

Final Report

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Project coordinator: Torild Hammer, NOVA Norwegian Social Research

Partners:

Andy Furlong, Reader, University of Glasgow

Ilse Julkunen, Researcher, The Research Institute of The Swedish School of Social Science, University of Helsinki

Jan Carle, Associate Professor/Researcher , University of Gotenburgh

Patrick Werquin, Professor, University of Marseille

Jose Luis Alvaro, Professor University Complutense, Madrid

Floro Ernesto Caroleo, Professor, University of Salerno

Hans Dietrich Labour Market Research, Nurnberg, Germany

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Abstract

Youth Unemployment and Social Exclusion in Europe (YUSE)

The study draws on a new comparative data set of nearly 17,000 young unemployed people in Europe. Representative samples were drawn from national unemployment registers, with eligible respondents defined as young people between the ages of 18 and 24 who had been unemployed for a period of at least three months during the previous six months. They were interviewed one year later. The total sample in all ten countries therefore consists of young unemployed people with a variety of work histories that, at the time of the interviews, were located in a wide range of positions inside and outside of the labour market. The samples and response rates were: Finland, 73% of $n = 2386$; Iceland, 63% of $n = 2280$; Norway, 56% of $n = 1997$; Sweden, 63% of $n = 3998$; Denmark, 76% of $n = 1540$; Scotland, 56% of $n = 1500$; Germany, 65% of $n = 3000$; Spain, 52% of $n = 5000$; France, 51% of $n = 4000$; Italy, net sample $n = 1421$ of $n = 1500$.

The main finding of this study is that few young unemployed people were socially excluded, not even in countries with extremely high unemployment such as Italy and Spain. None the less, the young unemployed, particularly those who have experienced financial deprivation, have a higher risk of marginalisation in some areas. Scottish and Finnish unemployed youth in our study faced an especially difficult situation. Even though the unemployment rate is extremely high in southern Europe, these young people are well supported by their parents. Although the unemployment rate is much lower in Scotland, the proportion of long-term unemployed youth was nearly as high in Scotland as in Finland and southern Europe – countries with much higher unemployment rates. Further, the high unemployment rate among parents of Scottish unemployed youth indicates that unemployment in Scotland tends to hit households and marginal groups, suggesting a cumulative disadvantage over time. Scottish and Finnish unemployed youth are not as well supported by their parents as are their counterparts in Italy and Spain, and at the same time they receive a relatively low level of benefits. In Finland there are strong social norms of leaving the parental home at a young age to seek independence. In Scotland, more young people live with their parents. However, unemployment and deprivation in Scottish households make the situation difficult for Scottish unemployed youth. This situation is also evident if we examine subjective dimensions of social exclusion.

We found that Scottish unemployed youth reported lower levels of well being than did unemployed youth in the other countries. We also found lower levels of political activity in

Scotland and Finland compared with the other countries, in particular among the long-term unemployed. On the other hand, Danish unemployed youth experienced by far the best situation. They reported low levels of financial deprivation, better mental health, better coping with unemployment, and higher levels of well being than did their counterparts in the other countries. The main results from the study will be published in summer 2003: Hammer, T, (Ed.), *Youth unemployment and social exclusion in Europe*, Bristol: Policy Press. Other publications see

Project homepage: www.isaf.no/nova/fou/hammer/unemployment.htm

1. Executive summary

The main results of the study will be published in summer 2003: Hammer, T. (Ed.), *Youth unemployment and social exclusion in Europe*, Bristol: Policy Press. Other publications can be found on the project's homepage: www.isaf.no/nova/fou/hammer/unemployment.htm

The results are based upon the work of the research partners in ten countries.

Dr. Torild Hammer Senior researcher, NOVA, Norwegian Social Research (co-ordinator)

Dr. Ilse Julkunen, associate Professor, University of Helsinki, Finland

Ira Malmberg-Heimonen, Research fellow, University of Helsinki, Finland

Ivan Harsløf, Research fellow, NOVA, Norwegian Social Research, Norway

Dr. Isabelle Recotillet, Researcher, LEST, University of Aix-en-Provence, France

Professor Patrick Werquin, Principal Administrator, OECD, Paris, France

Dr. Jan Carle, Associate Professor, Director of Studies, University of Gothenburgh, Sweden

Dr. Hans Dietrich, Senior Researcher, Employment Research (IAB), Nurnberg, Germany

Professor Floro Ernesto Caroleo, University of Salerno, Italy

Dr. Fransesco Pastore, Associate Professor, University of Naples, Italy

Dr. Alicia Garrido Luques, Associate Professor, University of Comptulense, Madrid, Spain

Professor Jose Luis Alvaro, University of Comptulense, Madrid, Spain

Professor Andy Furlong, University of Glasgow, Scotland,UK

Dr. Fred Cartmel, Senior Researcher, University of Glasgow, Scotland, UK.

This project complements one previously funded under the TSER programme by broadening the participation base and extending the range of issues being analysed. The existing project, 'Youth unemployment and processes of marginalisation on the northern European Periphery' (contract: SOE2-CT96-3025) was funded until 1999, and comparative surveys of

representative samples of unemployed youth were conducted in Denmark, Sweden, Finland, Norway, Iceland and Scotland. In the current project, four more countries have been included: Italy, Germany, Spain and France. However, the research group continued to work with the first data set under the current contract while waiting for the new data; thus many new publications have been based on the data from the first six countries (see publication list).

In other words, the study draws on a new comparative data set of nearly 17,000 young unemployed people in Europe (YUSE). Representative samples were drawn from national unemployment registers, with eligible respondents defined as young people between the ages of 18 and 24 who had been unemployed for a period of at least three months during the previous six months. They were interviewed one year later. The total sample in all ten countries therefore consists of young unemployed people with a variety of work histories who, at the time of the interviews, were located in a wide range of positions inside and outside of the labour market. This survey design is conducive to a comparison of young people with unemployment experience, some of whom have managed to acquire positions in the full-time labour market; others who have resumed full-time education; and others who have remained unemployed, have withdrawn from the labour market, or have become marginalised in some other way. The samples and response rates were: Finland, 73% of $n = 2386$; Iceland, 63% of $n = 2280$; Norway, 56% of $n = 1997$; Sweden, 63% of $n = 3998$; Denmark, 76% of $n = 1540$; Scotland, 56% of $n = 1500$; Germany, 65% of $n = 3000$; Spain, 52% of $n = 5000$; France, 51% of $n = 4000$; Italy net sample, $n = 1421$ of $n = 1590$.

The main objective was to study how different welfare strategies in different countries influence the risk of social exclusion among unemployed youth along various dimensions.

The following research questions can be identified:

- Do non-standard forms of labour force participation, such as part-time work, temporary work, or work in the informal economy represent a step towards social exclusion and labour force marginalisation, or can they be regarded as a step towards permanent work careers?
- Previous research has clearly documented more mental health problems among unemployed youth than among youth in employment. Are there variations among countries? How do such problems relate to different dimensions of social exclusion?

- How do different welfare strategies with mixes of public (insurance systems) and private (family) support influence the experience of financial deprivation among unemployed youth in Europe?
- To what extent do unemployed youth feel integrated into their society, and what is the impact on their rights and responsibilities of citizenship? Are unemployed youth excluded politically, in the sense that they do not participate in or engage themselves in politics? What type of political attitudes do they have?
- What are the relationships among different subjective and objective dimensions of social exclusion?
- Previous research has revealed gender differences in work ethics or work involvement and differences among European countries. What are the relationships among stigmatization, mental health, work involvement, and job search activity ?
- The project also analysed young peoples' experiences with different measures in a comparative perspective, and assessed the extent to which such measures increased job opportunities or a return to education.

The main finding is that few young people in our study were socially excluded, not even in countries such as Italy and Spain with high unemployment. We identified vulnerable and marginalised groups, but not groups that were socially excluded in the sense that the young people were marginalised along all dimensions. However, it must be stressed that our study encompasses only the young registered unemployed. It is possible that those who do not register at the employment office face worse situations than those who do register.

None the less, the young unemployed, particularly those who have experienced financial deprivation, have a higher risk of marginalisation in some areas. Scottish and Finnish unemployed youth in our study faced an especially difficult situation. Even though the unemployment rate is extremely high in southern Europe, young people in these countries are well supported by their parents. Although the unemployment rate is much lower in Scotland, the proportion of long-term unemployed was nearly as high in Scotland as in Finland and

southern Europe – countries with much higher unemployment rates. Further, the high unemployment rate among parents of unemployed Scottish youth indicates that unemployment in Scotland tends to hit households and marginal groups, suggesting a cumulative disadvantage over time.

Scottish and Finnish unemployed youth are not as well supported financially by their parents as are their counterparts in Italy and Spain, and at the same time they receive relatively low levels of government benefits. The universalistic welfare regime of Finland entitles young people without unemployment benefits to flat-rate benefits such as social assistance or benefits for the uninsured. However, the level of support is about the same as those who receive “job-seeker allowance” in Scotland. In Finland there are strong social norms of leaving the parental home at a young age to seek independence. In Scotland more young people live with their parents. However, unemployment and deprivation in Scottish households make the situation difficult for Scottish unemployed youth. This situation is also evident if we examine subjective dimensions of social exclusion.

We found that Scottish unemployed youth reported lower level of well being than did unemployed youth in the other countries. We also found lower levels of political activity in Britain and Finland compared with the other countries, in particular among the long-term unemployed. On the other hand, Danish unemployed youth experienced by far the best situation. Generous unemployment benefits and high coverage allowed them to leave home independent of unemployment. They reported low levels of financial deprivation, better mental health, better coping with unemployment, and higher levels of well being than did their counterparts in the other countries. It is important to note that Scottish and Finnish unemployed youth did not experience social marginalisation. However, those with careers dominated by unemployment received low scores on the sociability scale, which was developed from information on the frequency of participation in a range of social activities. Seven activities were included in the scale. For each activity the young people were asked if, in a normal week, they undertook these activities.

However, even those unemployed youth who were passive, it seems, were not isolated, and their social networks seem to be intact, with emotional and instrumental social support from parents and friends.

According to arguments about the disincentive effects of high levels of benefits, we would have expected a particularly strong work commitment among Scottish and Finnish youth. However, contrary to expectations, the results indicated a lower work commitment among the

long-term unemployed in these countries than, for example, in Sweden or Spain, where the unemployed youth enjoyed a much better financial situation.

In all ten countries, totally 40% had ever participated in a training scheme. The results showed that participation in training schemes now seem to be an institutionalised pattern in the school to work transition. However, scheme participation varied significantly across countries. In Italy, only 11% had participated compared with 60% in Sweden. The Nordic countries and Germany have developed an elaborated system of schemes while Italy and Scotland (before the New Deal) offered only weak support for long-term unemployed people. In all countries females had a higher participation rate than males.

The project highlights some pressing questions that are important for a comparative perspective on youth policy. Such a perspective has been missing in most previous studies because of lack of data. Because most policies to combat youth unemployment and social exclusion are instituted at the national level, there is a pressing need to locate variations in such policies. Without variation, it is difficult to investigate if and why some policies are more successful than others.

The findings clearly illustrate how complicated for the young unemployed is the transition from youth to adulthood. Their unemployment renders them financially vulnerable if they are not provided for by their families or through sufficient benefits. The political debate has, to a great extent, focused upon the need to cut benefits for young people and to introduce workfare. Many people would argue that the withdrawal of benefits for young people is a withdrawal of citizenship rights. The results here show that Danish unemployed youth, with their high levels and broad coverage of benefits were enjoying by far the best situation and that they were returning to employment. They were also better integrated in employment than were unemployed youth in the other countries. Unemployed youth in Spain and Italy were also far better off than were their counterparts in Finland and Scotland, although their integration into the labour market was heavily dominated by temporary contracts and informal employment. The low level of support in Finland implies that this country does not represent a universalistic welfare regime for unemployed youth. Even though the unemployment rate has dropped in the last three years, 25% of young people were still unemployed in the year 2000. The results of this study demonstrate that this group, the majority of whom are first time job seekers, faces an extremely difficult situation.

Some caution is necessary when interpreting the findings of this study, however. Our survey included only unemployed youth with permanent residences; we were unable to contact

unemployed young people who had no permanent place to live – unquestionably, the most severely excluded of all European youth. Further, our data did not allow us to examine more closely such particularly vulnerable groups as ethnic minorities. Such analyses require stratified samples, and our data provided so few members of different ethnic minorities that it was not possible to subject them to separate analyses. To obtain better data on the situation facing different ethnic minorities among unemployed youth is an important topic for future research. .

The results from the project have been broadly disseminated (see home page for list of publications and conferences organised by the research group). One doctoral thesis has been completed and two others will be completed during the next few years.

2. Background and objectives of the project

The results presented here are based upon a book from the project that will be published by Policy Press, summer 2003, and edited by the co-ordinator.

The project is based on data from a new comparative study of youth unemployment in Europe (YUSE data). Representative samples of unemployed youth were chosen from ten countries – Finland, Norway, Sweden, Iceland, Denmark, Scotland France, Italy, Germany, and Spain – giving a total sample of 17,000 young people who were interviewed one year after they registered as unemployed. This project complements one previously funded under the TSER programme by broadening the participation base and extending the range of issues being analysed. The existing project, 'Youth unemployment and processes of marginalisation on the northern European Periphery' (contract: SOE2-CT96-3025) was funded until 1999 and comparative surveys of representative samples of unemployed youth were conducted in Denmark, Sweden, Finland, Norway, Iceland, and Scotland. In the current project four more countries have been included: Italy, Germany, Spain, and France. However, the research group continued to work with the first data set under the current contract while waiting for the new data; thus many new publications have been based on the data from the first six countries (see publication list).

The main objective of the study was to study the ways in which different welfare strategies and structures in different countries influence the risk of social exclusion among unemployed youth.

The following research questions can be identified:

- Do non-standard forms of labour force participation, such as part-time work, temporary work, or work in the informal economy represent a step towards social exclusion and labour force marginalisation, or can they be regarded as a step towards permanent work careers ?
- Previous research has clearly documented more mental health problems among unemployed youth than among youth in employment. Are there variations among countries. How do such problems relate to different dimensions of social exclusion?
- How do different welfare strategies with mixes of public (insurance systems) and private (family) support influence the experience of financial deprivation among unemployed youth in Europe?
- To what extent do unemployed youth feel integrated into their society and what is the impact on their rights and responsibilities of citizenship? Are unemployed youth excluded politically, in the sense that they do not participate in or engage themselves in politics? What type of political attitudes do they have?
- What are the relationships among different subjective and objective dimensions of social exclusion?
- Previous research has revealed large differences in work ethics or work involvement among European countries. What are the relationships among stigmatization, mental health, work involvement, and job search activity ?
- The project also analysed young peoples' experiences with different measures in a comparative perspective, and assessed the extent to which such measures increased job opportunities or a return to education.

3. Scientific description of the project results and methodology

Defining social exclusion

The introduction of the concept of “social exclusion” was initially adopted by the EU in order to avoid discussions about poverty. As Berghman (1997, p 5) wrote “... The concept was introduced by politicians in the European Commission and not by researchers. The reason seems to have been that the Member States expressed reservations about the word ‘poverty’ when applied to their respective countries. ‘Social exclusion’ would then be a more adequate and less accusatory expression to designate the existing problems and definition”. Although the term was originally utilised in a political setting, Berghman argues that the comprehensiveness and dynamic character of social exclusion renders it useful for researchers. Gallie (1999) further claims that a focus on social exclusion also reflects a shift in theory. Poverty studies have indeed been increasingly extended from a narrow focus on financial deprivation to a concern for the general capacity of people to share in the quality of life and to participate in the social activities that characterise their societies. The concept of social exclusion maintains a sharper focus on the significance of the non-financial aspects of life, particularly the problem of social isolation.

Paugam (1996) claims that extreme forms of marginalisation occur when prolonged unemployment is coupled with a disintegration of the social networks that would bind the individual to the community. In his view, social exclusion represents the end of a process of cumulative disadvantage. Less stable family relations may create isolation and vulnerability. At the same time, the declining of class solidarity, which previously gave the less privileged a sense of belonging to a identifiable social group, may have encouraged a tendency for people to withdraw into themselves (Gallie 1997)

In modern society, employment is a central feature of daily life and the main source of financial independence, status, prestige, identity, and social participation. Labour market changes have undermined employment stability as a source of social integration

In terms of theory, it is important to differentiate among unemployment, poverty, deprivation, marginalisation, and social exclusion. An unemployed person may experience poverty and deprivation – but not necessarily social exclusion. Social exclusion can also be described as the process of becoming detached from the moral order or from prevailing norms in society (Room 1995). In accordance with previous studies, social exclusion may be described as a dynamic and multidimensional concept (Berghman 1995). Employment promotes social integration, but unemployment may not necessarily imply social isolation.

Some authors (Room 1997) also suggest that social exclusion should be used as a structural concept to identify structures in society that promote individual marginalisation. Within this perspective, social exclusion can be defined as the failure of one or more of the following sub-systems:

- The demographic and legal system, which promote civic integration.
- The labour market, which promotes economic integration
- The welfare system, promoting social integration
- The family and community system, which promotes interpersonal integration.

In practice, however, system failures are admittedly difficult to separate. The labour market promotes economic integration, but also social and interpersonal integration, and the welfare system promotes economic integration as well as social integration. Yet another perspective regards social exclusion as a process in which dominant groups exclude outsiders in order to protect their own position (Jordan 1996). Room links exclusion to lack of resources, which results in 'inadequate social participation, lack of social protection, lack of social integration and lack of power'. In his writing, social exclusion is used to highlight dynamic linkages between material situations on the one hand and attitudes and values on the other, which may reinforce a situation of disadvantage. It underlines the ways in which disadvantage in one dimension of life can result in a new and more debilitating set of disadvantages.

The concept of marginalisation has been used to characterise an intermediate position somewhere between full integration and social exclusion. The concept describes risk for social exclusion in different dimensions. Groups of people may be financially integrated, but politically or socially marginalised. They may be culturally integrated (as is the case, for example, with specific ethnic groups), but socially marginalised. Young unemployed people are in a marginalised position, but may or may not be excluded from the labour market for a certain period. The concept is useful because the situation of young people can often be characterised as an intermediate position in which we know little about the final outcome. A period of unemployment does not necessarily constitute a problem and may even be a necessary step in obtaining a good adjustment in the labour market.

Youth unemployment

Throughout Europe, unemployment rates are higher among youth than among members of the general population, and there is a danger of these young people experiencing marginalisation and exclusion (EC, 1994). In 2000, the rate of youth unemployment within EU was around 16% – more than twice the rate experienced by adults (7%). Although only 20% of labour

market is under the age of 25, about 40% of the unemployed are in this age group. The increase in youth unemployment over the last decade has occurred despite a demographic decrease in people of this age group and an increased level of education within most member states. EU countries have 7 million young unemployed people, 40% of whom are among the long-term unemployed, which is defined as being unemployed for more than one year (OECD, 2000).

The unemployment rates have dropped during the past three years in most Western European countries. However, both the unemployment rates for young people and the proportion of long-term unemployed are still high in some countries. Italy, Spain, and Finland have the highest youth unemployment, and Italy in particular has a high proportion of long-term unemployment. Sweden and France are in the middle, whereas Denmark, Germany, and Norway have the lowest levels of unemployment, particularly long-term unemployment. Different countries employ labour market measures and welfare policies in different ways in order to address the problems associated with youth unemployment. How do these various welfare arrangements and labour market policies influence the situation of unemployed youth and their risk of social exclusion?

Method

Research design

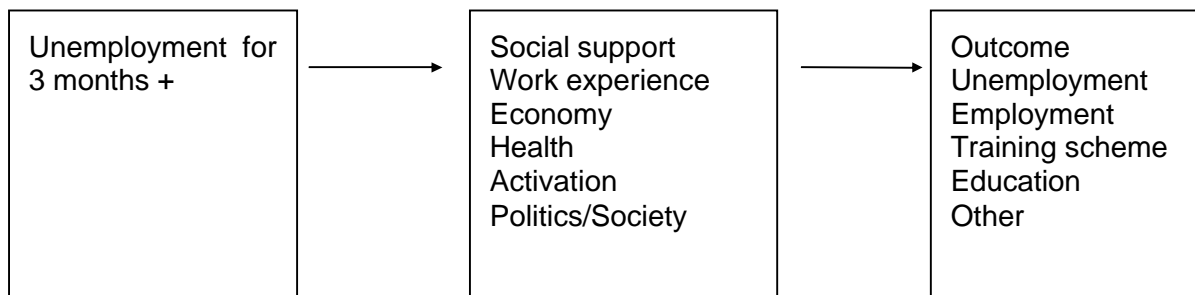
Marginalisation was the leading concept in this study. The main research question addressed the degree to which labour market position correlates with other social circumstances in the life situation of young people.

Different aspects of marginalisation in relation to youth unemployment are highlighted and analysed in the study. We chose the following dimensions of marginalisation and integration:

- employment
- family situation
- living conditions
- social network
- politics and society
- education

The study is cross-sectional. At one point, a group of young people who had been at least three months continuously unemployed during the first half of the year was selected as a sample. Thus, we chose to study a group, which, according to marginalisation theories, had a more a problematic relationship with one central area: employment. The crucial question, then, concerns the extent to which this position is interpreted as problematic in relation to other domains. To what extent does labour market position covary with access to other resources and with the individual capacities of the young people involved?

The research design can be illustrated as follows:



At the time when the samples were drawn, all of the young people in our study were unemployed. Approximately 6-12 months later, when they were interviewed, the situation had changed. What factors could have influenced this outcome? We chose a certain number of variables to problematic this relationship, as follows:

- social support
- work experience and education
- unemployment experiences
- financial situation
- health situation
- experiences of labour-market schemes
- political attitudes.

From an analytical perspective, however, it is not evident how these variables should be regarded. Do they reflect circumstances that can be influenced by an outcome, or are they more permanently structured? To deal with the time dimension, we included different time perspectives in our questions, under the assumption that certain variables are stable enough to be regarded as having the capacity to influence employment outcome.

We chose this research strategy in order to shed light on the ways in which different degrees of marginalisation, or, to be more specific, different levels of integration into the labour market, may be related to other circumstances in the lives of the young people in our study. Our aim was also to be able to form an opinion on the processes of marginalisation in terms of the relationship between the outcome of unemployment and differences in the life situations of young people.

In countries with different labour-market and educational policies, unemployed youth can end up in work, education, employment schemes, or permanent unemployment. This research investigates the outcome of long-term unemployment among youth.

In all countries except Italy and Scotland, representative samples were drawn from national unemployment registers, with eligible respondents defined as young people between the ages of 18 and 24 who had been unemployed for a period of at least three months during the last six months. They were interviewed one year later. No national unemployment register provides this information in Italy, however, so Italian unemployed young people in this age group were contacted through the local employment offices ($n = 6000$). The researchers then drew a stratified sample of the north ($n = 500$) and the south ($n = 1000$) of Italy, and members of this sample were interviewed one year later. In Scotland, researchers were denied access to the unemployed register and used a sampling procedure in much the same way as in Italy ($n = 1500$). In this way, Scotland and Italy managed to use the same sample design as the other countries.

The total sample in all countries thus consists of young unemployed people with a variety of work histories who, at the time of the interviews, were located in a wide range of positions inside and outside of the labour market. This survey design is conducive to a comparison of young people with unemployment experience, some of whom have managed to acquire positions in the full-time labour market; some of whom have resumed full-time study; and others who have remained unemployed, have withdrawn from the labour market, or have become marginalised in some other way.

In the Nordic countries, the surveys were conducted in 1996. The surveys were initially based on postal questionnaires with additional strategies employed to minimise bias due to skewed response rates. Those who failed to respond to the initial questionnaire after having been sent a reminder were interviewed by telephone. Attrition analyses based on register data in Norway showed no skewed attrition as a function of educational level, duration of unemployment, work experience, proportion without relevant work experience or education, proportion receiving unemployment benefits, age, gender, or county. In Sweden, Norway, and

Finland register data did not show any skewed attrition. In the other countries permission that would allow the researchers to couple the survey with register data was not obtained. However, country-specific attrition analyses have found the data to be representative. In Denmark, the sample was drawn from insured unemployed young people in the same age group (about 80% of the young unemployed are insured in Denmark). However, analyses of the differences between insured and uninsured unemployed youth in Norway, Sweden, Finland, and Denmark show that the differences are basically the same in all countries (Ulldal-Poulsen 2000). In other words, we can control for the biased sample in Denmark by comparing with all other countries only those unemployed youth who are insured, and additionally, with the use of multivariate analysis, by controlling for insured versus uninsured. In Scotland, data collection was conducted in 1997/1998. Analyses of attrition found the sample to be representative. Length of unemployment did not affect response rates; however, there were more non-respondents living in poorer urban areas than in rural areas, although this effect was not statistically significant.

Data collection in Italy, Spain, France, and Germany was conducted in 1999/2000. As in the Scandinavian countries, postal questionnaires were used in Spain and Scotland; whereas telephone interviews were employed in France and Germany. In summary, the study draws on comparative surveys in ten European countries among representative samples of 18-to-24-year-olds who had been unemployed for at least 3 months continuously, and who were interviewed 6 to 12 months later.

The samples and response rates were:

Finland, 73% of $n = 2386$; Iceland, 63% of $n = 2280$; Norway, 56% of $n = 1997$; Sweden, 63% of $n = 3998$; Denmark, 76% of $n = 1540$; Scotland, 56% of $n = 1500$; Germany, 65% of $n = 3000$; Spain, 52% of $n = 5000$; France, 51% of $n = 4000$; Italy net sample, $n = 1421$ of $n = 1590$.

The fact that data collection was conducted in different years presents a problem, because of changes in the business cycle in the period 1996 to 2000. After a review of the economic literature, the research group has decided to solve this problem by controlling in the multivariate analyses for some economic indicators for the year of data collection (Van den Berg and Van der Klaauw 1999, Imbens and Lancaster 1994). The measurements used for each of the variables are explained and described in the various chapters of the book.

Collecting the survey data

The questionnaire was addressed to unemployed young people aged 18-24 years. We decided on the following criterion in our sample: *at least three months of continuous unemployment during the first half year before the time of sampling*. It would have been both interesting and fruitful to include a randomly selected group of young people as a reference group to see if there were marked differences between our chosen group and a randomly selected sample of the entire youth population. We counted on being able to make comparisons on the basis of existing register data. Yet we decided not to include a control group, primarily because we wanted to compare the unemployment situation in the countries first hand. We did expect that, even within the group we had selected, a considerable number of young people would be employed at the time of the interviews, and that this situation would guarantee variations within the group. We were thus able to focus on the question of which groups remained unemployed and which groups gained employment or re-entered the educational system after the sample had been chosen.

More detailed description of sample and attrition in the countries are given in Annexes 2

Measurements

The questionnaire is based upon the use of different measures and indices used in previous research. In order to allow the reader to evaluate the results presented in the following chapter, some of the main variables are briefly described.

- § *Unemployment* was measured through self-reports: 'During the week prior to the interview, was the respondent employed or not?' The respondent could choose among 20 occupational categories and check more than one option. Thus one person could be unemployed and a housewife. The data were coded hierarchially, so that unemployment status took precedence over all other categories. Those who were employed and in education were coded under education. Apprentices were also coded as being in education.
- § *Unemployment* was also measured by the total number of spells of unemployment that the respondent had experienced: 1) total months of unemployment experience and 2) duration of the longest spell of unemployment.
- § *Job search* was measured with seven questions about applied job search strategies. Respondents who did not apply for a job were also asked why.

§ *Education* was measured according to the Casmin Scale, which was developed in previous comparative research and has been applied in a number of comparative studies (for a short description, see W. Mueller:

www.nuff.ox.ac.uk/yaish/npsm/casmin%20education.htm). The Casmin Education

classification is based upon two primary classification criteria: 1) the differentiation of a hierarchy of educational levels, and 2) the difference between “general education” and “vocationally oriented education” (Brauns and Steinman 1999).

§ *Financial deprivation* was measured with an 11-item scale that addressed both material and cultural deprivation and had been used in several comparative studies (Fridberg 1990). The items read: During the last 12 months, which of the following have you had to give up due to lack of money –

- Warm meals?
- Essential clothes for yourself or your family?
- Paying rent and bills on time?
- Visiting the cinema, theatre or concerts?
- Inviting friends to your home?
- Visiting relatives or friends living in other towns?
- Buying birthday or Christmas presents?
- Holidays away?
- Newspapers, hobbies, or other recreational activities?
- Visiting pubs or restaurants?

Each item was scored from 1 (often) to 3 (never), and an additive index included all questions.

§ *Work commitment* was determined by a scale developed by Warr *et al.* (1979). It required respondents to agree or disagree with six statements:

- It is very important to me to have a job.
- If I won a lot of money I would want to work.
- I hate being unemployed.
- I feel restless if I do not have a job.
- Work is one of the most important things in my life.
- I would prefer to work even if unemployment benefits were generous.

The response categories for each item were: ‘strongly agree’, ‘agree’, ‘neither agree nor disagree’, ‘disagree’, and ‘strongly disagree’. Higher scores indicate greater work commitment.

§ *Mental health* was measured with ten questions from Hopkins Symptoms Checklist (HSCL) (Derogatis *et al.* 1971) that focussed on anxiety and depression. These items were selected as the result of a factor analysis of a health survey of the same age group (the 1985 CBS survey). We have used the mean score of the ten items, which were scored from 1 = ‘no problems’ to 4 = ‘heavy problems’ (range = 1.00 to 4.00).

§ *Coping with unemployment* was constructed as an index based on seven items used previously in the Level of Living Surveys (CBS 1991):

- I have more time for family and friends.
- I do not accomplish anything.
- I have problems planning for the future.
- I am financially dependent on others.
- I can use my time as I please.
- I have more time for my hobbies.

The response categories for each item were: ‘strongly agree’, ‘agree’, ‘neither’, ‘disagree’, and ‘strongly disagree’, the negative items being reversed for coding. The scores ranged from 1 to 5, with higher scores indicating greater coping problems.

Results of the study

Furlong and Cartmel (2000) claim that, when addressing issues of social exclusion among young people, it is necessary to acknowledge that paid work has traditionally been regarded as central to the process of social integration. However, it is also necessary to recognise a range of subjective factors such as attitudes and values, which are not simply outcomes of labour market processes, but which can mediate patterns of exclusion. Social exclusion may be characterised as a multidimensional process (Berghman 1997) or as the end point of a process that develops progressively through time (Paugam 1996).

In our project we have used the concept of social exclusion as a process of cumulative disadvantage, and used the term ‘marginalisation’ to describe that process on the margins of society. We perceive social exclusion as a multidimensional concept and analyse the relationships among labour market marginalisation, financial marginalisation, political marginalisation, and social marginalisation.

How strong is the link between a return to employment and social integration? Perhaps the link is not automatic, and may depend on the nature of work contracts. In countries like Spain and Southern Italy, precarious employment is common, and does not necessarily provide the

means for integration (Eurostat 1997). In Spain, for example, 34% of the labour force is in temporary employment (INEM 1997).

Work in the illegal economy is also more frequent in Southern Europe than in Northern European countries. Indeed, some people have argued that the subterranean economy represents a 'Mediterranean solution' to economic crises and high unemployment (Lemkow 1987). According to a report on the Italian labour market prepared for the European Commission, 'non-institutional' economic activities involve some 15% of Italian resident employment positions (Brodolini 1996). In Spain, the hidden economy affects between 18% and 25% of the labour force. It has been estimated that nearly 40% of such irregular work is performed by young people between 18 and 25 (Comisiones Obreras 1994). The hidden economy is less influential in the Nordic countries, although the results of our comparative analyses indicate that 22% of unemployed Icelandic men reported experience with 'Moonlight jobs' during the past year (Julkunen 1997).

There are several problems with this type of employment, including low pay, nonexistent unemployment benefits or health insurance, and dangerous working conditions. Unemployed youth who work in the hidden economy can end up in dead end jobs with few prospects for the future. Thus, an important research question relates to the way in which work in the informal economy influences working careers and affects the risk of social exclusion.

Previous research has also shown that the youth labour market is dominated by temporary work contracts that increase the risk of successive periods of unemployment (Hammer 1997).

In this project we have analysed the impact of precarious work among previously unemployed youth. We have studied the prevalence of temporary employment and occasional/irregular work among those who had entered employment by the time of the survey. How does such precarious work facilitate the integration of young people into the labour market? Does non-standard labour force participation, such as temporary work or work in the informal economy represent a step towards social exclusion and labour force marginalisation? Or should it rather be regarded as a step towards permanent work careers? These questions were addressed by evaluating different dimensions of the job quality of these types of jobs. We have used data from Finland, Norway, Scotland, and Spain – countries with very different youth labour markets – and have analysed the probability of being underemployed according to one's own preferences, receiving formal training as part of the job, and the perceived risk of being unemployed one year later.

We found that in countries like Spain and Finland, where there is high unemployment, the majority of unemployed youth receive only temporary or irregular work contracts. In Spain and Italy in particular, many young people in occasional work worked without a contract, which constitutes irregular employment. Many of these young people expected to be unemployed again one year later. Temporary contracts also reduced the probability that the individual received on-the-job training, because employers have little reason to invest in employees hired on a temporary basis. The result was that many young people ended up in dead-end jobs with few prospects for the future. The conclusion is that temporary employment does not provide sufficient integration into the labour market.

In France, recurrent periods of unemployment are more common among males than among females, but longer among females and members of ethnic minorities (Werquin 1997, Drew *et al.* 1992, de Goede *et al.* 1996). High labour market mobility among young people, including movements between the job market and education, can be an expression of voluntary behaviour, indicating increased options and individual choices in a modern society where career patterns and transitions to adulthood have become more individualised and destandardized (Banks *et al.* 1992, Furlong and Cartmel 1997).

We have analysed such occurrence dependence in the labour markets of France, Sweden, and Spain. The transition from school to work often includes short spells of work interspersed with periods of unemployment. The recurrence of unemployment can be interpreted either as a positive phenomenon or as a depreciation of human capital. According to job-matching theory, switching between jobs and unemployment may be necessary to reach an optimal match. However, according to signalling theory, successive periods of unemployment may also have negative effects, given that employers sort job seekers on the basis of individual characteristics and the number of previous employers. From this point of view, the probability of obtaining a permanent job decreases the greater the number of previous employers. Successive periods of unemployment may also be due to selection effects or state dependence.

The transition from school to work is accompanied by spells of unemployment for many young people.. We analysed the probability of successive periods of unemployment in France, Germany, and Sweden by asking respondents to provide us with diaries of their main occupations every six months over the previous five years. We found a higher probability of successive periods of unemployment in countries with a high level of unemployment,

independent of educational level. However, education did have a significant effect. Young people with low levels of education had a higher probability of

Young people with lower levels of education had a higher probability of undergoing successive periods of unemployment, even when we controlled for unobserved heterogeneity. Moreover, the younger the individual at the time of the first spell of unemployment, the higher the probability of being unemployed again. We also calculated the average duration of unemployment, and found that the shorter the average duration, the higher the risk of being unemployed again. Of course several periods of unemployment require that several periods of work occur between them, and recurring unemployment is a different phenomenon than long-term unemployment. This difference is particularly noticeable in France, where many spells of unemployment do not necessarily mean that the respondent had a longer cumulated duration of unemployment. However, the situation in France is different from that of Sweden and Germany, where those who experience several spells of unemployment also face a longer cumulated duration of unemployment. These national differences may be explained by the higher rate of youth unemployment in France, with its higher proportion of long-term unemployment. Compared with Germany and Sweden, it is more difficult to find work in France, and however long each period of unemployment may be, spells of both work and unemployment occur less frequently.

How successful are activation policies?

An important question regarding policy to combat youth unemployment concerns the effect of active labour market policies. At one extreme, Denmark spends almost 1.8% of its GDP on active measures, whereas UK spends just 0.5% (EC 1994), Italy 0.90 (1997), and France 0.98% (UNEDIC, 1995) of their GNP on comparable measures. Ireland, with a large proportion of its measures financed from the Community Social Fund, also gives high priority to activation measures. In France, about 700,000 people were participating in a range of labour market schemes in 1994 (DARES 1996). Two French measures seem to be more successful than others: *Contrat d'Adaption* and *Contrat de qualification* (DARES 1997). However, for all measures, the probability and the degree of success are strongly correlated to initial educational level (Demaziere and Verdier 1994). In Italy, trainee contracts provide tax incentives to firms that hire and train young workers (age 16 to 32), which has become the usual method of smoothing the entry of young people into the labour market. 'TC contracts' have been more successful in the North than in the South of Italy (Venturini 1995). There are also special mobility programmes, as well as so-called 'socially useful projects' (characterised

by their social purpose), which provide employment for workers on special short-time compensation with fixed-time contracts. In Italian labour market policy there is, however, a lack of evaluation of the effectiveness of different programmes (Brodolini 1996).

A great deal of work has been undertaken on evaluations of different national training schemes for unemployed youth in the other countries (see Breen 1991; O'Connell and Lyons 1994, Ingerslev 1994; for a review from the Nordic countries, TemaNord 1994; in Spain, Comunidad Autonoma de Madrid, 1997). However, there are obvious advantages associated with comparative analyses of different countries, as these measures are developed differently and within a different context in each country. From our project, analysis of data from the Nordic countries has shown that training schemes based on subsidised employment (especially in Sweden) increases job opportunities among unemployed youth (Carle and Julkunen 1997). Sweden has developed training schemes with the purpose of integrating the young unemployed in ordinary employment. The results are in accordance with Raffé (1987), who argues that the training 'content' of the schemes is less important than the 'context' in which training was provided. Indeed, the key to success centres on the degree to which the schemes supplied the participants with informal contacts with potential employers.

Longitudinal research in Scotland has also highlighted the ways in which policy initiatives that were introduced to help alleviate the consequences of high levels of youth unemployment have provided an institutional framework for the reproduction of inequalities. Whereas youth training schemes provide increasing numbers of people with valuable skills and work experience, those who fail to find full-time employment immediately after completing their schemes tend to be especially vulnerable to long-term unemployment (Furlong, 1993). It has also been noted that young black people are often concentrated in schemes with the poorest employment prospects (Drew *et al.* 1992, Roberts 1995). It is also important to evaluate training schemes not only as labour market measures, but also as a type of social policy measure that may help young people to cope with problems related to unemployment and prevent social exclusion. Furthermore, increased educational motivation and a return to education are important outcomes (Carle and Julkunen 1997)

One of the aims of this project has been to describe young people's experience with different activation measures and to examine the extent to which such measures increase job opportunities or education.

We have analysed active labour market policy in nine European countries. The questions address the recruitment of long-term unemployed youth and attempt to identify those who are

recruited to activation schemes. Furthermore, we have estimated the probability of employment after participation in labour market training schemes plus possible effects on income.

We have also evaluated the impact of training on the employability of the young (18-24) long-term unemployed. Here we have focused upon three countries that represent different educational and training systems. Spain is an example of a rigid sequential system and Sweden an example of a flexible one, with training taking place when education is completed or interrupted. Germany is an example of a dual educational and training system.

Sweden experienced increased unemployment in the early 1990s, as a consequence of the deepest economic crisis in the post-World War II period. Unemployment has remained high, despite the large-scale implementation of training programmes, reaching a peak of about 3% of GDP in 1994. Features of the Spanish labour market include high unemployment, widespread temporary employment, and a strong role played by the family, as opposed to public welfare. Germany has also seen unemployment increased after the 1991 unification, and has recently introduced labour market measures on a large scale as an alternative to unemployment benefits.

We have focused on the effect of training on labour market participation of a specific group, controlling for individual characteristics, human and social capital endowment, the reservation wage, and unemployment duration. We assume that the effectiveness of the activation measures implemented depends on the overall working of the market and on education, training, and employment schemes. This approach is novel, as previous literature has focused on a programme-oriented approach to policy evaluation. Multinomial LOGIT estimates of the probability of belonging to one of five different labour market statuses – unemployment, employment, training, education, and inactivity – provide a vivid picture of the features of youth labour market participation in the three countries considered. We have evaluated the outcome of training schemes and the probability of employment in countries with such different educational systems. Comparing Spain, Sweden and Germany, we found that such measures seem to have had a positive effect only in Sweden. The authors argue that educational reforms may be better than training schemes as a way to qualify young people for the labour market. In all ten countries, totally 40% had ever participated in a training scheme. The results showed that participation in training schemes now seem to be an institutionalised pattern in the school to work transition. However, scheme participation varied significantly across countries. In Italy, only 11% had participated compared with 60% in Sweden. The

Nordic countries and Germany have developed an elaborated system of schemes while Italy and Scotland (before the New Deal) offered only weak support for long-term unemployed people. In all countries females had a higher participation rate than males. Females are a recognised target group for labour market policy. Individual characteristics like own children or ethnic minority background reduced scheme participation in most countries, while young people with health problems or job disabilities more often than average got access to labour market training schemes. In Scotland, Denmark and Germany the best qualified got access to the schemes, the opposite was the case in the Nordic countries. However, in all countries both the number of unemployment spells and accumulated duration of unemployment increased the probability of scheme participation. Duration of unemployment and scheme participation seemed to reduce the probability to enter employment in nearly all countries. However, these results should be interpreted with care, because of methodological problems. The findings indicate different mechanism between getting a job and job outcome, measured as gross hourly income of employed respondents. If the threshold of re-employment is successfully conquered, income depends much more in “classical human capital” based indicators like qualifications and type of qualifications. There is no clear evidence of scheme punishment. The opposite seemed to be the case according to duration of unemployment which indeed reduce income. From this point of view, scheme based labour market policy showed some effect, and supported integration to a certain degree.

The public/private mix of youth unemployment protection

A main difference between the North and South of Europe with implications for our study concerns the mix of public and private support received by unemployed youth. Nordic welfare states provide relatively generous benefits, whereas in Southern Europe few young people are entitled to either insurance benefits or social assistance. For example, according to Eurostat Labour Force data, only 20% of the unemployed in Italy are entitled to unemployment benefits compared with an average of 40% in the European Union as a whole (Eurostat 1997). In Spain, only 17% of the registered unemployed less than 25 years of age are entitled to benefits (INEM 1997); in France this figure is 36% (UNEDIC, 1995). In the Nordic countries, the proportion of young unemployed receiving benefits varies between 60% and 75% (with the exception of Finland, at 25%) (Carle and Julkunen 1997). However, the compensation levels of benefits also vary greatly among countries. Denmark has a compensation level of 90% (up to £1150 per month); whereas in Italy the amount has just recently been raised to

40% (up to £575 per month for ordinary benefits). However, in Italy income support does not depend directly upon previous earnings as it does in the other countries, but on the characteristics of the job lost (sector, size of firms, type of employment relation). Workers in small firms and in most service firms are eligible only for ordinary benefits, whereas workers from medium- or large-sized industrial and commercial firms are the most favoured. According to a recent study on living conditions and inequalities in Europe (Vogel 1997), there are three distinct geographical clusters with three distinct welfare delivery strategies:

- A Nordic (or northern) cluster of advanced institutional welfare states (Nordic countries)
- A southern cluster of family welfare states relying on the traditional family as the prime welfare delivery strategy (Spain and Italy)
- An intermediate central European cluster with moderate institutional and family arrangements in combination with corporate social protection strategies (France, Scotland, Ireland) corresponding to Esping-Andersen's (1990) typologies.

However, in most countries unemployed youth will also be entitled to some type of public support, even if the level of support and degree of coverage varies considerably across countries. Gallie and Paugam (2000) have developed a typology of welfare regimes based on different protection systems for the unemployed in Europe.

§ The *Sub-Protective* model is dominant in Southern Europe and provides incomplete coverage and low levels of support – virtually nonexistent, in fact, for unemployed youth. Spain is somewhat more generous in this regard than is Italy. In 1999, 12.5% of the 16-to-24-year-old unemployed received unemployment benefits and an additional 10% received welfare benefits (Alvaro 2000).

§ The *Liberal/Minimal* model provides an incomplete coverage and low level of support. UK is an example. Unemployed Scottish youth are entitled to a flat rate benefit “job-seeker allowance”.

§ The *Employment-Centred* model dominant in France and Germany provides a higher level of support than does the Liberal/Minimal model, but exclusively for those established in the labour market. In this way the protection system is divided into insiders and outsiders, which especially hit unemployed youth with little or no work experience.

§ The *Universalistic* model, with its high levels of support, high degrees of coverage, and an active labour market policy is the system that dominates in Scandinavia.

An important question here relates to the ways in which different welfare strategies affect unemployment careers and the probability of re-employment.

Obviously, the consequences of unemployment among young people will be related to their financial situation. In Denmark, with a generous insurance system, young people are able to leave their parental home even when unemployed. However, both Spain and Italy represent highly family-orientated cultures. A comparative study based upon the EC surveys showed that in Italy, 95% of young people in the 16-24 age group were still living in their parental home; this figure compares to 45% in Denmark (Heath and Miret 1996) and 52% in France (Barailler and Werquin, 1997). Moreover, there is evidence that the young unemployed (especially males) stay much longer with their parents in Northern Europe (Wallace 1986; Hammer 1996) and in Spain (Navarro 1994; Bahr *et al.* 1995) than they do in the other countries. This type of parental dependency may represent barriers against geographical mobility. For instance, the EPA survey in Spain showed that only 38% of the unemployed were willing to move to another area. Furthermore, parental dependency may strengthen the process of inter-generational transmission of poverty in deprived areas. At the same time, parental support may be essential to the prevention of poverty among unemployed youth and may also lessen homelessness and social exclusion, especially in Southern Europe (Vogel 1997). The prolonging of youth as a phase in the life cycle, which can be observed in most European societies, also gives rise to many general problems, especially in Southern Europe, where it is not unusual for young people to remain in the parental home until their mid-30s even in areas with higher rates of employment (Cavalli 1996).

A generous unemployment insurance system may also reduce the incentives for job search activities, thereby reducing job opportunities. Yet evidence from Spain indicates that unemployment benefits do not exert a clear negative influence on job-search behaviour or on re-employment (Cebrian *et al.* 1996). Analyses thus far undertaken in this project based on data from the Nordic countries have revealed that a high compensation level reduces job search behaviour. At the same time, economic problems seem to have a negative impact on the chances of employment (Hammer 1997).

Another aim of the project was to examine combinations of public and private support and the ways in which such support is related to job opportunities among unemployed youth. We have analysed the relationship in six countries between unemployment careers on the one hand and risk of financial deprivation and sources of income on the other. To what extent do different welfare regimes offer economic protection to the young unemployed? There is a need for comparative knowledge from different countries that can identify contrasting policies and

outcomes of different welfare models in Europe. An aim of this study, therefore, was to compare the financial circumstances of young unemployed people in Denmark, Finland, Norway, Scotland, Spain, and Italy and to study the ways in which different welfare arrangements influence the risk of financial marginalisation among unemployed youth. We found that the level of deprivation was highest in Scotland and Finland, and higher among women than among men.

The young unemployed in these countries seem to fall between two categories. Many of them are not entitled to public support and they are not well supported by their parents as young unemployed people in Italy so often are.

In Italy and Spain most young unemployed people in our age group live with their parents. The different timing of transition is important. It is reasonable to expect more problems among young people in their thirties when they leave home and establish families of their own.

Both public and private support may have intended or unintended consequences, depending on the individual's coping strategies. Theoretically, it is important to differentiate between coping strategies as 'problem solving' (e.g., economic strategies and activities in the informal economy). and strategies related to 'emotional coping' (to maintain self-esteem and deal with emotional problems such as anxiety and depression). Previous research has documented higher levels of anxiety and depression among unemployed youth than among youth in employment or education (Feather and O'Brien 1986, Warr *et al.* 1988, Winefield *et al.* 1988, Hammer 1993, Alvaro and Frazer 1994). Some studies indicate that mental health problems among unemployed youth are also related to their work ethic or work involvement. According to the World Value Study, there are strong differences among European countries between work involvement and intrinsic work commitment. Work involvement is high in the Nordic countries (except Denmark) and Scotland, and relatively low in Spain (Ashford and Timms 1992, Marsh and Alvaro 1990). Obviously, work commitment is also an expression of work motivation, which in turn influences job opportunities among unemployed youth (Hammer 1997, Gallie and Vogler 1994). Thus the relationship among mental health, work involvement, and job search creates important research questions in this study.

We have analysed the ways in which welfare regimes are related to different breadwinner models from a gender perspective. We have identified how different predictors and buffers influence mental health in different countries. One can argue that in countries like Spain and

Germany that operate with a male breadwinner model, the domestic role will act more as a buffer than it does in countries like Sweden and Finland, with a dual-breadwinner model. We have also studied the extent to which work commitment, financial dependency, and job search influence mental health in countries with different gender systems. We found the highest level of depression among young women who reported financial dependency. Among women in male-breadwinner societies such as Spain and Germany, having children acted as a buffer against mental health problems. This was not the case in dual-breadwinner societies such as Finland and Sweden, however; unemployed women in those countries who reported a high work commitment also reported higher levels of depression. The social network apparently formed an important buffer against depression in Spain and Germany, but not in Scandinavia. These results are in accordance with other research from this project. Hammer and Russell (2003) found that unemployed women with children tend to withdraw from the labour market in Spain and Germany, but not in the dual-breadwinner societies of Finland and Sweden. The family and social network is more important for women in male breadwinner societies, where their more traditional social role acts as a buffer against mental health problems. However, work commitment among women in male breadwinner societies was no lower than that of men. On the contrary, women had a higher work commitment than did men in all countries except Norway, where the level was the same.

We have also analysed the relationship between mental health and social integration. Unemployed young people do not form a homogeneous group. How they cope with unemployment depends on the social and cultural context. Differences among countries can highlight the ways in which such cultural differences have an impact on mental health. Utilising the welfare regimes developed by Gallie and Paugam, we have examined different outcomes in different countries. There was an overall effect of financial deprivation being strongly related to mental health problems. Unemployed youth in Spain and Italy reported fewer financial problems and higher levels of social support from their parents. This effect serves to moderate the problems related to the experience of unemployment. By contrast, the young unemployed in Northern Europe leave home much earlier and consequently face different problems, particularly in Scandinavia. However, the results showed different situations in different Scandinavian countries. Danish unemployed youth enjoyed the best situation. Even those who had left home tended to receive substantial instrumental support from their parents. Finnish and Norwegian youth reported less social support. We found more mental health problems among youth in Spain, the Nordic countries, and Scotland than in the other countries.. The Spanish situation is particularly interesting; 78% of unemployed youth

live with their parents, so their financial situation is generally good. Yet they report an intermediate level of mental health, primarily because their average mental health problems are raised because of those who do leave home and face difficult situations leading to financial deprivation.

Yet another question relates to the political exclusion of unemployed youth. To what extent do they participate in politics? What are their political attitudes? Being detached from the political process may be part of a broader disenchantment with traditional values, including the work ethic. An important research question concerns the need to chart young peoples' social and political orientation and values and their social participation. A recent publication from the ECHP survey (European Community Household Panel) shows that homemakers, people in poor households, immigrants, and the unemployed are less active in social and political organisations (Vogel 1997). However, there are large differences among countries; Scandinavian countries display a culture of membership, compared with much lower participation in Southern Europe. Political marginalisation may be a response to unemployment.

We have analysed political attitudes and political participation among unemployed youth, and explored how welfare regimes may influence political activity and attitudes. We have further analysed a possible relationship between household composition and political activity.

Political activity is an important dimension of social exclusion. Marshall claims that the development of social right is an important prerequisite for political participation.

The long-term unemployed had a lower level of activity compared with short-term unemployed in this study. We also found that the activity level was related to different welfare regimes. Young unemployed people in employment-centred regimes were more reluctant to participate in politics than were those in Liberal/Minimal welfare regimes. However, we did not find that young people in the universalistic welfare regime were involved in greater political activity than were the young people in the other countries. Finnish and Scottish youth clearly had lower level of political activity than did young people in the other countries. However, because previous research has found that young people in general tend to be politically passive, it is difficult to blame unemployment for political passivity. On the other hand, political withdrawal was higher among the long-term unemployed than among those with short-term unemployment or those in employment or education, suggesting that unemployment may, in fact, have a politically debilitating effect over the long run.

In accordance with previous studies (Bergman 1995; Room 1995; Xiberras 1994; Svedberg 1995), we treat social exclusion as a dynamic and multidimensional concept. One final

research question therefore relates to the extent to which unemployment is associated with social exclusion among young people. Among young people who become unemployed, poverty is not necessarily linked to political, cultural, or social exclusion (Room 1997). We have analysed whether different dimensions of social exclusion are related to each other. First, we examined the relationship between labour market marginalisation and social background. Then, using cluster analysis, we identified different careers and investigated the ways in which such trajectories were related to the subjective dimension of marginalisation. These dimensions include work commitment, financial deprivation, well being, and sociability. The difficult situation among Scottish and Finnish youth can also be found using other subjective dimensions of social exclusion as. In Finland and Scotland labour market experience was most heavily dominated by unemployment, and Scottish youth in particular also faced problems trying to escape unemployment. We conclude that inadequate benefits can be counterproductive, in that they may reinforce social exclusion.

Some caution is necessary when interpreting the findings of this study. Our survey included only unemployed youth with permanent residences; we were unable to contact unemployed young people who had no permanent place to live – the most severely excluded of European youth. Further, our data did not allow us to examine more closely such particularly vulnerable groups as ethnic minorities. Such analyses require stratified samples, and our data provided so few members of different ethnic minorities that it was not possible to subject them to separate analyses. To obtain better data on the situation facing different ethnic minorities among unemployed youth is an important topic for future research. .

4 Conclusions and policy implications

The main finding of this study is that few young unemployed people were socially excluded, not even in countries such as Italy and Spain with extremely high unemployment. We identified vulnerable and marginalised groups, but not groups that were socially excluded in the sense that they were marginalised along all dimensions. However, it must be stressed that our study encompasses only the young registered unemployed. It is possible that those who do not register at the employment office face worse situations than those who do register.

None the less, the young unemployed, particularly those who have experienced financial deprivation, have a higher risk of marginalisation in some areas. The results of our study showed that Scottish and Finnish unemployed youth face a particularly difficult situation. Even though the unemployment rate is high in southern Europe, these young people are well

supported by their parents. Although the unemployment rate is much lower in Scotland, the proportion of long-term unemployed was nearly as high in Scotland as in Finland and southern Europe – countries with much higher unemployment rates. Further, the high unemployment rate among parents of unemployed Scottish youth indicates that unemployment tends to hit Scottish households and marginal groups, suggesting a cumulative disadvantage over time.

Scottish and Finnish unemployed youth are not as well supported by their parents as are their counterparts in Italy and Spain, and at the same time they receive a relatively low level of benefits. The universalistic welfare regime of Finland entitles young people without unemployment benefits to flat rate benefits such as social assistance or benefits for the uninsured. However, the level of support is about the same as those who receive “job-seeker allowance” in Scotland. In Finland there are strong social norms about leaving the parental home at a young age to seek independence. In Scotland more young people live with their parents than in Finland. However, unemployment and deprivation in these Scottish households make the situation difficult for Scottish unemployed youth. This situation is also evident if we examine the subjective dimensions of social exclusion.

We found that Scottish and Finnish unemployed youth reported lower levels of well being than did their counterparts in the other countries. We also found lower level of political activity compared with the other countries, in particular among the long-term unemployed. On the other hand, Danish unemployed youth enjoyed by far the best situation. Generous unemployment benefits and high coverage allowed them to leave home independent of unemployment. They reported low levels of financial deprivation, better mental health, better coping with unemployment, and higher level of well being than did their counterparts in the other countries.

It is important to note that Scottish and Finnish unemployed youth did not experience social marginalisation. However, those with careers dominated by unemployment received low scores on the sociability scale that was developed from information on the frequency of participation in a range of social activities. Seven activities were included in the scale. However, even those unemployed youth who were passive, it seems, were not isolated, and their social networks seem to be intact, with emotional and instrumental social support from parents and friends.

According to arguments about the disincentive effects of high levels of benefits, we would have expected a particularly high work commitment among Scottish and Finnish youth. However, contrary to expectations, the results indicated a lower work commitment among the

long-term unemployed in these countries than, for instance, in Sweden or Spain, where unemployed youth enjoyed a better financial situation.

This project highlights some pressing questions that are important for a comparative perspective on youth policy. Such a perspective has been missing in most previous studies because of lack of data. Because most policies to combat youth unemployment and social exclusion are instituted at the national level, there is a pressing need to locate variations in such policies. Without variation, it is difficult to investigate if and why some policies are more successful than others.

The findings clearly illustrate how complicated for the young unemployed is the transition from youth to adulthood. Their unemployment renders them financially vulnerable if they are not financially supported by their families or through sufficient benefits. The political debate has, to a great extent, focussed upon the need to cut benefits for young people and to introduce workfare. Many people would argue that the withdrawal of benefits for young people is a withdrawal of citizenship rights. The results here show that Danish unemployed youth, with their high levels of benefits and strong coverage of benefits were enjoying by far the best situation and that they were returning to employment. They were also better integrated into employment than were the unemployed youth in the other countries. Unemployed youth in Spain and Italy were also far better off than were young people in Finland and Scotland, although their integration into the labour market was heavily dominated by temporary contracts and informal employment. The low level of support in Finland implies that this country does not represent a universalistic welfare regime for unemployed youth. Even though the unemployment rate has dropped in the past three years, 25% of young people were still unemployed in the year 2000. The results of this study demonstrate that this group, the majority of whom are first-time job seekers, face an extremely difficult situation.

During the last decade there have been many debates about creating a common framework for social policies in the EU countries. Such policies should be based on the social values and attitudes that the countries in the European Union have in common: the European social model. The decision taken by the EU leaders at the European Council held in December 2000 in Nice to initiate new “National Action Plans” for social inclusion was in accordance with such a framework. There have also been several calls for a “Social Europe” to complement “Economic Europe” (Begg and Berghman 2002). According to the authors, social exclusion

and long-term unemployment is evident throughout the EU, but varies markedly across countries. There are also systematic differences among countries in the degree to which their welfare systems succeed in forestalling social exclusion. It is one thing to create a common framework for an identified European social model, but quite another to implement welfare policies in the different countries. There are clearly very different welfare regimes and protection systems in the member states. Social protection systems are often politically sensitive because they represent national agreements that have been carefully constructed over generations. They are not easy to change.

Previous research about unemployment and social exclusion has found that the protection against social exclusion varies according to different welfare regimes. Most previous research differentiates between the universalistic, social democratic model represented by the Nordic welfare states; the continental model; and the liberal model (Ireland/UK and southern Europe). These welfare regimes vary according to protection systems (Gallie and Paugam 2000). The Nordic model offers generous social protection, whereas the sub-protective model in Spain and Italy gives little public support, and protection is primarily based upon family support. Previous research has found that in the south full-time employment of the male breadwinner is the most important barrier against social exclusion.

The EXSPRO research found that the Nordic model performs best in attaining a high level of labour market flexibility while providing income and employment security. On the other end, Southern Europe seems to deliver the worst combination of flexicurity, with a combination of little public support, while relying heavily on a traditional male breadwinner model with a rigid labour market. Denmark represents the opposite: a flexible labour market combined with high levels of public protection and strong coverage of public protection. The Anglo-Saxon regime, based on a liberal model, represents a flexible labour market with little protection. The continental regime lies between the two others.

However, none of these previous studies have focused especially upon unemployed youth. The results from our study show that the relationship between unemployment and social exclusion is different in this age group.

Italy, in particular, represents a rigid labour market with high long-term unemployment among youth. However, our study shows that Italian unemployed youth do not experience financial deprivation and do, in fact, enjoy high levels of well being. They tend to be sociable, with high levels of support and good mental health. However, even though unemployment in their

households is low, they are dependent upon the breadwinner of the family. Few (15%) were integrated in employment. In other words, the situation for young unemployed young people in Italy is a combination of high levels of support and a rigid labour market with insiders and outsiders. They are excluded from the labour market, but not from other areas of life. Such a situation may create disincentive problems: first as regards geographical mobility, as they are highly dependent upon their families; second, the economic incentives for job search may be a problem, not because of generous benefits but because of extensive family support. Danish young people are in much the same situation. However, the flexibility of the Danish labour market may explain why so many of the previously unemployed young people in Denmark were integrated into employment at the time of the interview, even as compared with other countries such as Norway, with the same unemployment level. In any case, the Danish political situation has changed since the year of our data collection (1996/97), by introducing workfare and a more active labour market policy to counteract disincentive effects among unemployed youth. The Nordic model is the most generous, but not for unemployed youth in Finland, where the structure of unemployment hit young people in particular. Even if the sample of unemployed youth was drawn on the basis of the same criteria in all countries, the Finnish sample is much younger compared with the Swedish and Norwegian samples. In Norway and Sweden the governments guarantee that everyone under 20 years of age will receive an offer of either education or employment. This guarantee has been implemented, and explains the difference between countries. In addition, mass unemployment in Finland occurred suddenly, and there was no established family culture such as exists in the south that would place responsibility for providing for the young unemployed on the shoulders of the family.

It is difficult to identify a policy to combat youth unemployment that can be applied equally well in all countries, for a successful policy in one country can be difficult to transfer to a different labour market situation and a different welfare regime. However it is possible to identify some dilemmas that politicians must acknowledge in order to implant new policy. One such dilemma is the level of benefits that should be received by young people. Our results indicate that young people in a difficult financial situation often face many other problems that can inhibit effective job search and consequently reduce the probability of employment. This is particularly so in Britain, where unemployment is more concentrated within households and benefits have been withdrawn for anyone under the age of 18. The current policy recommended by OECD is to cut benefits. It seems that at a certain level, and given certain national labour

market conditions, such a policy could actually reduce employment opportunities.

In any case, in many countries, such as Italy and Spain, the question of benefits is irrelevant because the family's dependency on the employment of its male breadwinner is the most important barrier against social exclusion. This reality constitutes the second dilemma. Most young people in Spain and Italy are well supported by their families. However, this situation in itself constitutes its own set of problems, particularly in low-income families, because many young people are denied access to the labour market and therefore full citizenship at an age when most of their counterparts in Europe are well established on their own. These are indeed difficult problems – problems that we believe must be faced at the national level if solutions are to be found.

We also learned that Finnish and Scottish youth faced a particularly difficult situation and were marginalised along several dimensions. Moreover, we found that the age of the first spell of unemployment was an important predictor of successive unemployment. The situation in Scandinavia (Norway, Sweden, and Denmark) was much better than in the other countries we studied in this project.. The youth guarantee implemented in these countries imply that all young people should have an offer of either education or employment. Our recommendation is that such a guarantee also should be implemented at a European level or at least as a policy recommendation for the member countries. This is in particular important in Britain and Finland. In Britain nearly 30% of the age cohort leaves school at 16 year old, often without any alternatives, and the situation is also difficult in Finland. Such a guarantee would at least postpone some of the problems faced by the young unemployed in Europe and make the situation easier for the young and their families

5. Dissemination

The main results of the study will be published in summer 2003: Hammer, T. (Ed.), *Youth unemployment and social exclusion in Europe*, Bristol: Policy Press. Other publications can be found on the project's homepage: www.isaf.no/nova/fou/hammer/unemployment.htm

The results are based upon the work of the research partners in ten countries.

Dr. Torild Hammer Senior Researcher, NOVA, Norwegian Social Research (Co-ordinator)
 Dr. Ilse Julkunen, Associate Professor, University of Helsinki, Finland
 Ira Malmberg-Heimonen, Research Fellow, University of Helsinki, Finland
 Ivan Harsløf, Research Fellow, NOVA, Norwegian Social Research, Norway
 Dr. Isabelle Recotillet, Researcher, LEST, University of Aix-en-Provence, France
 Professor Patrick Werquin, Principal Administrator, OECD, Paris, France
 Dr. Jan Carle, Associate Professor, Director of studies, University of Gothenburgh, Sweden
 Dr. Hans Dietrich, Senior Researcher, Employment Research (IAB), Nurnberg, Germany
 Professor Floro Ernesto Caroleo, University of Salerno, Italy
 Dr. Fransesco Pastore, Accociate Professor, University of Naples, Italy
 Dr. Alicia Garrido Luques, Associate Professor, University of Comptulense, Madrid, Spain
 Professor Jose Luis Alvaro, University of Comptulense, Madrid, Spain
 Professor Andy Furlong, University of Glasgow, Scotland,UK
 Dr. Fred Cartmel, Senior Researcher, University of Glasgow, Scotland, UK.

The different research teams will continue to work with the data. One doctoral thesis has been completed and we expect three other reserach fellows to complete their Ph.Ds during the next few years (Ira Malmberg-Heimonen from Finland, and Ivan Harsløf from Norway, and Coral Palomero from Spain). In addition to published articles and the reports, the research group has produced many working papers, which we expect to publish in time.

We also plan a conference in Nurnberg in the autumn2003 and a workshop in Naples when we launch the book.

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Conferences organised by the research group:

Conference 14-15 May 1998, Helsinki.

The Nordic research team arranged a conference in Helsinki in order to present the results from our Nordic report to practitioners and politicians in the Nordic countries. The Nordic Council of Ministers financed the conference..

Conference 2-5 September, 1999, Oslo. "Transition in Youth" The co-ordinator is chair of a European conference Called "Transitions and mobility in the Youth Labour Market". The conference include 40 researchers in this field in Europe. Our project was presented by three different papers in this conference.

Conference Helsinki 20-25 April 2001. We have received grants from European Science Foundation (the Euresco programme) to an international research conference: Labour Market Change, Unemployment and Citizenship in Europe. The coordinator is chair of the conference. Academic organising committee: Duncan Gallie, Knut Halvorsen, Serge

Paugham, Ilse Julkunen, Torild Hammer. The project will here be presented by several speakers in the research group.

The coordinator is in the academic organising committee of the COST conference, 2-4 November, 2001, Aalborg: Marginalisation, social policy and citizenship: <http://www.socsci.auc.dk/cost/>. The project will be represented by a key note speech and three papers from the research group.

The coordinator is member of the academic organising committee of the conference "Transition in Youth" in Sintra, Chair: Patrick Werquin, Portugal, 6-8 September, 2001. <Http://193.137.98.84/tiy/index.html>. The project will be represented by three different papers.

RESEARCH NETWORKS

The project is part of the UWWCLUS network, Unemployment, Work and Welfare Cluster, funded by the European Commission. Chair: Duncan Gallie,

<http://www.nuff.ox.ac.uk/projects/uwwclus/>

The project is part of the COST A 13 network, Research on youth

Employment/Unemployment, Chair: Per Jensen, <http://www.socsci.auc.dk/cost/>

Appendix II

Finland

Sample

The criteria for the sampling procedure were the same as in the research design. The statistical representativeness was controlled on the basis of region, unemployment level, unemployment duration, gender, and education. The sample was drawn from national unemployment registers, and included young people who were receiving either flat-rate benefits or unemployment insurance payments. The following criteria must be fulfilled in order to be included in the register:

- 17-64 years of age
- capable of work
- a job seeker at the employment office
- looking for full-time work.

Attrition analysis

The Finnish register material comprises information concerning the age, residence, education, employment, and unemployment of the young people in the study, as well as the municipal unemployment level. It also gives information on spells of unemployment and employment of the young people during 1992-1995.

The Finnish sample consisted of 2,386 persons. A total of 1,736 young people responded to the questionnaire, which gives a response rate of 73%. Seven age classes were included, the oldest subjects being born in 1970 and therefore being 24 years old at the time of the sample. The youngest were born in 1976 and were therefore 18 years old at the time of the sample. The 19- and 20-year-olds were the groups with the highest response rate proportionately – nearly 80% – whereas it was 70% for the 18- and 23-year-olds. The response rate was lowest among the 24-year-olds: 62%. The overall response rate was 78% for women and 69% for men; women were, therefore, somewhat over-represented in the data. Concerning variables such as education and duration of unemployment, the analysis showed that there were no

significant differences between the entire sample and the respondents. The attrition analysis on the local unemployment level showed that young people from average unemployment areas (17-22%) were slightly under-represented, whereas those from high unemployment areas (>22%) were slightly over-represented (cf. Julkunen & Malmberg-Heimonen 1998).

Iceland

Sample

The sample was selected from the same age groups as in the other Nordic countries, but there were some different sampling procedures. The questionnaire was sent to those who were registered as unemployed at the 20 different unemployment offices throughout Iceland. The sample consisted of young unemployed people who had undergone at least two months of unemployment during the first half of 1995. The total number of unemployed young people is relatively small in Iceland, particularly in comparison with the other Nordic countries (the population of Iceland is approximately 270,000, which corresponds to the population of Bergen). Due to the small numbers of unemployed, and particularly long-term unemployed young people in Iceland, the research was conducted as a total study in which virtually every person who was unemployed at the time of the sampling was included. This strategy created some problems in the statistical analysis, which assumes random sampling. The following rules are applicable for being registered as unemployed in Iceland. The person:

- must be a wage-earner who has worked at least 425 hours during the previous 12 months before becoming unemployed (and also has the right to receive compensation from the unemployment insurance fund);
- must be looking for work, older than 16 years but younger than 70 years, and live in Iceland or in another EEC country;
- must be able to provide certification from an employment office that he or she been unemployed for at least 3 whole days at the beginning of the period for which the unemployment compensation is applied.
- Private entrepreneurs have the same rights as wage-earners, provided that they fulfil all the basic criteria and can prove that their business has been closed down. The questionnaire was answered by 1,290 persons, which gave a response rate of 60%. The

sample was 53% male and 47% female, with 70% of the women and 61% of the men answering the questionnaire. Thus, women are slightly over-represented in the material.

Norway

Sample

A total of 97,934 young people aged 18-24 years were registered as unemployed at some time during the first half of 1995, and 19% of these fit the definition of long-term unemployed (>3 months). The sample was selected from among those who had had at least three months of continuous unemployment during the period January 1, to June 30, 1995, and who were looking for full-time work. The group consisted of 39,020 persons, of whom 17,909 were unemployed at the time of the sample. From this population 2,000 people were selected. The sample seems to be representative of the population (39,020) in terms of key characteristics that can be controlled through the register. When it comes to age there was a slight over-representation of the older age groups in the sample.

Attrition analysis

Altogether 1,106 people answered the questionnaire, yielding a response rate of 56%. The register data was coupled with information about those young people in our study who had given their permission (85%; $n = 944$). It is possible to use register information of the whole sample ($n = 2,000$), to analyse eventual skewness that may affect the possibility of making generalisations from the sample.

In the attrition analysis we compared the sample with the respondents on an extensive set of register information. There were no differences between the sample and the respondents with regard to: proportion who had received benefits, length of the unemployment period, total experience of unemployment, school dropout from compulsory school, previous work experience, proportion without any relevant work experience or education, or place of residence. The only difference was that 22.9% of the sample had only compulsory school education or had no qualifications, compared with 16.1% among the respondents. The difference is statistically significant ($Z = 4.47$). However, a larger proportion of the respondents had only one or two years of vocational education, compared to the overall sample, in which a greater proportion had completed a full vocational education. There were no differences with regard to other educational categories. Contrary to expectations and despite a low response rate, the attrition can not be considered skewed.

Sweden

Sample

The criteria applied to the sample were the same as in the research as a whole. The sample was selected through the AMS (The Labour Market Board), which created a random sample among people registered as unemployed in HÄNDEL, the database on people actively seeking work. There are no formal limitations to being included in the register, as long as one has gone to an employment office and reported that s/he is looking for a job. The next phase consisted of coding the different categories, e.g. student, working, unemployed. The sample therefore consisted of people registered as unemployed (which excludes full-time students and retired persons).

Attrition analysis

There was a total of 801,093 young people aged 18-24 in Sweden in 1995. During the first half of the year there was an average of 82,000 unemployed people per month aged 16-24 (AKU), yielding a sample of 1.2% of the unemployed young people during the sample period.

The sample comprised 4,000 persons (two persons were excluded due to technical problems, and the net sample was therefore 3,998). There were altogether 1,853 women (46%) and 2,147 men (54%). The questionnaire was answered by 2,534 persons (1,247 women and 1,287 men), yielding a response rate of 63%. The questionnaire was answered by 49% of women and 51% men. The response rate among the women was 67% and 60% among the men.

The attrition consists of 1,084 persons. An attrition analysis was carried out on the basis of information from the register material. Due to technical problems, however, a comparison between the sample and the respondents could not be completed for all cases. Information on 191 respondents (97 women and 94 men) was not included in the attrition analysis.

The attrition analysis showed that there were no statistical differences in citizenship, work handicaps, and place of residence. Men turned out to have been unemployed for an average of 22.8 weeks compared with 20.9 weeks among the respondents. Unemployment among women averaged 8.9 weeks in the attrition group and 9.7 weeks among the respondents.

Denmark

Sample

The sample was randomly drawn from the Central Unemployment Register (CRAM), in which all unemployed are currently registered. Most unemployed people (about 85 per cent) and the main part of the labour force (about 80 per cent) are a member of an unemployment insurance fund. Both insured and non-insured are registered in the Register. The non-insured unemployed are persons receiving social assistance from the local authorities. However, many persons receiving social assistance are not registered as unemployed in the Central Unemployment Register. This means that some non-insured young people without employment are not registered as unemployed in the register. Therefore, and because of the limited size of sample it was decided only to include insured young unemployed persons in the present study.

The population from which the Danish sample was drawn was defined in the following way:

- Insured persons in the age of 19-24 years (1.1.1995) with a total of less than 3 months in the second half-year of 1994, and with more than 13 weeks of unemployment in the last 26 weeks before week 1-26 in 1995.

Consequently, the population consists of young insured persons with more than 3 months of unemployment in the last 26 weeks before weeks 1-26 in the first half-year of 1995. Or put it more simply, the Danish population consists of young insured persons having been unemployed more than 3 months. From this population (about 12,000 persons) a simple random sample 1,500 persons was drawn. Of these, 19 persons had invalid person identification numbers. Consequently, the effective sample consisted of 1,481 persons to whom the questionnaire was sent. Those who did not answer were contacted by interviews (by telephone). The questionnaire was answered by 1,171 persons, which gave a response rate of 79 per cent.

Attrition analysis

The questionnaire was answered by 83 per cent of the women and 78 per cent of the men. This difference is statistically significant ($p < 0.001$). The response rate did not depend on age, but young people from the eastern part of Denmark (Copenhagen and the islands) answered

generally to a smaller extent than young unemployed people in the western part of Denmark. There were no statistically significant differences with regard to the duration of previous unemployment.

As mentioned, the Danish sample only includes insured persons. In general, it is to be expected that the insured unemployed category comprise of “stronger groups” than non-insured. However, there exists no recent nation-wide studies on the composition of insured and non-insured unemployed people and the mobility between these groups. There exists a clear need of research and statistics in this area in Denmark.

Scotland

The sample

The sample was selected from the same age groups as in the Nordic countries, but there were different sampling procedures. In the Nordic countries, the sample was collected through the unemployment registers, while in Scotland interviewers were placed in a representative range of unemployment benefit offices throughout the country. All the young people had been unemployed for a minimum of three months at time of first contact. Postal questionnaires were completed six months after sampling at which time some young people had found jobs, entered schemes or returned to education, while others remained unemployed or were experiencing a further spell of unemployment. The questionnaire was completed by 817 respondents, which gave a response rate of 56%. The sample consisted of 65% males and 35% females, which reflects the actual proportions of males and females unemployed in this age group in Scotland.

Attrition Analysis

The attrition consisted of 629 individuals. The attrition analysis could only be based upon gender, area of residence (rural or urban) and length of unemployment, as we did not have access to unemployment register data. There were slightly more males who failed to respond than females, although not statistically significant. The length of unemployment did not affect response rates, but there were more non-respondents living in poorer urban areas than in rural areas although this was not statistically significant.

Italy

The sample

The enquiry was implemented from March to June 2000 on a sample of 1421 youth (18-24) registered as unemployed a year before, living in Campania and Veneto. Note the young teenagers, aged 14-17, usually considered part of young people according to the UN definition, were excluded from the sample. Another stratification criterion was adopted after the interview quotas had been established based on gender and place of residence, in such a way that the final sample should be statistically representative of the underlying population in the regions considered. In 1999, reference period of the survey, the unemployment rate was at 6.5% in Central and Northern regions and at over 22% in Southern regions. More dramatically, the youth unemployment rate (15-24 years) was 19% in the North and in the Centre, but over 56% in the South. The long-term unemployment rate (more than 1 year) was 3.1% in the Centre-North and 14.8% in the South. To mirror this situation, the sample has been stratified concentrating two-thirds of the interviews in the South. The two regions considered represent very different labour market contexts, with Campania being one of the highest and Veneto one of the lowest unemployment regions in the country. The sample was selected among individuals registered at the local unemployment office for at least three months at the time when the sampling procedure was carried out, a year before the time of the interview. The main problem arising from this procedure is that job seekers enrolled in placement registers do not completely overlap all the unemployed recorded in the official Labour Forces Survey, the so-called *Rilevazione Trimestrale delle forze di lavoro* (RTFL). Among other reasons, this depends on the fact that enrolment in the registers is only one of the various criteria requested to actively seek a job. In fact, firstly, it is possible to be registered as unemployed although employed as a part-time (for less than 20 hours per week) or temporary (less than four months) worker. Moreover, people enrolled in the registers are not always properly qualified as job seeking unemployed. It is possible to register even if one is not actively seeking employment, as stated in the ILO definition (search activity in the month before the interview and immediate availability to work).

Data were collected by means of direct interviews¹. Interviewers got in touch with people during a period of 4 months – from March to June 2000 – through the “chain rule”, exploiting their own direct or indirect acquaintance network and contacts with public or private institutions involved in supporting the analysed population. Interviews were anonymous, but

spot checks were carried out, to test the effective submission of the questionnaire. 1421 interviews of those turned out valid and complete, after verification. They represented 447 out of the 500 envisaged in Veneto and 974 out of the 1000 envisaged in Campania¹.

Attrition

A comparison between registered unemployed in the Labour Force Survey (LFS) and in the YUSE data can be carried out, keeping in mind that the available LFS data refer to young people aged 15 through 25, living in Italy, rather than aged 18 through 24, living only in two regions (Campania and Veneto). The period is almost the same: October 1999 in the case of the LFS and the second semester of 1999 in the YUSE case. Another caveat regards the type of question asked in the two questionnaires. The YUSE questionnaire contemplates the following labour market statuses: employment, unemployment, school or University attendance, training, Socially Useful Contracts, unpaid family work, compulsory military service, sickness and other unmentioned status. The LFS contemplates the following alternatives: unemployment, employment, seeking a job, but not actively, not seeking a job, but available to work, not seeking a job and not available to work.

In the YUSE case, it is found that 18% of the sample is unemployed, 36% employed, 44% is involved in high secondary or tertiary education, 3% in other activities. In the LFS case, Barbieri *et al.* (2000), 35% are unemployed, 11% are employed, 27.6% are not actively seeking a job, but available to work and 26.7% are not participating to the labour market.

Considering the differences existing in the questionnaire, the differences in the YUSE and LFS shares can be explained as follow: a) many young people considered as employed in the former data set are actually involved in informal or occasional activities; b) those involved in University education are essentially unemployed job seekers, not available to work or out of the workforce. Now, consider out of 5.6 million people 900 thousand are University students, which correspond to about 40% of the population aged less than 25. Therefore, spreading the University students over the other groups and considering that the employed include also workers not considered in the LFS the distribution of individuals is very similar in the two surveys.

Spain

Population and sample

During 1998, the average number of young people registered as unemployed in Spain was 376.056. Of these, 45,83% had been unemployed for less than 3 months, and 54,17% were long-term unemployed. The population consisted of young people aged between 18 to 24 years who had been registered as unemployed during 1998 for at least three consecutive months. The sample was randomly selected from the database of the INEM (National Employment Institute). The INEM is an organ of the Ministry of Labour that registers additions to and deletions from the list of people making social security contributions. In Spain, unemployed people are not obliged to register with the INEM.

The Spanish sample was selected in February 1999. The data collection process began in February 2000, one year after selection of the sample, and ended in June 2000. During this period, the questionnaire was sent to the selected young people on three occasions.

Attrition analysis

The questionnaire was sent to 5000 young people, 3090 (62%) women and 1910 (38%) men. The final sample was made up of 2523 young people, 966 men (38,3%) and 1557 women (61,7%). The response rate obtained was therefore 50,46%. The attrition analysis was limited to gender and level of education, as we were not allowed to use the register information. The response rate did not depend on gender. The questionnaire was answered by 50,57% of men and 50,38% of women.

There were significant differences between the sample and the respondents with regard to level of education (see Table 1). People without qualification and those with elementary education responded to a smaller extent than the other groups. The percentage of people with secondary level of education was higher among the respondents ($p < .01$). There were not significant differences between the sample and the respondents with regard to the other educational categories.

Because we did not obtain permission to access the register information, we could not complete the attrition analysis on length of unemployment. Nevertheless, we could obtain an approximate analysis of skewness by comparing the respondents' data with the official statistics for the entire population. As seen in Table 1, there are no differences between the entire population and the respondents when comparing the percentage of people who had been unemployed for less than six months. However, people with longer periods of unemployment are under-represented among the respondents, with the only exception being of periods longer than 24 months.

TABLE 1.
DIFFERENCES BETWEEN THE SAMPLE AND THE RESPONDENTS (%)

	Respondents	Sample
Gender		
Men	38.3	38.3
Women	61.7	61.7
Education		
No qualification	1.2	1.9
Primary level	30.0	36.4
Professional education (first degree)	11.8	11.0
Professional education (second degree)	13.9	13.6
Secondary level	15.7	13.3
University Diploma	16.3	15.9
University Degree	8.6	7.9
	Sample *	Population
Length of unemployment (months)		
3-6	36.54	36.92
6-12	22.27	26.33
12-24	14.53	20.85
> 24	25.96	15.89

* Only those currently unemployed for more than three months were included

Germany

The German sample population comprised young people who were 18 to 24 years age at the beginning of a spell of continuous unemployment that lasted for at least 92 days between September 1998 and September 1999 and who were registered at the unemployment registry of the German “Federal Employment Services” (Bundesanstalt für Arbeit)

A sample of 3,200 young people was drawn in autumn 1999 and 1918 interviews (about 60% response rate) were conducted between March and November 2000.

Data were collected by 80 qualified interviewers supported by a supervisor and using computer-assisted telephone interviews (CATI) conducted by Infas, Institut für angewandte Sozialforschung GmbH, Bonn. A subsample of interviews is tape-documented and controlled by the IAB. Interviewers received study-specific training, in which the IAB research group participated.

Interviews lasted an average of 65.1 minutes. Each participant was informed about the telephone interview by an official letter and received as an incentive a telephone card valued at 6.-€ which had been designed specifically for the study.

The master sample contains information about age, gender, nationality and region of the unemployed. This information was used for selectivity tests. Logistic regression models were estimated, to identify selectivity effects for the group of respondents versus non-respondents. The explained variance for all the calculated models is extremely small, which indicates poor selectivity effects.

Estimates of selectivity effects for CATI participants versus the group of non-respondents (Pseudo R^2 0.008) contained weak significant effects for a small subgroup with missing data and for a small group of the long-term unemployed (aged 26 years and older, meaning that the observed spell of unemployment started long before September 1998).

Estimates of selectivity for CATI participants versus the young unemployed, who intended to participate but did not in fact participate because they were not at home at the time of the interview or because they said they did not have the time to participate). This group was called latent non-participants. Again, the estimated model discriminates poorly (Pseudo R^2 0.005), which means no observable selectivity effects.

References:

- Dietrich, Hans 2001: Wege aus der Jugendarbeitslosigkeit - Von der Arbeitslosigkeit in die Maßnahme? In: MittAB 34 (4): 419-439.
- Dietrich, Hans 2002: Übergänge aus der Arbeitslosigkeit. Eine Befragung von arbeitslosen Jugendlichen (IAB-Projekt 4-528) - Zugleich deutsche Teilstudie der europäischen Vergleichsstudie „Youth Unemployment and Social Exclusion in Europe“ Projektbeschreibung – aktualisierte Fassung. Nürnberg (IAB).

France

The French sample used for the YUSE project was extracted from ANPE (Public Employment Service) and UNEDIC (Unemployment Benefit Agency) register data files. As required by the overall design of the YUSE samples in all the countries, the French sample has the following characteristics:

- It consists of young people between 18 and 24;
- They have been unemployed for at least 3 months between the 1st of June 1998 and the 1st of June 1999; and
- The sample must be representative by region of residence, level of educational attainment and gender.

As a result, we obtained an initial data base to sample from of 25 013 cases and the break down by educational attainment is given in Table 1.

Table 1- Initial data base, by aggregated level of educational attainment

<i>Level of Education</i>		<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Frequency</i>	<i>Cumulative Percent</i>
French classification (see appendix)	ISCED				
Missing	Missing	2	0.01	2	0.01
BEP	2	5 151	20.59	5 153	20.60
CAP	2	4 480	17.91	9 633	38.51
Levels I, II and III	5-7	4 938	19.74	14 571	58.25
Level IV (Bac.)	3	7 074	28.28	21 645	86.54
Level VI and other V	1 and 2	3 368	13.46	25 013	100.00

Despite the fact that both the CAP and BEP diploma appear at level V in the French classification system, we kept them apart from the rest of level V so that we have respondents enough at all the relevant levels. Both CAP and BEP are very important diplomas in France.

The breakdown by region is given in Table 2 and by gender in Table 3.

Table 2- Initial data base, by region of residence

<i>Region</i>	<i>Translation when relevant</i>	<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Frequency</i>	<i>Cumulative Percent</i>
Missing	-	1 956	7.82	1 956	7.82
1. Ile de France	Greater Paris	3 527	14.10	5 483	21.92
2. Unknown	-	2 190	8.76	7 673	30.68
3. Est	East	1 791	7.16	9 464	37.84
4. Loire	Loire Valley	3 156	12.62	12 620	50.45
5. Bourgogne	Burgundy	2 032	8.12	14 652	58.58
6. Normandie	Normandy	2 201	8.80	16 853	67.38
7. Aquitaine	-	2 459	9.83	19 312	77.21
8. Centre	-	2 609	10.43	21 921	87.64
9. PACA	Alps and Provence	3 092	12.36	25 013	100.00

Table 3- Initial data base, by gender

<i>Gender</i>	<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Frequency</i>	<i>Cumulative Percent</i>
Male	11 130	44.50	11 130	44.50
Female	13 883	55.50	25 013	100.00

Given the budget, a random draw of 4 000 units was carried out. Those 4 000 raw cases yielded 2 001 completed cases, available for the analysis. The survey was carried out from March to May 2000 by a sub-contractor (CSA) and conducted by telephone (CAPI). The mean duration of a questionnaire was 29 minutes. Since the survey is retrospective and is not a panel data survey, we were not face with the usual problem of attrition. However, and for the usual reasons – not at home, moved, refuse... – there is some kind of non response (see Table 4).

Table 4- Respondents and reasons of non response

	<i>%</i>
Completed cases	51.2%
Not at home	8.8%
Not at home for the entire survey period	6.3%
Moved	5.0%
Not applicable	19.2%
Refuse to answer (several reasons)	9.5%
All	100.0%

Finally, the structure of the sample used for the analysis is given in Table 5.

Table 5 – The final sample, by level of educational attainment

<i>Level of Education</i>		<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Frequency</i>	<i>Cumulative Percent</i>
<i>French classification</i>	ISCED				
Level VI and other V (without diploma)	0-1	372	18.59	372	18.59
CAP and BEP diploma (V)	2	577	28.84	949	47.43
Level IV (Bac. Level)	3	595	29.74	1 544	77.16
Levels I, II and III	5-7	400	19.99	1 944	97.15
Other	Other	57	2.85	2 001	100.00

As in the questionnaire, CAP and BEP diplomas are grouped together. As a consequence, we cannot distinguish the two items either in Table 4. The structure by level of education is quite different from the structure of the initial data base. Since all the other levels of educational attainment are represented in the same proportion in the sample as compared to the initial data base, the proportion of individuals holding a CAP or a BEP is less than expected.

The final breakdown of the sample by gender is given in Table 6.

Table 6- The final sample, by gender

<i>Gender</i>	<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Frequency</i>	<i>Cumulative Percent</i>
Male	844	42.18	844	42.18
Female	1 157	57.82	2 001	100.00

As the comparison between Table 3 and Table 6 shows, the structure by gender is slightly modified in the sample: The proportion of women is only a little bit higher in the sample but it does not impact on the quality of the sample.

French classification	
Level	Definition
VI	Personnel carrying out jobs that do not require any training beyond the end of compulsory schooling
Va	Personnel holding jobs that presume a short training period of less than one year leading notably to a Vocational Education Certificate or any other certification of the same nature
V	Personnel holding jobs that normally require a training level equivalent to that of the Vocational Studies Certificate (Bep) and the Vocational Certificate (Cap)
IV	Personnel holding supervisory jobs or having a qualification at a level equivalent to that of technical baccalaureate
III	Personnel holding jobs that normally require training at the level of the higher technician's certificate (Bts) or diploma from the University Institutes of Technology (Iut), at the end of the first cycle of higher education ; including Deug.
II and I	Personnel holding jobs that require training at a level equal or superior to licence or Grandes Ecoles

Conclusions about the sample and attrition in the countries

With the exception of Iceland, the sample was based on a criterion of at least three months of continuous unemployment during the period January 1 to June 30, 1995. For several reasons, Iceland used two months as a criterion. Because of the small population of Iceland, the number of young unemployed people would have been too small if a requirement of three months of unemployment had been instituted. Furthermore, it was decided to conduct a total study on all the unemployed young people in Iceland, and a criterion of two months yielded a large enough population to make this possible.

The Danish sample did not include non-insured young people. It can be assumed that the non-insured young unemployed people differ with regard to experiences of both unemployment and employment, financial resources, living and family conditions, and political and social attitudes. If differences between the countries involved in the study are to be found, the

question arises as to whether they are due to the divergent sampling frame or to real differences in unemployment situations among the countries. One way to examine the importance of a divergent sample is to try to compare the national samples to see if there would have been differences if the non-insured were excluded. Another way is to compare the insured in the respective countries and to analyse differences and similarities within these groups. Statistically this can be controlled in multivariate analyses.

The time variations in the realisation of the survey also created some problems. We are aware of these problems and have therefore been cautious in analyses that concern the aspect of time. The data material was coded in a way that enabled tendency analysis of response differences between the postal questionnaire rounds and the telephone interviews. Information is available on 6,006 individuals (77% of the respondents – Denmark is not included) on whether they responded without a reminder; to the first, second, or third reminder; or through the telephone interview. Certain tendencies were observed in the responses of those who responded without reminders and those who responded after the reminders:

- Women responded to a greater extent to the first mailing.
- Those in the 20-22-year-old group were more likely to respond to the first mailing.
- People in Finland were those most likely to respond to the first mailing, followed by those in Norway, Sweden and Iceland.
- Those with less experience of unemployment responded to a greater extent to the first mailing.
- Those with higher education responded to a greater extent to the first mailing.
- Those who did not feel that people looked down on the unemployed responded to a greater extent to the first mailing.
- Those who did not feel isolated or unhealthy, and who had not lost confidence responded to a greater extent to the first mailing.
- Those who self-reported more mental problems, such as anxiety, feelings of hopelessness and nervousness, were more likely to respond to the first mailing and the telephone interview.
- Those who reported being more to the political left were more likely to respond to the first mailing.

According to one hypothesis the tendency of the attrition follows the tendency of the reminders. If this is the case, it seems that the questionnaire was less likely to reach the young people with longer experiences of unemployment, with a lower educational background, or with self-reported feelings of isolation. The differences were small, but taken together they point to a tendency in the material. This is not a surprising finding; the opposite finding, in fact, would be amazing. However, there is evidence from previous research of a process of gradual passivity and coping. What is interesting in our study is the implication that there was a group of people who were worried about their situation, some of whom responded rapidly and some after several reminders. This could indicate that people that people early in the unemployment process worry about their situation and want to tell others about their experiences; whereas those who have become more passive during a long process of unemployment need to be nudged into response through reminder notices.

It is obvious that there are various methodological problems in comparative research. However, the attrition analyses conducted for the countries involved showed that, all in all, the material is well balanced and that there is no need to correct skewness. However, the Scottish and Italian cluster samples are difficult to evaluate because they are not representative samples.

ADVANCE TITLE INFORMATION

Youth unemployment and social exclusion in Europe

A comparative study

Edited by **Torild Hammer**, NOVA Norwegian Social Research, Oslo, Norway

Throughout the European Union, rates of unemployment among young people tend to be higher than among the general population and there is a serious risk of marginalisation and exclusion. This important new book presents the findings of the first comparative study of unemployed youth in Europe using a large and original data set. It addresses some of the key questions around the issue including:

- How do young people cope with unemployment?
- Does unemployment lead to social exclusion of young people, implying a withdrawal from society, financial deprivation and social isolation?

Drawing on a research sample of over 17000 young unemployed people in ten European countries, the book examines how different welfare strategies and fiscal structures in different countries influence the risk of social exclusion among unemployed youth.

With contributions from leading experts in the field, *Youth unemployment and social exclusion in Europe* is essential reading for students and academics involved in labour market research and the study of social policy.

Contents: Introduction *Torild Hammer*; Method and research design *Jan Carle and Torild Hammer*; Processes of marginalisation at work: Integration of young people in the labour market through temporary employment *Ivan Harsløf*; Recurrence of youth unemployment: a longitudinal comparative approach *Isabelle Recotillet and Patrick Werquin*; Youth unemployment and active labour market policy in Europe *Hans Dietrich*; Training policy for youth unemployed in a sample of European countries *Floro Ernesto Caroleo and Fransesco Pastore*; Unemployment, integration and marginalisation: a comparative perspective on 18-24-year-olds in Finland, Sweden, Scotland and Spain *Andy Furlong and Fred Cartmel*; *Economic hardship, employment status and psychological well-being of young people in Europe* *Alicia Garrido and Jose Luis Alvaro*; *Buffers and predictors of mental health problems among unemployed young women in countries with different breadwinner models* *Ilse Julkunen and Ira Malmberg-Heimonen*; *Surviving unemployment - A question of money or families?* *Torild Hammer and Ilse Julkunen*; *Welfare regimes and political activity among unemployed young people* *Jan Carle*; Concluding remarks *Torild Hammer*.