence, although many young individuals who participated in the Italian qualitative study did not represent themselves as economically deprived, others stressed that their living conditions were greatly constrained by lack of resources and perceived themselves as severely materially deprived. Finally, UK seems to also constitute a unique case with respondents integrated in the benefit system complaining about aspects of the system reform, including the amount of money that they receive.

Even if they are able to escape severe deprivation, the majority of the interviewees in all the participating countries are not able to save and plan their lives either in short term or in the long run. The majority of (unemployed or insecurely employed) youth not only avoid future planning, but they are not prepared for unexpected costs in daily life, especially when they are under constraints imposed by precariousness. Despite however apparent similarities there are also differences in the way in which participants account for their difficulties in short term and future financial planning. For example, Italian, Greek and Bulgarian participants relate their inability to plan financially to labour market insecurity and mainly to the fact that most of the available job positions do not provide social insurance. UK and Swedish participants, on the other hand, account for their difficulties in financial planning through recourse to existing accumulated debts.

Qualitative data analysis also indicates that unemployment and insecure employment influence social life. Social deprivation -which entails non-participation in social roles and responsibilities, (e.g. starting a family), inability to participate in leisure/recreational activities, difficulties in interaction with friends or family members- seems to accompany material deprivation in the accounts provided by participants across national contexts. Participants emphatically maintained their inability or reluctance to start their own families –usually due to lack of financial and/or housing autonomy. Family (including staying at the parental home or returning at the parental home after facing the consequences of unemployment -a phenomenon that in the literature is called “boomerang generation”) proved to be the main resource of support not only in contexts in which traditionally close family relations constituted a protective factor (such as
Greece, Italy, Bulgaria) but also in countries like UK or Sweden in which youth autonomy is highly valued and living in the parental home is not congruent with social norms.

Participants also put forward the implications of unemployment and job precarity on rights and entitlements. Italian and UK study participants emphasize the implications of labour market flexibility on rights related to maternity and express their concern that it becomes extremely hard to rejoin the workforce after having children. In Swedish and Greek studies, the implications of unemployment on the rights of immigrants. In Sweden the employment situation defines rights and entitlements for participants who have not been granted the Swedish citizenship. In the Greek context, on the other hand, according to the relevant legislation, immigrants are obliged to acquire a certain amount of employment hours, in order to renew their staying permit. This is proven to be especially challenging in the crisis context, where precarious forms of employment prevail.

Apart from the vital role of family support in escaping deprivation, the commonly mentioned by the participants’ coping strategies in all countries involve personal budget management (reducing expenses, bargaining, making finances tangible, saving when possible). This seems to reflect a hegemonic construction of the individual as responsible agent for her/his employment situation. Immigration is also considered a means of career advancement. Greek, South Italian, Polish and Bulgarian participants, asked about ways of coping with the consequences of unemployment, refer to the possibility of immigrating to Northern European countries with better employment prospects. In general, interviewees willing to immigrate narratives’ contain accounts of entrepreneurship, promoting individualistic agency against the social and financial crisis.

Furthermore, participants in different contexts construct working under precarious conditions as a strategy used to improve one’s future employment prospects. Of course, depending on the context, the notion of job precariousness may involve a broad spectrum of insecure employment positions (from temporary jobs or zero-hours contracts to undeclared jobs, low paid jobs or even working without being paid). Moreover, while in certain contexts (eg. in Sweden) temporary employment may constitute a stepping stone to regular employment, in other national contexts (such as in Italy, Greece and Bulgaria) working in undeclared (and low paid) jobs seem to have detrimental consequences keeping youth entrapped in the vicious circle of (further) insecurity and unemployment. Evidence that the possibility to successfully transit from temporary to permanent employment is affected by a country’s institutional protection and educational system has been provided by a study by Strandh and Högberg (Hofäcker, 2017, ch.3).

Last, the way in which participants from various national contexts account for the use of institutional support and policies, once again, brings together those countries in which there is access to benefits (like Germany and Sweden). Relying on state benefits, however, is often accompanied by feelings of shame and fear of stigma. On the contrary, in other countries (i.e., Italy, Greece and Bulgaria), apart from being critical on the effectiveness of specific measures, interviewees’ accounts also reveal mistrust of state institution and initiatives.
References


