

© Bjørn Hvinden, Jacqueline O'Reilly, Mi Ah Schoyen and Christer Hyggen 2019

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical or photocopying, recording, or otherwise without the prior permission of the publisher.

Published by  
Edward Elgar Publishing Limited  
The Lypiatts  
15 Lansdown Road  
Cheltenham  
Glos GL50 2JA  
UK

Edward Elgar Publishing, Inc.  
William Pratt House  
9 Dewey Court  
Northampton  
Massachusetts 01060  
USA

A catalogue record for this book  
is available from the British Library

Library of Congress Control Number: 2018960797

This book is available electronically in the **Elgaronline**  
Social and Political Science subject collection  
DOI 10.4337/9781788118798

ISBN 978 1 78811 878 1 (cased)  
ISBN 978 1 78811 879 8 (eBook)

Typeset by Servis Filmsetting Ltd, Stockport, Cheshire

# Contents

---

<i>List of contributors</i>	vii
<i>Acknowledgements</i>	xi
1 Introduction <i>Bjørn Hvinden, Christer Hyggen, Mi Ah Schoyen and Jacqueline O'Reilly</i>	1
PART I WELL-BEING AND OVERCOMING EARLY JOB INSECURITY	
2 Employment status and well-being amongst youth: explaining variation across European countries <i>Dominik Buttler</i>	19
3 Four narratives of overcoming early job insecurity in Europe: a capability approach <i>Kjetil Klette Böhler, Veneta Krasteva, Jacqueline O'Reilly, Janikke Solstad Vedeler, Rumiana Stoilova and Ida Tolgensbakk</i>	46
PART II SCARRING	
4 Comparing long-term scarring effects of unemployment across countries: the impact of graduating during an economic downturn <i>Laura Alexandra Helbling, Stefan Sacchi and Christian Imdorf</i>	68
5 The impact of active labour market policies on employers' evaluation of young unemployed: a comparison between Greece and Norway <i>Dimitris Parsanoglou, Aggeliki Yfanti, Christer Hyggen and Lulu P. Shi</i>	90
6 Moderators of unemployment and wage scarring during the transition to young adulthood: evidence from Norway <i>Dawit Shawel Abebe and Christer Hyggen</i>	115

## PART III SOCIAL RESILIENCE

- |   |   |     |
|---|---|-----|
| 7 | Social resilience in facing precarity: young people 'rising to the occasion'<br><i>Margherita Bussi, Mi Ah Schoyen, Janikke Solstad Vedeler, Jacqueline O'Reilly, Ann McDonnell and Christine Lewis</i> | 139 |
| 8 | Mobile young individuals: subjective experiences of migration and return<br><i>Veneta Krasteva, Ann McDonnell and Ida Tolgensbakk</i>   | 161 |
| 9 | Drug use and early job insecurity<br><i>Sara Ayllón, Margherita Bussi, Jacqueline O'Reilly, Mi Ah Schoyen, Ida Tolgensbakk and Ann McDonnell</i>  | 182 |

## PART IV POLICIES TO OVERCOME EARLY CAREER INSECURITY

- |    |  |     |
|----|--|-----|
| 10 | Public policy on career education, information, advice and guidance: developments in the United Kingdom and Norway<br><i>Christine Lewis and Ida Tolgensbakk</i> | 205 |
| 11 | Conclusion<br><i>Jacqueline O'Reilly, Bjørn Hvinden, Mi Ah Schoyen and Christer Hyggen</i>   | 228 |
|    | <i>Index</i>   | 243 |

# Contributors

---

**Dawit Shawel Abebe** is Associate Professor of Public Health/Mental Health Epidemiology in the Faculty of Health at Oslo Metropolitan University. His research focuses on risk factors and developmental trends of mental health problems, comorbidities between mental disorders and somatic diseases and social gradients in health and health service utilization, including ethnicity and health (immigrant health).

**Sara Ayllón** is Associate Professor in the Department of Economics at the University of Girona, Spain. Most of her research focuses on the economics of poverty and inequality, economics of the family, labour economics and health economics. Recent publications include a book analysing the effects of the Great Recession on child poverty in Spain and several peer-reviewed articles for international journals. Orcid id: <http://orcid.org/0000-0002-3338-1183>.

**Kjetil Klette Böhler** is a senior researcher in the NOVA Institute (Norwegian Social Research) at Oslo Metropolitan University. He has worked as a researcher in the EU-funded project *DISCIT Making Persons with Disabilities Full Citizens* (2013–16) and is currently principal investigator of a project, funded by the Research Council of Norway, on the politics of music in Latin America, examining cases from Cuba, Brazil and Haiti.

**Margherita Bussi** is a post-doctorate fellow at the University of Louvain, Belgium, under the ERC Starting Grant QUALIDEM on policy change and citizens' political agency. She is an associate researcher at the European Trade Union Institute, Belgium. She was previously a research fellow at the University of Brighton and obtained her PhD in 2016 from the University of Geneva. Her interests include school-to-work transitions, activation policies and social policy implementation in Western Europe.

**Dominik Buttler** works as an Assistant Professor in the Department of Labour and Social Policy at Poznań University of Economics and Business, Poland. His research interests include labour economics and economics of education, with a particular focus on the school-to-work transition. Orchid id: <https://orcid.org/0000-0001-9836-1047>.

**Laura Alexandra Helbling** is a senior researcher at the Institute for Educational Evaluation, University of Zurich. She previously received her PhD at the University of Basel with her thesis on labour market insecurities in the early career.

**Bjørn Hvinden** is Professor of Sociology and working in the NOVA Institute (Norwegian Social Research) at Oslo Metropolitan University. He has previously coordinated the EU-funded project DISCIT: Making Persons with Disabilities Full Citizens (<https://blogg.hioa.no/discit>) (2013–16) and co-edited *The Changing Disability Policy System: Active Citizenship and Disability in Europe (Vol.1)* and *Understanding the Lived Experiences of Persons with Disabilities in Nine Countries. Active Citizenship and Disability in Europe (Vol.2)* (both Routledge, 2017). Orcid id: <https://orcid.org/0000-0003-1760-2537>.

**Christer Hyggen** is a senior researcher in the NOVA Institute (Norwegian Social Research) at Oslo Metropolitan University. His current research interests encompass youth research, transitions from school to work, unemployment, inequality and processes of marginalization. Orcid id: <https://orcid.org/0000-0003-2953-7517>.

**Christian Imdorf** is Professor of Sociology of Education at Leibniz University Hannover, Germany. His current research interests focus on education systems and gendered school-to-work transitions, vocational pathways to higher education, school-to-work transitions in Bulgaria, and discrimination in hiring. Orcid id: <https://orcid.org/0000-0002-8015-977X>.

**Veneta Krasteva** is Assistant Professor in the ‘Public Policies and Social Changes’ department of the Institute for the Study of Societies and Knowledge at the Bulgarian Academy of Sciences. Her PhD is in Sociology. She was previously a member of the EU-funded project ‘EXCEPT – Social Exclusion of Youth in Europe: Cumulative Disadvantage, Coping Strategies, Effective Policies and Transfer’ (2015–18) (<http://www.except-project.eu/>) and was an author in the EXCEPT edited volume (forthcoming 2019).

**Christine Lewis** is an independent public policy analyst specializing in education, youth employment and industrial relations. Dr Lewis was a national trade union policy adviser before joining the University of Brighton as a research fellow. Orcid id: <https://orcid.org/0000-0001-6366-4742>.

**Ann McDonnell** has worked in education for 25 years and is interested in how young people can be assisted in overcoming barriers and availing of opportunities as they make their transition to adulthood. She has completed an ESRC CASE-funded PhD entitled *Great expectations: A*

*longitudinal case study of pupils in an inner-city secondary school in a 'high NEET' Local Authority in England.*

**Jacqueline O'Reilly** is Professor of Comparative Human Resource Management at the University of Sussex Business School, United Kingdom. She was previously coordinator of the EU-funded project STYLE: Strategic Transitions for Youth Labour in Europe ([www.style-research.eu](http://www.style-research.eu)) (2014–17) and co-edited the volume *Work in the Digital Age* (Rowman & Littlefield, 2018). Orcid id: <https://orcid.org/0000-0001-6223-154X>.

**Dimitris Parsanoglou** is a senior researcher in the Department of Social Policy at Panteion University of Social and Political Sciences. He has worked on several national and European research projects and is co-author of *Mobile Commons, Migrant Digitalities and the Right to the City* (Palgrave, 2015).

**Stefan Sacchi** is a senior researcher in the Swiss Youth Panel 'Transitions from Education to Employment' (TREE, University of Berne: <http://www.tree.unibe.ch/>). He was previously co-leader of the 'Swiss Job Market Monitor' ([www.stellenmarktmonitor.uzh.ch](http://www.stellenmarktmonitor.uzh.ch)) at the University of Zurich. Orcid id: <https://orcid.org/0000-0002-8518-3146>.

**Mi Ah Schoyen** is a senior researcher in the NOVA Institute (Norwegian Social Research) at Oslo Metropolitan University. She works in the field of comparative welfare state research and her interests include the welfare mix, the socioeconomic consequences of welfare reforms, questions of intergenerational solidarity and how to develop an ecologically sustainable welfare state. Orcid id: <https://orcid.org/0000-0003-4851-9920>.

**Lulu P. Shi** is a junior researcher and PhD candidate at the University of Basel and is currently on a research stay at the University of Cambridge. Her research covers the labour market, education systems and field experiments. She is currently working on a project analysing across different countries how education may function as a safety net for individuals following unemployment experiences.

**Rumiana Stoilova** is Professor and Director of the Institute for the Study of Societies and Knowledge at the Bulgarian Academy of Sciences (since 2010) ([www.issk-bas.org](http://www.issk-bas.org)). She was previously the Bulgarian team leader of the project 'Social disparities and regional differences in school-to-work transitions in Bulgaria' (2012–15) in partnership with the University of Basel.

**Ida Tolgensbakk** has a PhD in Cultural History and is a senior researcher at the NOVA Institute (Norwegian Social Research) at Oslo Metropolitan

University. She carries out research on youth, migration and popular culture. Orcid id: 0000-0002-9580-6992.

**Janikke Solstad Vedeler** has a PhD in Sociology and is a senior researcher at the NOVA Institute (Norwegian Social Research) at Oslo Metropolitan University. She is involved in research focusing on inclusive working life, youth employment and disability. Orcid id: <https://orcid.org/0000-0002-3594-0540>.

**Aggeliki Yfanti** is currently a PhD candidate in Methodology and Social Statistics. She has participated in research for both national and European projects and has also been a national scientific consultant for the International Labour Organization in Greece, supporting the new generation of Public Works Schemes (Kinofelis).

# Acknowledgements

---

This book and its accompanying volume are the main joint publications from the European comparative research project ‘NEGOTIATE – Overcoming early job insecurity in Europe’ (2015–18). The project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement no. 649395.

We would like to acknowledge the additional funding for this research received from the Swiss State Secretariat for Education, Research and Innovation SERI (grant no. 15.0089).

NEGOTIATE is centred on young people in Europe. It examines the long- and short-term consequences of experiencing job insecurity or labour market exclusion in the transition to adulthood. Nearly 30 researchers from universities and research institutions in nine European countries (Bulgaria, the Czech Republic, Germany, Greece, Norway, Poland, Spain, Switzerland and the United Kingdom) have carried out the research. In addition, SOLIDAR, a European network of civil society organizations working to advance social justice in Europe and worldwide, has been a full partner in NEGOTIATE, with particular responsibility for dissemination.

The NOVA Institute (Norwegian Social Research) at Oslo Metropolitan University has coordinated the project.

A European Advisory Board has provided valuable comments and other input throughout the lifetime of the project. In particular, we would like to acknowledge the enduring support and inspiration given by Professor Duncan Gallie (University of Oxford), Dr Olof Bäckman (Stockholm University), Senior Research Manager Massimiliano Mascherini (Eurofound), Project Officer Pablo Cornide (DG Employment, Social Affairs and Inclusion, European Commission) and Research Professor Karin Wall (University of Lisbon).

We also extend our thanks to all the interviewees who shared their experiences and views with the researchers, both in life-course and in expert interviews.

NEGOTIATE’s research has been stimulated by contact with our sister project ‘EXCEPT – Social Exclusion of Youth in Europe: Cumulative Disadvantage, Coping Strategies, Effective Policies and Transfer’ and its coordinator, Professor Marge Unt (Tallinn University). Members



of National Stakeholder Committees have contributed essential advice throughout the various stages of the project, including its dissemination.

We are grateful for the support we have received from Professor Tomáš Sirovátka (Masaryk University) in editing this book.

Niamh Warde and Daniela Benati deserve a special mention and thank you for the fabulous job they have done language and copy editing the two NEGOTIATE book volumes.

We owe a great thank you to our NEGOTIATE project partners in Athens, Brighton, Poznan, Girona and Sofia for hosting wonderful progress meetings combining intense scientific discussion and dissemination with stakeholders.

Finally, this is also an opportunity for thanking our colleagues in the NOVA Institute (Norwegian Social Research), Greta Juul for her excellent work as Project Manager for NEGOTIATE and Bettina Uhrig for her invaluable contribution in the early stages of the project.

The information and views set out in this book are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union and its bodies nor any person acting on their behalf may be held responsible for the use of the information contained therein.

Bjørn Hvinden, Jacqueline O'Reilly, Mi Ah Schoyen and Christer Hyggen  
Oslo / Brighton, July 2018

# 1. Introduction

**Bjørn Hvinden, Christer Hyggen,  
Mi Ah Schoyen and Jacqueline O'Reilly**

---

## 1 FOCUS AND CONTRIBUTION

The financial crisis has had asymmetrical effects on European labour markets and on different groups of workers, whereby youth have been particularly badly affected by a loss of job opportunities. The crisis changed the macroeconomic context and had an unequal impact on different European countries, regions and industries, eventually triggering labour market reforms and an expansion of labour market policies. All of these changes have affected the labour market situation of young people, their transition from education to work, their career prospects and their risk of labour market exclusion. There is great national diversity, not only concerning economic performance and its impact on job insecurity for the young, but also in terms of structural and institutional change at both the national and European levels (see Volume 1).<sup>1</sup>

The difficulties young people face in the labour market have led to fears of a 'lost generation' – a generation of young Europeans who will be left behind as the economy starts to recover and will never entirely escape the disadvantaged position in which they now find themselves. The lack of a firm foothold in the labour market during the transition from youth to adulthood may have adverse effects not only on labour market integration but also on prospects for social inclusion, family formation, well-being and independence in the short and long run. It may have harmful effects on the young generation's prospects of successfully overcoming or *negotiating* difficult parts of the path from youth to adulthood.

This book is the second of two volumes drawing on the findings of an international EU-funded research project (NEGOTIATE) on early job insecurity and labour market exclusion in Europe.<sup>2</sup> Overall the two

---

<sup>1</sup> Volume 1: Hvinden B, Hyggen C, Schoyen MA, Sirovátka T (eds.) (2019) Youth Unemployment and Job Insecurity in Europe. Problems Risk Factors and Policies. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.

<sup>2</sup> See <https://negotiate-research.eu>.

volumes analyse the development of early job insecurity in Europe during the crisis, the factors that have shaped this development, the perceptions of early job insecurity by young people, their scope for agency, and the policies intended to alleviate early job insecurity in Europe.

The overarching aim of the two volumes is to provide new, gender-sensitive and comparative knowledge about the short- and long-term consequences of early job insecurity, taking into account how the active agency of young people has mediated such consequences and what role public policies have played in supporting them. The breadth of perspectives contributes to an improved understanding of how young people's individual resources and negotiating positions in the labour market interact with country-specific structural contexts, including institutional settings and policies.

The two volumes complement each other. The first pays particular attention to labour market outcomes at the aggregate level, factors and mechanisms causing early job insecurity, and the institutions and policies that might reduce the severity of its consequences. While the first volume takes a rather bird's-eye view of the causes and consequences of early job insecurity and related policy responses, the second volume is to a greater extent informed by a bottom-up perspective drawing on a diverse range of methodological approaches. The focus of this second volume is to provide analyses of the similarities and differences in how young people experience job insecurity in Europe. Notably, we provide new knowledge about how young women and men perceive and deal with job insecurity through active agency – for instance, by mobilizing their own, their parents' or their acquaintances' social contacts, by making direct contact with potential employers or by moving to a location with more vacant jobs – and how these actions affect their well-being.

Moreover, this volume analyses in detail the long-term adverse effects of having lived at length with difficulties in finding suitable and stable jobs in young adulthood, that is, the potential scarring effects of joblessness and precarity. One of the salient and original features of these contributions is the way we have combined a range of different and innovative methodological approaches. On the one hand, we provide an up-to-the-minute analysis of contemporary developments; on the other, we include a richly informed historical perspective of how different generations have had to negotiate the consequences of early career insecurity over their life courses, and how these experiences have been affected by the gender, ethnic and disability dimensions that have sometimes influenced individual life courses. In addition, we are able to map these developments using large-scale, internationally comparative quantitative data fleshed out by qualitative life-course interviews and innovative analysis of employers'

attitudes. In this way this volume – and the NEGOTIATE project as a whole – provides an exceptional insight into how the consequences of the crisis have played out in relation to the way different groups of young people seek to navigate these formidable obstacles to finding a foothold in the labour market and, to varying degrees, achieve stable transitions to adulthood.

While the secondary data analysis allowed us to make comparisons across all EU countries, the specific circumstances in targeted partner countries in the project allowed us to examine individuals' experiences, employers' behaviour and policy reforms in nine countries: Bulgaria, the Czech Republic, Germany, Greece, Norway, Poland, Spain, Switzerland and the United Kingdom. The choice of these countries to participate in the project, which was funded by the EU Horizon 2020 research programme, was driven by the need to compare the situation in very different European societies. The broad range of socioeconomic and institutional characteristics and welfare 'regime' types represented by these partner countries allows us to capture the depth and diversity of experiences resulting from the economic crisis and to see how these consequences played out in the lives of young Europeans. In addition, the results of the research were communicated through SOLIDAR, a European network of non-governmental organizations (NGOs), ensuring that our findings were not limited to academic debates but also sought to have a direct input into ongoing policy agendas at the EU, national and local levels.

The evidence from this research is organized in this volume in three main sections. First, we examine perspectives on well-being and young people's agency. Second, we take a closer look at scarring effects. Third, we focus on resilience and re-examine the concepts of active agency and negotiation over the life course, before providing a summative conclusion on the implications of these findings for policymakers.

## 2 CONCEPTS AND ANALYTICAL FRAMEWORK

The NEGOTIATE project draws on four key transdisciplinary concepts – well-being, scarring, resilience and active agency – to improve our understanding of existing variations in the extent and consequences of early job insecurity and labour market exclusion within and across countries and social groups. A core objective has been to identify the individual and societal mechanisms that are conducive to fostering social resilience and capability through active agency for a generation of young people whose transitions to work have become increasingly uncertain and unstable.

## **2.1 Well-Being**

A positive sense of general well-being could be considered a key marker of capability (Sen, 1993), while scarring effects influence perceptions of life satisfaction and subjective well-being. The effect of unemployment on subjective well-being appears to be strong in many developed countries (Di Tella et al., 2001). The issue is commonly addressed in psychological, sociological and, more recently, also in the economics literature (Blanchflower, 2007; Blanchflower and Oswald, 2004; Frey and Stutzer, 2001). Being without employment can have negative effects on self-esteem and lead to apathy, financial problems and poor health (Michoń, 2013). Unemployed individuals are more likely to suffer depression and to commit suicide (Argyle, 1999). Clark et al. (2001) show that life satisfaction diminishes for persons who are currently unemployed and especially for individuals with previous long spells of unemployment. However, life satisfaction decreases less for those who have been unemployed often. The authors argue that together these findings offer a psychological explanation for persistent unemployment. Clark and Oswald (1994) show that unemployment reduces psychological well-being, but also that some individuals ‘habituate’, which helps to explain hysteresis and duration dependence in unemployment.

The timing and duration of significant life events affect subjective well-being according to Clark et al. (2008), who examined the effect of significant events such as unemployment, layoff, marriage, divorce, widowhood and the birth of a child over 20 years. They found that for some events there is a rapid return to baseline levels of well-being, whereas marriage and unemployment have more lasting effects on an individual’s sense of positive or negative well-being.

For these reasons, we analyse the consequences of prolonged unemployment in young adults, including measures of habituation to unemployment, that is, whether long-term unemployment leads to an acceptance of the situation or at least to a feeling that it is no longer very unpleasant. While studying the relationship between unhappiness and unemployment, Clark and Oswald (1994) also discuss the possibility of reverse causality, in the sense that people who are unhappy may also be less likely to find employment (Clark, 2010). This argument suggests that unemployment tends to make individuals unhappy, and that unhappy individuals may find it harder to find work and convince employers of their work commitment; or they may take up compensating, ‘escape’ activities, such as resorting to drug use (Ayllón et al., Chapter 9 this volume), which reinforces their difficulties in finding stable work and deepens the scars associated with unemployment.

## 2.2 Scarring

Entering the labour market during recession and being exposed to unemployment early in a working career may not only affect the labour market status of young people temporarily and in a transitory manner but can lead to long-lasting adverse consequences for future job prospects and labour market integration. The persisting consequences of employment instability and unemployment have come to be known in the literature as scarring effects. By definition a scar is a mark left by a healed wound, sore or burn. It could also describe a lasting after-effect of trouble, especially a lasting psychological injury resulting from suffering or trauma.

Different theoretical explanations have been proposed to frame and explain the scarring effects of unemployment and employment instability. These explanations include, on the one hand, possible adverse effects of unemployment and employment instability on the individual. From this perspective, the scar is a mark of a wound that is still affecting the individual in some way. By contrast, explanations that focus on employers' recruitment practices are used to understand why previously unemployed people are disadvantaged in the labour market in terms of employment possibilities, career development or wages. From this perspective, the scar – visible to the employer – is seen as a sign of an unhealed wound and can become a form of stigma (Parsanoglou et al., Chapter 5 this volume) that may be internalized by individuals (Ayllón et al., Chapter 9 this volume; Bussi et al., Chapter 7 this volume). A range of both demand- and supply-side mechanisms are at a play in explanations of scarring.

The scarring effects of unemployment and employment instability are also affected by business cycles and institutional context. The diverse sources or mechanisms behind such scarring effects have proven difficult to disentangle. First, drawing on human capital theory (Becker, 1964), it is assumed that youth who are exposed to early job insecurity in terms of unemployment and poor labour market attachment have not had the possibility to accumulate as much job-specific human capital as young people with a smoother transition to the labour market. In addition, it is assumed that human capital may depreciate when not used (Pissarides, 1992). Young people may lose some of their work-related skills if they are not given the opportunity to use them in a job. This may affect their chances of re-entering the labour market and their career development.

Theories of discouragement (Ayllón, 2013) and habituation (Clark et al., 2001) are variations of supply-side explanations. These theories refer to a situation where individuals who are unemployed over time get used to being without paid work and are discouraged from looking for work. This discouragement and habituation may alter job-search intensity and

thus decrease people's chances of escaping unemployment, resulting in scarring.

In line with these considerations, early employment instability may affect psychological well-being and self-esteem (Goldsmith et al., 1996, 1997). This psychological impact may in turn affect future job-search behaviour and foster scarring with respect to future employment outcomes. Drawing on Erikson (1959: 94–100), a healthy psychological identity formation is thought to encompass the formation of an occupational identity, characterizing the transition from adolescence to adulthood. Following Seligman (1975), experiencing lack of control over one's situation and possibilities in the labour market may affect well-being and self-esteem negatively. The psychological implications of unemployment exposure early in one's career may thus manifest themselves in altered job-search behaviour and in making poor choices, such as resorting to drug use (Ayllón et al., Chapter 9 this volume), or in lacking the capacity or resources to take paths that could favour reintegration and career advancement (Böhler et al., Chapter 3 this volume); as a result, the experience of unemployment can leave long-term scars on young people's future trajectories (Abebe and Hyggen, Chapter 6 this volume).

In addition to the supply-side mechanisms, demand-side mechanisms are also thought to be at play in the development of scarring. In short this means that recruitment practices may disfavour young people with a history of unemployment or unstable careers. For example, economic theories of employers' recruitment strategies and wage-setting decisions based on rational profit maximizing draw on the fact that hiring is an uncertain investment for employers (Helbling et al., Chapter 4 this volume). The main challenge for employers is related to their limited knowledge of the productivity and ability of job applicants. Thus, employers assess the unknown productivity of job applicants on the basis of different and more or less easily observable characteristics that they believe can proxy productivity. Such productivity indicators then determine job offers and wage-setting decisions. Drawing on signalling theory (Spence, 1973), employers interpret a history of unemployment or gaps in employment history as signals of lower potential productivity. Employers may thus be more reluctant to hire individuals with a history of (long-term) unemployment because they believe this information signals a deterioration of human capital or because they simply assume that unemployment experience indicates less motivation and less productivity (Lockwood, 1991; Omori, 1997). Negative signalling of former unemployment may also be interpreted in terms of rational herding, which refers to the idea that employers believe that unemployed applicants must have been previously

interviewed – and if these applicants had proven to be productive, they would have already become employed (Oberholzer-Gee, 2008).

Beyond economically driven explanations of discriminatory recruitment practices, an individualistic ideology placing the blame of ‘not being a productive citizen’ on individuals further serves to legitimize the social inequality and exclusion of those not meeting these normative standards. In this context discrimination of young people who have been unemployed, may not only be explained by more or less rational recruitment practices of employers. It may also be a result of ascription of an identity to those who are unemployed if this is associated with individual characteristics such as laziness, lack of motivation and lack of ‘employability’ (McQuaid and Lindsay, 2005). In line with this thinking, former exposure to unemployment or gaps in work history may be considered relevant sorting criteria. In this sense one may also refer to an unemployment stigma (Ayllón, 2013; Biewen and Steffes, 2010).

Unemployment scarring is found to vary across business cycles and to be more or less prominent in different countries and institutional settings. Previous research has shown that stigmatization and scarring of the unemployed is particularly prevalent when individuals experience unemployment during periods of economic growth. Biewen and Steffes (2010), following Lockwood (1991), show that when unemployment rates rise, unemployment state dependence decreases, indicating that employers are less apprehensive towards prospective workers who experienced unemployment during periods of economic downturn. Unemployment experiences in times of high unemployment may be regarded by recruiting employers as bad luck because they know that structural job shortages existed and may have hindered the employment of job applicants independently of their productive skills. Instead employers discriminate against individuals who experience unemployment when the current unemployment rate is low. In periods of economic growth, unemployment experiences may be regarded as signalling lower productive skills and less motivation.

In a similar vein it may be assumed that in countries with generally higher unemployment rates the unemployment stigma effects are smaller and thus unemployment may be less of a negative signal regarding future re-employment prospects (Parsanoglou et al., Chapter 5 this volume). Additionally, when unemployment during the transition from school to employment is more common, it may also be socially and individually more widely accepted. This means that the psychological implications of transitory unemployment for particular groups of youth may be smaller and mediated by their family background and level of educational attainment (Abebe and Hyggen, Chapter 6 this volume). These factors



may result in some young people having a range of individual, social and institutional factors that enable them to be more resilient.

### 2.3 Resilience

Resilience is defined as the ability to bounce back from adversity, frustration and misfortune. Resilience originates from the Latin word *resiliens*, which refers to the pliant or elastic quality of a substance (Greene, 2002). There is a vast and variegated scholarship, much of which originates outside the social sciences, on the concept of resilience and more recently on social resilience. For the purposes of the NEGOTIATE project, we suggest a basic working definition that encompasses both the individual and societal level. Our definition draws, in particular, on three concrete pieces of work that all have different purposes for addressing the notion of social resilience and come at it from somewhat different angles. In developing our definition we have tried to look for what these three discussions have in common.

First, emerging from research in the field of international comparisons of health and well-being, Hall and Lamont's (2009) examination of what constitutes 'successful societies' led on to their analysis of the concept of social resilience (Hall and Lamont, 2013). This they define as 'the capacity of groups of people bound together in an organization, class, racial group, community, or nation to sustain and advance their well-being in the face of challenges to it' (Hall and Lamont, 2013: 2). While they do not go to great lengths to explain the constituent elements of their definition, we note the collective (rather than individual) perspective and the presence of adversity. Social resilience is relevant in the context of some kind of stressor or threat.

Second, our definition is inspired by the work of Ungar (2008), who is especially interested in children's and young people's diverse experiences of resilience. His emphasis on 'navigating' and 'negotiating' resources by and for those affected by adversity informs our analytical framework through the definition of social resilience. Ungar's conception of social resilience as a process and not only a static outcome or absolute endpoint is especially interesting and important. The perspective fits well with our conception of social outcomes as situated within a dynamic model. Social resilience will have a positive impact on future capabilities.

When institutions are brought into consideration, it becomes clear that social resilience is (at least implicitly) also a political matter. The institutional setting, or changes in it, may provide resources and opportunities in a more or less universal or selective manner to support resilience. In fact, Keck and Sakdapolrak (2013: 14) argue that the way to build 'social

resilience, especially in the livelihoods of the poor and marginalized, is not only a technical, but a political issue'. This suggests that analysing the drivers of social resilience in the context of young people's integration in the labour market should also involve an attempt to understand processes of governance and the making of policies designed to help young people's transitions.

Given young adults' exposure to the risk of job insecurity and unemployment, we define social resilience at two levels: individual and societal. At the individual level we understand resilience as an opportunity to acquire a feeling of well-being, and an ability to cope with adverse circumstances and to realize valued and meaningful achievements in the short and long term. At the societal level we understand social resilience as the capacity to provide support that maintains and enhances individual capabilities in their encounter with current and future labour market uncertainties, that is, support that reaches and is valuable to individuals faced with various social risks in the form of social programmes or regulations that create training or job opportunities or enhance employment prospects (Hall and Lamont, 2013: 2; Keck and Sakdapolrak, 2013: 10–11; Ungar, 2008: 225).

Social resilience defined in this way reflects the normatively important aspiration for European societies that also young people have 'effective freedom to act and govern themselves' (Johansson and Hvinden, 2007: 39–40); that is, we consider active agency as a constitutive element of social resilience. Moreover, our definition is in line with Keck and Sakdapolrak's (2013: 10) in incorporating an extended time horizon, rather than a single point in time. We consider the capacity to draw lessons from the past and from others as relevant for individual actions as well as for collective actors operating in local communities or at national or supranational level (Lewis and Tolgensbakk, Chapter 10 this volume). Such processes of reflexivity and learning underline the need for adopting a dynamic analytical framework that allows us to capture how young people's lives develop over time, the factors that influence their life courses and the extent to which they are able to exercise active agency in the choices they make (Bussi et al., Chapter 7 this volume; Krasteva et al., Chapter 8 this volume).

## 2.4 Active Agency, Negotiation and the Life Course

Several scholars have developed concepts of active agency from a sociological perspective. In sociological and social psychology, Anselm Strauss and others have formulated a more specific concept of negotiation to capture the emergent, more or less temporary mutual adjustments that people adopt to find workable solutions to the challenges of everyday

life and interaction (Strauss et al., 1964). Analytically we are interested in critically and cross-nationally assessing and comparing how the characteristics of the local and regional labour markets, local public and private employment services, employers and access to education or training structure young people's actual and perceived room for action and their efforts to manage and utilize this room. Stones's (2005) structuration theory – and more specifically his concept of active agency – provides an analytical framework for connecting the different levels of analysis between the micro, meso and macro levels.

Stones distinguishes between 'external structures' that hinder or facilitate conditions of action; 'internal structures' within the agent, such as dispositions or knowledge; 'active agency', where the agent draws on internal structures in practical action; and outcomes, such as change or stability in external or internal structures or the agent's position (Stones, 2005: 9). Our use of the concept has affinity to Strauss's (1978: 99) notion of 'negotiation context'. This refers to the perceived space or playing field within which social interactions take place and is closely related to actors' perception of what is potentially achievable, in other words, their sense of capability or 'effective freedom'. Linking the ideas of Strauss (1978) and Sen (2009), one might argue that the negotiation context delimits the set of obtainable capabilities. In most situations behaviour and actual choices are constrained and do not automatically correspond to a person's preferred action. It is therefore important to consider not only observed behaviour but also whether there is actual scope for choosing alternative pathways. This idea has been empirically applied by Hobson (2013: 24) in an examination of the 'agency and capabilities gap' in parents' preferred and realized work-life balance. She argues that the 'possibilities for claiming and exercising rights' vary not only in terms of different 'institutional and societal/normative contexts' between countries, but also in terms of the possibilities of the individual actors within the same societies to realize these rights, where they exist.

The passage from youth to adulthood is comprised of several key life-stage transitions, for instance from education to work, residential independence and parenthood (Anxo et al., 2010; Ayllón, 2015). Early job insecurity is likely to weaken the opportunities and scope for independent choices with regard to these transitions. Thus, in order to grasp more fully the long-term individual and societal consequences and processes of marginalization resulting from early job insecurity, a life-course perspective represents an indispensable tool (Buchmann, 1989; Buchmann and Kriesi, 2011; Hammer and Hyggen, 2013; Shanahan, 2000).

Within a life-course perspective, combining the four concepts draws attention to young people's expectations and realized transitions in

relation to work and family choices, inviting us to examine young people's sense of agency or efficacy in different societal and institutional contexts. The ability to realize these expectations is affected by the young people's subjective negotiating position, that is, their ability to actively construct and be in charge of their own pathways into adulthood. Most important in this regard are individual decisions and choices in relation to education, work, independent household formation and family formation.

Objective negotiating positions are affected by macroeconomic conditions and historical, political, institutional and cultural factors in a given country (e.g., Luetzelberger, 2012). Both the subjective and objective negotiating positions will be affected by gender in terms of the social, economic and ideological status and conventions governing roles for men and women in different societies (O'Reilly et al., 2014). Institutional and ideological factors affecting these role specifications include the 'welfare mix', that is, the range of education, employment and family care policies, the market, civil society, industrial relations and the structure of the family. Carrying out a comparative cross-national empirical analysis of these concepts integrates the research undertaken here and will enable us to bring new insights to the effectiveness of policy measures in different societal contexts.

### 3 ORIGINAL DATA FROM THE NEGOTIATE PROJECT

Original data was collected mainly using two different methodological approaches: (1) semi-structured life-course interviews with 207 individuals from seven countries who had experienced unemployment when they were young; and (2) a cross-national survey of employers' risk assessment in the hiring of young workers based on a vignette design.

#### 3.1 Life-Course Interviews

The purpose of the *life-course interviews* was to gain systematic comparative knowledge of how experiences of prolonged job insecurity as young adults have shaped women's and men's subsequent life courses across time and place (historical and territorial contexts). The interviews allowed us to examine if (and how) major institutional or economic changes within one country – alternatively, if (and how) cross-national institutional or economic differences – were reflected in patterns of life courses in those individuals who have experienced prolonged job insecurity as young adults.

As part of the NEGOTIATE project, researchers carried out 207 personal interviews in seven countries: Bulgaria, the Czech Republic, Germany, Greece, Norway, Poland and the United Kingdom. The individuals were selected because they had experienced at least four months of unemployment or precarious employment and had at most completed upper-secondary education by age 25. In most of the countries the interviewees were recruited from three different generations or cohorts (born 1950–55, 1970–75 or 1990–95). However, it was difficult to recruit respondents from the oldest cohort (1950–55) in the post-socialist countries since the specific political and economic context obliged everyone there to have a job. Table 1.1 sums up the sociodemographic characteristics of the total sample of interviewees.

Recruitment took place through a variety of means and several different channels. Each national team had some freedom to choose the recruitment channels that were most suited to their local context. We contacted organizations like trade unions, NGOs working with young unemployed, minorities or disabled people. In some cases recruitment advertisements

*Table 1.1 Sociodemographic characteristics of interviewed individuals*

Criterion	Selection criteria	Number
Gender	Men	107
	Women	100
Birth cohort	1950–55	39
	1970–75	84
	1990–95	84
Education level when entering labour market	Lower-secondary or less	104
	Upper-secondary	103
Occupational status before the age of 25	Precarious employment	49
	Long-term unemployment	107
Ethnicity/migration status	Majority	164
	Minority (Roma, migrant, etc.)	43
Health status	Minor disabilities or health issues	5
	Disabled or severe health issues	30
Current occupational status	Unemployed or in shadow economy	104
	Temporary job	37
	Secure job	61
Place of residence	City/capital	131
	Small town or village	76

*Source:* Metadata describing original data from the NEGOTIATE project.

were posted online and in places like community notice boards and supermarkets in areas with a particularly high proportion of people who had not attended university. Some researchers used the snowball method within their personal networks. In addition, some of the research teams made use of commercial services specializing in survey recruiting in order to find interviewees with the necessary profiles from all three cohorts.

All the interviews were thematically structured according to a common topic guide initially developed through an iterative process between the national research teams. The topic guide included questions on the transition to the labour market and how unemployment affected the interviewee's life situation. We asked about opportunities for being active during unemployment and the role of potential sources of formal and informal support (from family, NGOs, the government), as well as about the activities undertaken during unemployment. Finally, there were questions designed to obtain information about individual short- and long-term consequences in relation to issues such as social mobility, social trust and life satisfaction.

Each interview lasted between one and two hours and was conducted in the local language in the period May 2016 to November 2016. The interviews were recorded and transcribed in the original language. To allow for cross-national sharing and comparative analyses of the interview data, the national NEGOTIATE research teams were responsible for making available to everyone an English-language summary of each interview. Depending on the local context and institutional practice, in some of the countries the interviewees received a modest financial incentive for taking part in the interview.

### 3.2 Employer Survey and Factorial Experiment

The second method involved a *cross-national survey of employers' risk assessment* in the hiring of young workers. We conducted a multi-national web survey in which we embedded a factorial survey experiment. The survey was addressed to recruiters who were in charge of filling the posted job. In contrast to other forms of field experiments applied in recruiter studies (e.g., conjoint or audit studies), a factorial survey experiment facilitates the simultaneous variation of multiple applicant features. Based on a pool of hypothetical candidates – the so-called vignettes – with different combinations of individual characteristics, such as educational level and unemployment experience, this method enables measurement of both single and joint effects of such signals on how recruiters evaluate the fictional CVs.

We sampled real vacancies in Bulgaria, Greece, Norway and German-speaking Switzerland. By real vacancies we mean open job positions

advertised in the four countries between May 2016 and June 2016. The sampled job advertisements were restricted to the five occupational fields of mechanics, finance (banking and insurance), catering (service personnel), nursing and information technology. This provides us with a sample of low-, medium- and high-skill jobs, gender-mixed and gender-typed jobs, occupations that are more or less dependent on and linked to technological innovations, and jobs with higher and lower turnover rates (see Hyggen et al., 2016, for further details). To ensure a sufficient match between the requirements of the selected vacancies and the characteristics of the hypothetical job candidates in the vignettes, we applied internationally comparable sampling criteria for each occupational field. By restricting the sampling of job advertisements to a narrow selection of detailed ISCO codes (International Standard Classification of Occupations), we assured a reasonable fit between the real job profiles and the standardized vignettes designed for each occupational field.

The global response rate was 16 per cent (completed survey). The response rate was highest in Switzerland at 27 per cent and lowest in Greece at 10 per cent (Bulgaria: 17 per cent; Norway: 14 per cent). All cases with complete data on the research variables were included in the analytical sample of this chapter. This resulted in a final sample of 2885 recruiters and 27 612 curriculum vitae.

In addition to these innovative and original sources of data, we also drew on large-scale quantitative data from the European Social Survey (Buttler, Chapter 2 this volume), the Eurostat Labour Force Survey (Helbling et al., Chapter 4 this volume), the Eurobarometer (Ayllón et al., Chapter 9 this volume), and a rich national source of longitudinal data from the Young in Norway survey (Abebe and Hyggen, Chapter 6 this volume).

Together these methods allowed us to carry out an extensive examination of the effects of early job insecurity at a pan-European level, as well as integrate these findings into a fine-grained, gender-sensitive, historically informed and institutionally connected analysis.

### **3.3 The Focus of the Contributions**

The volume is organized in three parts. Part I examines well-being and perspectives on young people's agency in two different chapters. The first, by Buttler, explores the strength of the relationship between employment and well-being across Europe. The second, by Böhler et al., explores four narratives of youth unemployment.

Part II focuses on the concept of scarring and the long-term adverse effects of job insecurity. Helbling et al. compare long-term scarring effects of unemployment across five European countries. Parsanoglou et al.

pose the question as to whether active labour market policies leave scars on the young unemployed and provides an answer using data from the vignette experiment of employer's decisions on hiring youth in Greece and Norway. The third chapter, by Abebe and Hyggen, takes a closer look at moderators of unemployment and wage scarring during the transition to adulthood applying evidence from Norway.

Part III examines the concepts of resilience and well-being. Bussi et al. deploy the capabilities approach and draw on life-course interviews to identify how young people develop transformative social resilience. Krasteva et al. explore subjective experiences of migration. Ayllón et al. use both quantitative approaches and qualitative life-course interviews to explore coping strategies and the consequences of drug use. Lewis and Tolgensbakk draw on experiences of developing information, advice and guidance services from Norway and the United Kingdom to identify policies that could support young people through these difficult transitions early in their working lives. The final chapter, by the editors of the volume, summarizes the main findings and identifies recommendations for policy development.

## REFERENCES

- Anxo D, Borsch G and Rubery J (eds) (2010) *The Welfare State and Life Transitions*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
- Argyle M (1999) Causes and correlates of happiness. In: Kahneman D, Diener E and Schwarz N (eds) *Well-Being: The Foundations for a Hedonic Psychology*. New York: Russell Sage Foundation, pp. 352–73.
- Ayllón S (2013) Unemployment persistence: Not only stigma but discouragement too. *Applied Economics Letters* 20(1): 67–71.
- Ayllón S (2015) Youth poverty, employment, and leaving the parental home in Europe. *Review of Income and Wealth* 61(4): 651–76.
- Becker GS (1964) *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education*. Chicago, IL: University of Chicago Press.
- Biewen M and Steffes S (2010) Unemployment persistence: Is there evidence for stigma effects? *Economic Letters* 106(3): 188–90.
- Blanchflower DG (2007) *Is unemployment more costly than inflation?* NBER Working Paper no. 13505. Cambridge, MA: National Bureau of Economic Research.
- Blanchflower DG and Oswald AJ (2004) Money, sex and happiness: An empirical study. *Scandinavian Journal of Economics* 106(3): 393–415.
- Buchmann M (1989) *The Script of Life in Modern Society: Entry into Adulthood in a Changing World*. Chicago, IL: University of Chicago Press.
- Buchmann M and Kriesi I (2011) Transition to adulthood in Europe. *Annual Review of Sociology* 37: 481–503.
- Clark AE (2010) Work, jobs and well-being across the millennium. In: Diener E, Helliwell JF and Kahneman D (eds) *International Differences in Well-being*. Oxford, UK: Oxford University Press, pp. 436–68.



- Clark AE, Diener E, Georgellis Y and Lucas RE (2008) Lags and leads in life satisfaction: A test of the baseline hypothesis. *The Economic Journal* 118(529): 222–43.
- Clark AE, Georgellis Y and Sanfey P (2001) Scarring: The psychological impact of past unemployment. *Economica* 68(270): 221–41.
- Clark AE and Oswald AJ (1994) Unhappiness and unemployment. *The Economic Journal* 104(424): 648–59.
- Di Tella R, MacCulloch RJ and Oswald AJ (2001) Preferences over inflation and unemployment: Evidence from surveys of happiness. *American Economic Review* 91(1): 335–41.
- Erikson EH (1959) *Identity and the Life Cycle*. New York: International Universities Press.
- Frey BS and Stutzer A (2001) *Happiness and Economics: How the Economy and Institutions Affect Human Well-Being*. Princeton, NJ: Princeton University Press.
- Goldsmith AH, Veum JR and Darity W Jr. (1996) The impact of labor force history on self-esteem and its component parts, anxiety, alienation and depression. *Journal of Economic Psychology* 17(2): 183–220.
- Goldsmith AH, Veum JR and Darity W Jr. (1997) The impact of psychological and human capital on wages. *Economic Inquiry* 35(4): 815–29.
- Greene RR (ed.) (2002) *Resiliency: An Integrated Approach to Practice, Policy, and Research*. Washington DC: NASW Press.
- Hall PA and Lamont M (2009) *Successful Societies: How Institutions and Culture Affect Health*. Cambridge, MA: Cambridge University Press.
- Hall PA and Lamont M (2013) *Social Resilience in the Neoliberal Era*. Cambridge, MA: Cambridge University Press.
- Hammer T and Hyggen C (2013) Gårdsdagens arbeidsløse, morgendagens arbeidskraft? [The unemployed of yesterday, the labour force of tomorrow?]. In: Hammer T and Hyggen C (eds) *Chapter 10: Ung voksen og utenfor – mestrings og marginalitet fra ung til voksen* [Young adult and excluded – coping and marginality from young to adult], pp. 183–195. Oslo: Gyldendal Akademisk.
- Hobson B (ed.) (2013) *Worklife Balance: The Agency and Capability Gap*. Oxford, UK: Oxford University Press.
- Hyggen C, Imdorf C, Parsanoglou R, Sacchi S, Samuel R, Stoilova R, Shi LP, Yfanti A and Yordanova G (2016) *Understanding unemployment scars: A vignette experiment of employers' decisions in Bulgaria, Greece, Norway and Switzerland*. NEGOTIATE Working Paper no. 7.2. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-papers-no-D7.2.pdf> (accessed 18 June 2018).
- Johansson H and Hvinden B (2007) What do we mean by active citizenship? In: Hvinden B and Johansson H (eds) *Citizenship in Nordic Welfare States: Dynamics of Choice, Duties and Participation in a Changing Europe*. Abingdon, UK: Routledge, pp. 32–49.
- Keck M and Sakdapolrak P (2013) What is social resilience? Lessons learned and ways forward. *Erdkunde* 67(1): 5–19.
- Lockwood B (1991) Information externalities in the labour market and the duration of unemployment. *Review of Economic Studies* 58(4): 733–53.
- Luetzelberger T (2012) Independence or interdependence. *European Societies* 16(1): 28–47.
- McQuaid RW and Lindsay C (2005) The concept of employability. *Urban Studies* 42: 197–219.
- Michoń P (2013) Socioeconomic change and subjective well-being of Polish society 1991–2011. In: Michoń P, Orczyk J and Żukowski M (eds) *Facing the*

- Challenges: Social Policy in Poland after 1990*. Poznan: Poznan University Press, pp. 63–79.
- Oberholzer-Gee F (2008) Nonemployment stigma as rational herding: A field experiment. *Journal of Economic Behavior and Organization* 65(1): 30–40.
- Omori Y (1997) Stigma effects of nonemployment. *Economic Inquiry* 35(2): 394–416.
- O'Reilly J, Nazio T and Roche JM (2014) Compromising conventions: Attitudes of dissonance and indifference towards full-time maternal employment in Denmark, Spain, Poland and the UK. *Work, Employment & Society* 28: 168–88.
- Pissarides CA (1992) Loss of skill during unemployment and the persistence of employment shocks. *The Quarterly Journal of Economics* 107(4): 1371–91.
- Seligman MEP (1975) *Helplessness. On Depression, Development, and Death*. San Francisco, CA: WH Freeman.
- Sen A (1993) Capability and well-being. In: Nussbaum MC and Sen A (eds) *The Quality of Life*. Oxford, UK: Clarendon Press, pp. 30–53.
- Sen A (2009) *The Idea of Justice*. London: Penguin.
- Shanahan MJ (2000) Pathways to adulthood in changing societies: Variability and mechanisms in life course perspective. *Annual Review of Sociology* 26: 667–92.
- Spence M (1973) Job market signaling. *The Quarterly Journal of Economics* 87(3): 355–74.
- Stones R (2005) *Structuration Theory*. Basingstoke, UK: Palgrave Macmillan.
- Strauss AL (1978) *Negotiations: Varieties, Contexts, Processes, and Social Order*. San Francisco, CA: Jossey Bass.
- Strauss AL, Schatzman L, Bucker R, Ehrlich D and Sabshin M (1964) *Psychiatric Ideologies and Institutions*. New Brunswick, NJ: Transaction.
- Ungar M (2008) Resilience across cultures. *British Journal of Social Work* 38(2): 218–35.

## 2. Employment status and well-being amongst youth: explaining variation across European countries

**Dominik Buttler**

---

### 1 INTRODUCTION

In this chapter we seek to ascertain why in some countries the difference in subjective well-being between employed and unemployed youth is large, whereas in others it remains small or even negligible. We hypothesize that the relationship between employment and well-being is particularly strong in countries where young people are able to obtain jobs of decent quality in terms of employment security, autonomy at work and opportunities for skill development. The quality of young people's employment is affected by two groups of factors, characterizing the education system and industrial relations, respectively. In the empirical part of the chapter we analyse whether differences in these institutional features can explain cross-country variation in the relationship between employment and well-being.

This study contributes to the wider thinking of policy evaluations in which the level of subjective well-being becomes an important criterion. This area of scientific investigation has been gaining in popularity and importance over the last few years for several reasons. First, despite its shortcomings, the self-reported level of well-being has turned out to be a meaningful and reliable proxy for quality of life (see Stiglitz et al., 2009). Second, studies have proved that subjective well-being (proxied by self-reported measures) is policy amenable. These results have made well-being proxies potential candidates for indicators of societal progress or policy effectiveness (Boarini et al., 2013: 106). Finally, the methodological progress outlined above was accompanied by the implicit and explicit recognition of subjective well-being as an important goal of policymaking. For instance, Wulfgramm states that 'improving the well-being of the socially disadvantaged in society is a core task of the welfare state' (Wulfgramm, 2014: 259) and emphasizes its importance in Europe 2020, the EU growth

strategy. The OECD initiative ‘better policies for better lives’, which aims to provide evidence on well-being patterns, is another example of this tendency. Thus, the OECD initiative recognizes subjective well-being as one of the elements defining and measuring a ‘better life’.

Throughout the chapter we will refer more frequently to the relationship between employment and well-being than to that between unemployment and well-being. Since in the empirical part of the analysis we have compared the well-being of employees and the unemployed, the relationship between employment and well-being and that between unemployment and well-being seem to be two sides of the same coin. There are, however, subtle differences between them. Our emphasis on the former relationship reflects the theoretical underpinning of the analysis, in which the central element is the concept of employment quality (in terms of job security, degree of autonomy at work, variety of skills used, opportunities for professional development and work–life balance). We hypothesize that the relationship between employment and well-being will be stronger in countries with employment circumstances characterized by higher-quality jobs. The remainder of this chapter is organized as follows: Section 2 contains the literature review and summarizes methodological challenges related to the estimation of the relationship between employment and well-being. In Section 3 we have analysed this relationship in a comparative perspective, using the European Social Survey (ESS) data set for this purpose. Section 4 contains concluding remarks.

## 2 LITERATURE REVIEW AND KEY METHODOLOGICAL CHALLENGES

The detrimental effect of job loss on individual well-being is relatively well documented (Bell and Blanchflower, 2009; Dolan et al., 2008; Dooley and Prause, 2004; Dooley et al., 2000; Harrison et al., 2016; Kapteyn et al., 2015; McKee-Ryan et al., 2005; Russell et al., 2015; Tøge and Blekesaune, 2015; Winkelmann, 2009; Winkelmann and Winkelmann, 1998). This relationship has been confirmed in studies performed for different countries: Germany (Frijters et al., 2004; Winkelmann and Winkelmann, 1998); Switzerland (Frey and Stutzer, 2000); United Kingdom (Bell and Blanchflower, 2010, 2011; Clark, 2003; Clark and Oswald, 1994; Thomas et al., 2005); and other, non-European countries (McKenzie et al., 2014). These analyses focus on individuals of working age, whereas the effects for youth are rarely examined – with the exception of the work of Russell et al. (2015), who focused on ‘flexicurity’ systems, insecurity and well-being for young people (15–34 years) in Europe during the Great Recession.

There are two channels through which the unemployment–well-being relationship emerges. The direct, non-pecuniary effect of unemployment on well-being can be attributed to unsatisfied needs amongst unemployed individuals. According to Jahoda (1982), employment provides a time structure, collective purpose, social contact, status, activity allowing for mastery and creativity, and a source of financial income. The ‘vitamin model’ suggested by Warr (1987, 2007) explains the relationship between employment status and well-being along similar lines. Many job characteristics satisfy personal needs of working individuals, thus positively affecting their well-being. The following characteristics represent these beneficial features: opportunity for personal control, social interaction and skill use, physical security, supportive supervision and a valued social position. The second, pecuniary effect of unemployment on well-being stems from the reduced income related to the job loss. Both effects usually coincide. However, Winkelmann and Winkelmann (1998) suggest that the non-pecuniary, psychological cost of unemployment is stronger. Moreover, the negative impact of unemployment on well-being does not disappear once the period of unemployment is over. It is relatively well documented that persons who have lost their jobs declare, on average, a lower level of life satisfaction or happiness regardless of their current employment status. In the literature this phenomenon is called a ‘scarring effect’ (Clark et al., 2001; also see Helbling et al., Chapter 4 this volume).

Numerous studies have identified a large set of factors moderating the relationship between employment status and well-being. The detrimental effect of job loss is usually weaker amongst women. This phenomenon can be explained using the social production function theory, which emphasizes gender differences regarding the acquisition of social approval. In this context professional work is much more important to men (see Van der Meer, 2014). The negative psychological consequences of job loss are reduced by social support (family, religiosity). However, also the quality of employment is important: the beneficial effect of employment on well-being is less apparent when someone is not committed to or is dissatisfied with their work (Dooley et al., 2000; Warr, 2007), or is employed part-time or on a fixed-term contract (Krueger and Mueller, 2012; Voßemer et al., 2017). The negative consequences of unemployment for well-being tend to diminish with time as individuals get used to their status. This phenomenon was studied by Clark et al. (2001) and is known as the ‘habituation effect’.

There are at least two key methodological challenges in the estimation of the employment–well-being relationship: the reversed causality problem (employment can increase well-being but also, inversely, intrinsically more happy individuals might be more successful at finding and maintaining a

job); and the omitted variable bias (the relationship between well-being and employment could be heavily influenced by other factors that should be taken into account – e.g., the state of health, which influences both well-being and employment status).

The first problem is usually addressed through the instrumental variable approach or through the application of fixed-effect models that exclude the impact of time-invariant omitted variables (such as the intrinsic level of happiness; see, e.g., Winkelmann and Winkelmann, 1998). The cross-sectional structure of ESS data sets used in Section 3, where we have analysed the employment–well-being relationship from a comparative perspective, does not allow us to apply the fixed-effects model and control for unobserved (time-invariant) characteristics (the importance of controlling for unobserved time-invariant characteristics in the context of happiness studies was emphasized by Ferrer-i-Carbonell and Frijters, 2004). For this reason, our estimates of interest (a regression coefficient denoting the relationship between employment status and well-being) can be biased. Using a data set from the German Socio-Economic Panel, Gerlach and Stephan (1996) showed that simple ordinary least square (OLS) models overestimate the effect of unemployment on well-being compared to fixed-effects models. However, Winkelmann and Winkelmann (1998) obtained the opposite result. In both cases the relative differences between OLS and fixed-effect estimates amounted to between 10 per cent and 15 per cent. As specified in Section 3, we are more interested in the comparative aspect of the analysis. We will perform our analysis using cross-sectional data.

We will address the second methodological challenge (omitted variable bias) through the application of a multiple regression model in which we will control for respondent characteristics that can influence both employment status and well-being. It should also be emphasized that the measurement of subjective well-being is itself a challenging task. Since we do not conduct our own surveys but rather use existing data sets, we have decided not to consider these challenges. A detailed discussion on this topic can be found in such studies as Kahneman and Krueger (2006) or OECD (2013).

### 3 EMPLOYMENT STATUS AND WELL-BEING OF YOUTH. A COMPARATIVE PERSPECTIVE

#### 3.1 The Empirical Strategy

In the empirical part of the study we applied a two-step regression procedure such as that used by Woessmann et al. (2005) and Bol and Van de Werfhorst (2013). In the first step we used micro data from the

ESS and regressed individual life satisfaction  $Y_i$  on employment status  $E_i$ , controlling for other variables  $X_i$ . This procedure allowed us to estimate the strength of the relationship between employment status and well-being proxied by life satisfaction ( $\theta$ ) separately for each country. In order to increase the sample sizes, we pooled the data from all the available waves for each country. In the second step the estimated country-level coefficients measuring the association between employment and well-being constitute a dependent variable ( $\theta_c$ ), which is regressed on the set of the country-level independent variables ( $D_c$ ). These constitute possible determinants of the employment–well-being relationship.

$$Y_i = \beta_0 + X_i\beta + \theta E_i + \varepsilon_i \quad (2.1)$$

$$\theta_c = \gamma_0 + D_c\gamma + \mu_c \quad (2.2)$$

As emphasized by Woessmann et al. (2005), the dependent variable in Regression (2.2) is the outcome of the estimation procedure rather than a precise observation. We therefore followed the strategy adopted by Bol and Van de Werfhorst (2013) and used the inverse of the standard errors of the coefficients  $\theta$  as weights in the second step. In the second step, as a result, the cases (countries) for which the employment–well-being relationship is less precisely estimated have less importance.

In both steps of the estimation procedure we ran OLS models. This might appear problematic particularly in Model (2.1), where the dependent variable, derived from the question ‘How satisfied are you with your life as a whole nowadays?’, takes values from 0 (extremely dissatisfied) to 10 (extremely satisfied). Although this is an ordinal variable, we will treat it as if it were a cardinal one, following Ferrer-i-Carbonell and Frijters (2004), who claim that ‘assuming cardinality or ordinality of the answers to general satisfaction questions is relatively unimportant to results’ (Ferrer-i-Carbonell and Frijters, 2004: 655).

### 3.2 Micro- and Macro-Level Determinants of Well-Being

All the variables used in the Step 1 estimation have been adopted from the ESS. Since the focus of our study is on youth, we only included persons aged 36 or less in this analysis. As mentioned in Section 3.1, the dependent variable in Model (2.1) is derived from the question ‘How satisfied are you with your life as a whole nowadays?’ and takes values from 0 (extremely dissatisfied) to 10 (extremely satisfied). The selection of the independent variables is based on a literature review on the effects of employment status on well-being (Clark and Oswald, 1994; Gerlach and Stephan, 1996;

Ilmakunnas and Böckerman, 2006; Lindbeck et al., 1999; Winkelmann and Winkelmann, 1998). In our specification we controlled for the following aspects: disability status, migration status, the assessment of household financial situation, past unemployment, level of education, household composition (being a parent, being married or in a partnership, being head of family), age, gender and year. The most important independent variable proxies the employment status (a binary variable that takes the value of 1 if a respondent worked as an employee and 0 if a respondent was unemployed; respondents with other employment status categories were excluded from the analysis). It should be emphasized that by controlling for household income (the assessment of household financial situation) we ensure that the estimated employment–well-being relationship refers to the direct, non-pecuniary effect of economic activity (e.g., work affects individuals' well-being by providing a structured day, opportunities for mastery and creativity, shared experiences and status; see Jahoda, 1982). We also estimated the second version of Model (2.1), which additionally breaks the group of employees down into those employed with unlimited-duration contracts and employees with temporary contracts (including workers with no contract at all). This modification allows us to investigate the employment–well-being relationship while considering the different levels of job security. We will refer to this modified model mostly at the stage of the descriptive statistics.

We have focused in our study on the non-pecuniary impact of (un)employment on well-being and therefore expect that the employment–well-being relationship will be particularly strong in countries where employment quality is high. Here, we refer to two strands of research that might be useful in this context.

The first emphasizes the role of so-called employment regimes in understanding international variation in employment quality (see Gallie, 2007). Employment quality as such is usually defined through characteristics of work experience. Gallie (2007) identifies five core groups of characteristics describing employment quality: the degree of skill use at work; the level of work autonomy; the opportunities for professional development; the extent to which jobs are compatible with work–family balance; and job security (Gallie, 2007: 6). In the literature on employment regimes the institutional setting of a given regime depends on the strength of (organized) workers and their ability to influence work-related policies. The employment regimes differ with respect to characteristics such as the position of organized labour; the scope of initial and continuing vocational education and training; and work and employment integration policies (see Gallie, 2007: 20–32). All of these features also determine employment quality. There are three main types of employment regime. In an inclusive regime



(see Hora et al., Chapter 7 Volume 1), the strong and well-organized labour force favours a high level of employment quality. As a result, a relatively 'tight labour market will strengthen employees' power at workplace level, will be conducive to greater participation at work and will broaden concern about the quality of work' (Gallie, 2007: 18). In inclusive regimes the level of unemployment protection is high, and both passive and active labour market policies are well developed. The dualist employment regimes are similar, however, with a stronger division between core and peripheral segments of the labour market. As a result, 'the nature of employment regulation will tend to reflect this providing strong employment protection, good employment conditions, and generous welfare support for the core workforce, but much poorer conditions for those on non-standard contracts' (Gallie, 2007: 19). Finally, in market regimes the position of organized labour is relatively weak, and the labour market is the main coordinating mechanism. The quality of employment and working conditions depend on the bargaining process at company level.

The second strand of research useful for identifying the macro-level determinants of employment quality and, as a consequence, the employment–well-being relationship amongst young people, investigates the process of school-to-work transitions. Raffe defines education-to-work transitions as a 'sequence of educational, labour-market and related transitions that take place between the first significant branching point within educational careers and the point when – and if – young people become relatively established in their labour-market careers' (Raffe, 2014: 177). School-to-work transition systems are defined as 'relatively enduring features of [each] country's institutional and structural arrangements which shape transition processes and outcomes' (Smyth et al., 2001: 18). Although Raffe mentions various building bricks shaping the transition system, such as education and training arrangements, the labour market, the broader economic environment (stage of economic development), family structures, cultural factors (religion, attitudes to household), career guidance and youth programmes (Raffe, 2008: 286; Raffe, 2014: 177), the strongest emphasis, particularly in empirical studies, is on the first two elements.

Initially, the institutional characteristics of the education systems were operationalized in the literature on the basis of two criteria identified by Allmendinger (1989): the standardization of educational provisions and the stratification of educational opportunity. The first dimension refers to the scope of nationwide standards of education quality, for instance with respect to teachers' training, school budgets, curricula or school-leaving examinations. In further studies this last aspect of standardization was defined as the standardization of output, whereas the former was taken as the standardization of input (see, e.g., Levels et al., 2014: 345). The

second of Allmendinger's dimensions characterizes the selectivity of tracking systems in education. A high level of stratification of educational opportunity corresponds to education systems in which the students are selected into tracks at an early age, where the tracks differ in terms of curricula, and mobility between tracks is limited. In the course of further studies, a third dimension was added to this two-dimensional typology: vocational orientation of the education system (Shavit and Muller, 2000). Vocationally oriented education systems are those where not only is there a large proportion of students choosing the vocational track, but where the teaching process of occupation-specific skills also includes practical training at workplaces (so-called dual apprenticeship system).

The second set of indices characterizing transition regimes describes the type of labour market. It must be remembered, however, that 'features of education systems... need to be understood in relation to features of labour markets' (Raffe, 2014: 185). The theoretical underpinning here draws on labour market segmentation theories distinguishing between two types of labour market arrangements. Maurice et al. (1982) identified 'qualificational' and 'organizational' spaces. This distinction is based on the assumption that private companies adjust their human resource strategies to the characteristics of the education system. In a system patterned in a 'qualificational' space, the education system has a vocational orientation and firms use applicants' educational credentials to allocate them to jobs. In a system patterned in an organizational space, specific skills are mostly acquired on the job, hence the links between qualifications and firms are weaker. This dichotomy corresponds to the typology proposed by Marsden (1990), who distinguishes between occupational labour markets and internal labour markets. This conceptual framework is in many respects similar to the varieties of capitalism approach (Hall and Soskice, 2001), which distinguishes between two production regimes – liberal market economies and coordinated market economies. This perspective places its emphasis on how firms solve the coordination problem 'with respect to industrial relations, vocational training, corporate governance, inter-firm relations, and the cooperation of their employees' (Gallie, 2007: 13). In coordinated market economies there is a stronger emphasis on non-market arrangements, whereas in liberal market economies the free market is the main coordinating device. This theoretical perspective allows us to explain why a high level of employment protection coincides with a vocationally oriented education system.

The relationship between characteristics of transition systems and the quality of (transitions into) employment has been explored with the use of various outcome variables: horizontal and vertical education-to-job matching (Levels et al., 2014), youth unemployment rate (Bol and Van

de Werfhorst, 2013; Breen, 2005; Wolbers, 2007), strength of the education–occupational status relationship (Allmendinger, 1989; De Lange et al., 2014; Shavit and Muller, 2000), temporary employment incidence (Wolbers, 2007), length of transition into first significant job (Wolbers, 2007), length of job search (Bol and Van de Werfhorst, 2013), average job tenure (Bol and Van de Werfhorst, 2013) and sequences of school-to-work transitions (Brzinsky-Fay, 2007).

Drawing on the above-mentioned theoretical perspectives, we selected two sets of macro-level variables characterizing the nature of industrial relations (based on the employment regimes literature) and the education system (based on the school-to-work transitions literature). Table 2.1 presents these variables and their operationalization, as well as the expected impact on the employment–well-being relationship.

The first three variables characterize the system of education. It is relatively well documented that high levels of standardization, stratification and vocational orientation strengthen the education–job match. This should have a positive impact on employment quality and, consequently, on the employment–well-being relationship. We have similar expectations with respect to the variables characterizing the strength of organized labour, which is the main element shaping the features of employment regimes. The first two control variables are closely related to both the employment regimes and the school-to-work transitions literature. We expect that employment integration policies will strengthen the employment–well-being relationship because they will generally strengthen skill– and education–job matches. We have mixed expectations with respect to the level of employment protection. On the one hand, a high level of job security increases the quality of employment; on the other hand, a high level of employment protection discourages employers from hiring young workers who, after prolonged periods of job search, might accept jobs of lower quality. The last two control variables characterize the functioning of the economy and the labour market. Although we do not have any strong expectations, we suspect that in countries with well-functioning labour markets and under favourable economic conditions, the quality of employment will increase, and this should strengthen the link between employment and well-being.

### **3.3 Results**

In the first step of the analysis a total number of 36 regressions specified in Equation (2.1) were estimated (a separate regression model was run for each country). The most important regression estimates are presented in Table 2.2.

In most cases the coefficients associated with the employment status

*Table 2.1 Description of macro-level variables and their expected impact on employment–well-being relationship*

Variable	Description	Expected impact
Education system		
Standardization	Standardization of output index constructed by Bol and Van de Werfhorst (2012): a dummy variable indicating whether in a country there is a curriculum-based central exit exam.	Positive
Stratification (tracking)	A tracking index developed by Bol and Van de Werfhorst (2012) based on three sub-indices: (1) age of first selection, (2) percentage of total curriculum that is tracked, (3) number of tracks available for 15-year-olds.	Positive
Vocational orientation	A share of vocational students in upper-secondary education.	Positive
Industrial relations (strength of organized labour)		
Trade union density	A share of workers who are trade union members.	Positive
Collective bargaining coverage	A share of workers to whom collective bargaining agreements apply.	Positive
Control variables		
Employment protection	An index of employment protection legislation (OECD).	Mixed
Employment integration policies	Spending on labour market programmes as a share of GDP.	Positive
Youth unemployment rate	–	Mixed/negative
GDP per capita	–	Mixed/positive

*Note:* Synthetic indicators developed by Bol and Van de Werfhorst (2012) use the data for the period 2002–08. As regards other indicators, we have calculated the country averages for the period 2002–14.

variable were positive and statistically significant at the level of 5 per cent. This can be interpreted as a beneficial effect of employment on well-being or, inversely, as a detrimental effect of unemployment on well-being (more precisely, the value of the coefficient refers to the difference in declared life

*Table 2.2 The impact of employment (vs unemployment) on well-being. Regression coefficients by country*

Country	Coefficient	N	Country	Coefficient	N
AL	-0.118	182	IL	-0.003	2099
AT	0.533***	1454	IS	1.859***	198
BE	0.446***	2322	IT	0.434	324
BG	0.492**	1068	LT	0.729***	747
CH	0.821***	2187	LU	1.321***	563
CY	0.342	787	LV	0.661	316
CZ	0.256	1848	NL	0.578***	2041
DE	0.842***	2836	NO	0.697***	2214
DK	0.624***	1623	PL	0.321***	2423
EE	0.437**	1578	PT	0.084	2179
ES	0.761***	2699	RO	0.112	324
FI	0.554***	1947	RU	0.426**	1979
FR	0.945***	1744	SE	0.891***	2391
GB	0.424***	2585	SI	0.255	1479
GR	0.232	1532	SK	0.946***	1354
HR	0.393	480	TR	-0.102	711
HU	0.666***	1680	UA	0.355**	1497
IE	0.643***	2727	XK	0.039	224

*Note:* \*\*\*statistically significant at 1%; \*\*statistically significant at 5%.

*Source:* Author's calculations.

satisfaction between the unemployed and the employed). Some clusters of results can be recognized at first glance. In general, a stronger employment–well-being relationship is observed in the countries representing the inclusive and dualist employment regimes, usually with developed vocational education systems and with well-functioning labour markets.

Tables 2.3a and 2.3b, where countries are clustered according to employment regime, present a clearer picture. Based on the grouping suggested by Gallie (2011), we have assumed that the Nordic countries represent an inclusive regime, that Continental coordinated countries (mostly German-speaking countries) represent a dualist regime and that the United Kingdom is an example of a market regime. For the purpose of the comparison we have also shown the results recorded for Mediterranean countries and transitional/post-socialist economies (it is unclear, however, which of the three above-mentioned regimes these countries represent).

In order to compare inclusive and dualist regimes, in Tables 2.3a and 2.3b we have presented the results of the modified specification of Regression

*Table 2.3a The employment–well-being relationship by contract type in countries representing different employment regimes*

Country	Unltd. contract/ unemployed	Ltd. contract/ unemployed	Unltd. contract/ ltd. contract	N
Sweden	0.934**	0.821**	0.113	2391
Norway	0.747**	0.581**	0.166	2214
Denmark	0.696**	0.431**	0.265**	1623
Finland	0.579**	0.514**	0.065	1947
Germany	0.927**	0.700**	0.227**	2836
Switzerland	0.814**	0.839**	−0.024	2187
Austria	0.493**	0.671**	−0.179	1454
Netherlands	0.578**	0.578**	0.000	2041
Belgium	0.534**	0.269**	0.265**	2322
United Kingdom	0.478**	0.302*	0.176	2585

*Note:* \*\*\*statistically significant at 1%; \*\*statistically significant at 5%.

*Source:* Author's calculations.

*Table 2.3b The employment–well-being relationship by contract type in countries representing different employment regimes, cont'd*

Country	Unltd. contract/ unemployed	Ltd. contract/ unemployed	Unltd. contract/ Ltd. Contract	N
Spain	0.920***	0.607***	0.313***	2699
Italy	0.504	0.294	0.21	324
Greece	0.227	0.237	−0.01	1532
Portugal	0.076	0.092	−0.016	2179
Slovakia	1.035***	0.783***	0.253	1354
Lithuania	0.764***	0.589	0.175	747
Hungary	0.754***	0.478**	0.276	1680
Poland	0.517***	0.199	0.319***	2423
Czech Rep.	0.333**	0.129	0.204	1848
Slovenia	0.262	0.246	0.016**	1479
Romania	0.215	−0.502	0.718	324

*Note:* \*\*\*statistically significant at 1%; \*\*statistically significant at 5%.

*Source:* Author's calculations.

Model (2.1), where the group of employees is divided according to contract type (unlimited duration and temporary contracts). The countries where the employment–well-being relationship was strongest represent dualist and inclusive regimes. We have not found any polarization in the employment–well-being relationship between persons employed on different contract types. Such polarization was expected in dualist regimes, which have differences in quality of employment between core and peripheral segments of the labour market (we expected that temporary contracts would be more prevalent in the latter segment). Nordic and Continental coordinated countries constituted a group in which also temporary employment was associated with a strong increase in well-being (in comparison to the unemployed). In other countries, on average, the employment–well-being relationship was much weaker and people employed on temporary contracts often did not report higher levels of satisfaction than the unemployed.

At first glance, the employment–well-being relationship seems to be moderately correlated with some control variables (56 per cent correlation with GDP, 38 per cent correlation with labour market programme spending) or with variables characterizing the strength of organized labour (36 per cent correlation with union density, 28 per cent correlation with collective bargaining coverage). The scatter plots presented in Figures 2A.1 to 2A.8 (in the Appendix, this chapter) show that in many instances these correlations are strongly affected by two outliers – Iceland and Luxembourg.

In order to inspect the cross-country differences in the employment–well-being relationship more precisely, we have estimated the model specified in Step 2. Due to the small number of cases, we ran two specifications of Step 2 separately – for variables characterizing the strength of organized labour and for variables characterizing the education systems. As mentioned before, the cases (countries) for which the employment–well-being relationship was estimated less precisely obtained lower weights. Since this was the case for two outliers – Iceland and Luxembourg – their influence on the regression results was strongly reduced. The results of the estimation of both specifications are presented in Tables 2.4 and 2.5.

Both specifications have been estimated with and without the set of control variables. The coefficients of variables specifying the education system (stratification, standardization and vocational orientation) have indicated the expected signs, but they are not statistically significant. The coefficients of variables specifying the strength of organized labour are highly insignificant and change their signs to negative after the inclusion of the set of control variables (see Table 2.5). The only variables that seem to influence the employment–well-being relationship are control variables, specifically spending on labour market programmes and GDP per capita. These results are consistent with the explanation that employment integration policies

*Table 2.4 Determinants of employment–well-being relationship:  
Characteristics of school-to-work transition system*

	Model 1			Model 2		
	Coeff.	Std. err.	P-value	Coeff.	Std. err.	P-value
Vocational orientation	0.035	0.113	0.757	0.011	0.100	0.913
Educational tracking	0.000	0.075	0.998	0.138	0.072	0.076
Educational standardization	–0.009	0.142	0.949	0.128	0.133	0.352
Labour market protection				–0.110	0.095	0.265
Youth unemployment				0.025	0.011	0.033
GDP per capita				0.010	0.005	0.040
LMP expenditure				0.401	0.220	0.090
Constant	1.065	0.301	0.002	–0.290	0.506	0.576
	N=24			N=22		
	adj. R <sup>2</sup> =0.01			adj. R <sup>2</sup> =0.26		

*Source:* Author's calculations.

*Table 2.5 Determinants of employment–well-being relationship:  
Characteristics of industrial relations*

	Model 1			Model 2		
	Coeff.	Std. err.	P-value	Coeff.	Std. err.	P-value
Bargaining coverage	0.003	0.003	0.277	–0.002	0.003	0.438
Trade union density	0.001	0.003	0.857	–0.005	0.003	0.120
Labour market protection				–0.105	0.094	0.282
Youth unemployment				0.012	0.008	0.151
GDP per capita				0.009	0.004	0.044
LMP expenditure				0.478	0.230	0.052
Constant	0.899	0.260	0.002	0.410	0.336	0.237
	N=29			N=25		
	adj. R <sup>2</sup> =0.08			adj. R <sup>2</sup> =0.24		

*Source:* Author's calculations.

(proxied by labour market policy spending) generally increase skill– and education–job matches, which strengthens the employment–well-being relationship, and that in more developed economies (proxied by GDP per capita) the quality of employment increases, making the association between employment and well-being stronger.



The lack of statistically significant moderating effects of macro-level variables characterizing education systems and industrial relations could result from small sample sizes in the regression analyses. Hence, at this stage it seems to be too early to reject the hypothesis that these factors do not moderate the effect of employment status on life satisfaction. A possible solution to overcome this problem would be the application of a multi-level model with individual-level and country-level variables as regressors. In such a model – less vulnerable to a small sample size problem – the moderating effects could be identified by cross-level interaction terms. This empirical strategy would enable a more precise estimation of the coefficients and enlarge the set of macro-level factors that potentially moderate the relationship between employment status and life satisfaction.

Some recent studies suggest potential candidates for such variables. Eichhorn (2013) has studied the moderating role of age and income distribution in a country. His results suggest that in older societies, where public pension systems are under more pressure, a job loss is particularly damaging to well-being. Furthermore, higher income inequality weakens the employment–well-being relationship because the disparity affects the reference group framework. As explained by Graham: ‘countries with high inequality are also, on balance, poorer than other countries, so the unemployed may have less far to fall’ (Graham, 2009: 181).

The other group of macro-level variables includes attitudinal and cultural factors. Eichhorn (2013) and Stam et al. (2016) have proved that losing a job is more detrimental in societies that appreciate work highly and is less damaging in countries where more value is attached to individuals’ free choice and autonomy. Finally, Wulfgramm (2014) and Voßemer et al. (2017) have distinguished between the active and passive (unemployment benefits) components of labour market policy and have analysed separately their impact on the employment–well-being relationship. These authors claim that both types of measures should buffer the negative consequences of unemployment on well-being because active labour market programmes (e.g., apprenticeships) to some extent imitate ‘real jobs’, while unemployment benefits reduce the income insecurity of the unemployed. Their hypotheses have found mixed empirical support, suggesting that in future research it would be interesting to test the moderating role of labour market policy at a lower level of aggregation (e.g., regarding a particular labour market measure). To sum up, the empirical strategy outlined above should increase the statistical significance of the results. Such a framework would also offer sufficient flexibility to test different specifications of regression models and to verify what macro-level factors have the strongest impact on the relationship between employment status and well-being.

## 4 CONCLUSIONS

The detrimental effect of unemployment on individual well-being is relatively well documented. However, most of the analyses studying this phenomenon concern individuals of prime age. The aim of this chapter was to estimate the employment–well-being relationship with a focus on a particular cohort, that is, individuals at the beginning of their professional careers. In the empirical part of the chapter we used data from the ESS and adopted a comparative perspective, seeking to identify the macro (country-level) factors influencing the strength of the relationship between employment status and level of individual well-being. We assumed that international differences in the employment–well-being relationship could be explained through differences in employment quality as determined by the characteristics of education systems and industrial relations. In most of the countries studied we identified statistically significant associations between employment status and well-being. At the level of the descriptive statistics, the strength of the employment–well-being relationship followed the expected pattern – the strongest relationships were identified in German-speaking and Nordic countries, compared to a much weaker relationship in the United Kingdom and the Mediterranean countries, while the states from Central and Eastern Europe did not reveal any common pattern. Such a clustering of results might suggest that the employment–well-being relationship is particularly strong in countries with well-functioning labour markets, a high quality of employment as well as education systems that facilitate smooth labour market entry. This is in line with previous studies (e.g., Krueger and Mueller, 2012) reporting that the employment–well-being relationship does not refer to any job in particular, rather to employment of a certain level of quality. However, the more detailed investigation based on the regression analysis did not confirm these findings. Only two macro-level variables turned out to be statistically significant determinants of the employment–well-being relationship: GDP per capita and expenditure on labour market policy.

In this study two groups of factors were of particular interest to us – the characteristics of industrial relations and education systems. From the practical point of view, the latter group is more interesting since education seems to be more policy amenable. The analysis initiated in this chapter adds to our understanding of education's core function – the labour market allocation of graduates. So far, this allocative efficiency has been tested with the use of various outcomes such as youth unemployment rate, strength of the relationship between education and occupational status, temporary employment incidence, duration of transition into first significant job, duration of job search and average job tenure. We contribute to

this discussion by studying another potential quality of education systems – the ability to match graduates with satisfactory jobs.

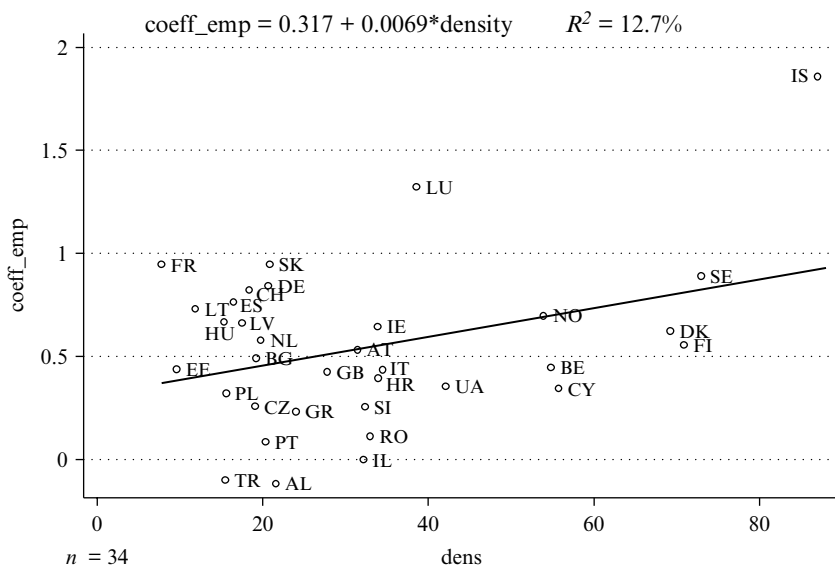
## REFERENCES

- Allmendinger J (1989) Educational systems and labor market outcomes. *European Sociological Review* 5(3): 231–50.
- Bell DN and Blanchflower DG (2009) *What should be done about rising unemployment in the OECD?* IZA Discussion Paper no. 4040. Bonn: Institute for the Study of Labor.
- Bell DN and Blanchflower DG (2010) UK unemployment in the Great Recession. *National Institute Economic Review* 214(1): 3–25.
- Bell DN and Blanchflower DG (2011) Young people and the great recession. *Oxford Review of Economic Policy* 27(2): 241–67.
- Boarini R, Comola M, De Keulenaer F, Manchin R and Smith C (2013) Can governments boost people's sense of well-being? The impact of selected labour market and health policies on life satisfaction. *Social Indicators Research* 114(1): 105–20.
- Bol T and Van de Werfhorst HG (2012) *Measuring educational institutional diversity: External differentiation, vocational orientation and standardization*. AMCIS Working Paper no. 1. Amsterdam: Amsterdam Centre for Inequality Studies.
- Bol T and Van de Werfhorst HG (2013) Educational systems and the trade-off between labor market allocation and equality of educational opportunity. *Comparative Education Review* 57: 285–308.
- Breen R (2005) Explaining cross-national variation in youth unemployment market and institutional factors. *European Sociological Review* 21(2): 125–34.
- Brzinsky-Fay C (2007) Lost in Transition? Labour market entry sequences of school leavers in Europe. *European Sociological Review* 33(4): 409–22.
- Clark AE (2003) Unemployment as a social norm: Psychological evidence from panel data. *Journal of Labor Economics* 21: 323–51.
- Clark AE, Georgellis Y and Sanfey P (2001) Scarring: The psychological impact of past unemployment. *Economica* 68(270): 221–41.
- Clark AE and Oswald AJ (1994) Unhappiness and unemployment. *Economic Journal* 104: 648–59.
- De Lange M, Gesthuizen M and Wolbers MHJ (2014) Youth labour market integration across Europe. *European Societies* 16(2): 194–212.
- Dolan P, Peasgood T and White M (2008) Do we really know what makes us happy? A review of the economic literature on the factors associated with subjective wellbeing. *Journal of Economic Psychology* 29(1): 94–122.
- Dooley D and Prause J-A (2004) *The Social Costs of Underemployment: Inadequate Employment as Disguised Unemployment*. Cambridge, MA: Cambridge University Press.
- Dooley D, Prause J-A and Ham-Rowbottom KA (2000) Underemployment and depression: Longitudinal relationships. *Journal of Health and Social Behavior* 41(4): 421–36.
- Eichhorn J (2013) Unemployment needs context: How societal differences between countries moderate the loss in life-satisfaction for the unemployed. *Journal of Happiness Studies* 14(6): 1657–80.
- Ferrer-i-Carbonell A and Frijters P (2004) How important is methodology for the

- estimates of the determinants of happiness? *The Economic Journal* 114(497): 641–59.
- Frey B and Stutzer A (2000) Happiness, economy and institutions. *Economic Journal* 110(466): 918–38.
- Frijters P, Shields MA and Haisken-DeNew JP (2004) The value of reunification in Germany: An analysis of changes in life satisfaction. *Journal of Human Resources* 39(3): 649–74.
- Gallie D (ed.) (2007) *Employment Regimes and the Quality of Work*. Oxford, UK: Oxford University Press.
- Gallie D (2011) *Production Regimes, Employee Job Control and Skill Development*. LLAKES Research Paper no. 31. London, UK: Centre for Learning and Life Challenges in Knowledge Economies and Societies.
- Gerlach K and Stephan G (1996) A paper on unhappiness and unemployment in Germany. *Economics Letters* 52: 325–30.
- Graham C (2009) *Happiness around the World: The Paradox of Happy Peasants and Miserable Millionaires*. New York: Oxford University Press.
- Hall P and Soskice D (2001) *Varieties of Capitalism*. Oxford, UK: Oxford University Press.
- Harrison E, Quick A and Abdallah S (eds) (2016) *Looking Through the Wellbeing Kaleidoscope*. London, UK: New Economics Foundation.
- Ilmakunnas P and Böckerman P (2006) Elusive effects of unemployment on happiness. *Social Indicators Research* 79(1): 159–69.
- Jahoda M (1982) *Employment and Unemployment: A Social-psychological Analysis*. Cambridge, UK: Cambridge University Press.
- Kahneman D and Krueger AB (2006) Developments in the measurement of subjective wellbeing. *Journal of Economic Perspectives* 20(1): 3–24.
- Kapteyn A, Lee J, Tassot C, Vonkova H and Zamarro G (2015) Dimensions of subjective wellbeing. *Social Indicators Research* 123(3): 625–60.
- Krueger A and Mueller A (2012) Time use, emotional wellbeing and unemployment: Evidence from longitudinal data. *The American Economic Review* 102(1): 594–9.
- Levels M, Van der Velden R and Di Stasio V (2014) From school to fitting work. How education-to-job matching of European school leavers is related to educational system characteristics. *Acta Sociologica* 57: 341–61.
- Lindbeck A, Nyberg S and Weibull JW (1999) Social norms and economic incentives in the welfare state. *Quarterly Journal of Economics* 114(1): 1–35.
- Marsden D (1990) Institutions and labour mobility: Occupational and internal labour markets in Britain, France, Italy and West Germany. In: Brunetta R and Dell’Arlinga C (eds) *Labour Relations and Economic Performance*. Basingstoke, UK: Palgrave Macmillan, pp.414–38.
- Maurice M, Sellier F and Silvestre J-J (1982) *The Social Foundations of Industrial Power*. Cambridge, MA: MIT Press.
- McKee-Ryan F, Song Z, Wanberg CR and Kinicki AJ (2005) Psychological and physical wellbeing during unemployment: A meta-analytic study. *The Journal of Applied Psychology* 90(1): 53–76.
- McKenzie SK, Imlach Gunasekara F, Richardson K and Carter K (2014) Do changes in socioeconomic factors lead to changes in mental health? Findings from three waves of a population based panel study. *Journal of Epidemiology and Community Health* 68(3): 253–60.
- OECD (2013) *Guidelines in Measuring Subjective Well-being*. Paris: OECD.

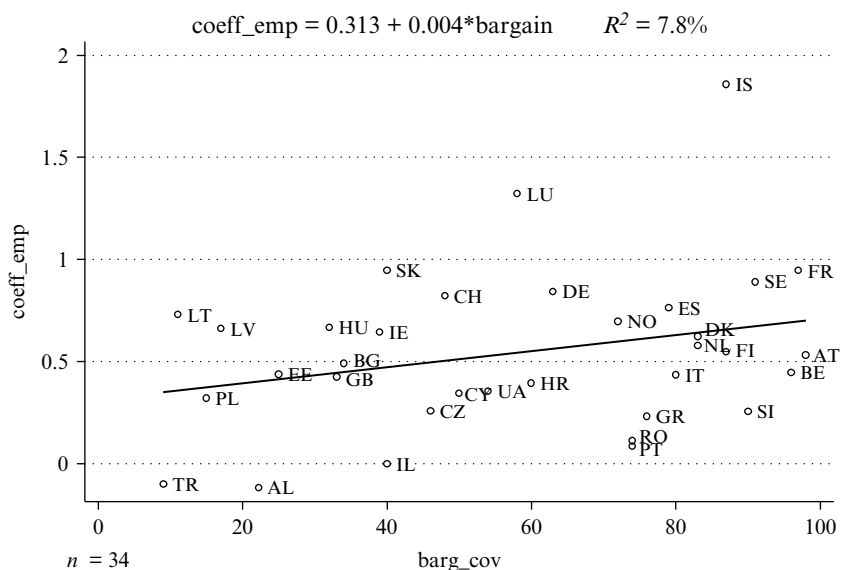
- Raffe D (2008) The concept of transition system. *Journal of Education and Work* 21(4): 277–96.
- Raffe D (2014) Explaining national differences in education-work transitions. *European Societies* 16(2): 175–93.
- Russell H, Leschke J and Smith M (2015) *Balancing flexibility and security in Europe: The impact on young people's insecurity and subjective wellbeing*. STYLE Working Paper no. 10.3. Brighton, UK: CROME, University of Brighton.
- Shavit Y and Muller W (2000) Vocational secondary education. *European Societies* 2(1): 29–50.
- Smyth E, Gangl M, Raffe D, Hannan DF and McCoy SA (2001) *Comparative analysis of transitions from education to work in Europe*. ESRI final report to the European Commission. Dublin: Economic and Social Research Institute.
- Stam K, Sieben I, Verbakel E and De Graaf PM (2016) Employment status and subjective well-being: The role of the social norm to work. *Work Employment and Society* 30: 309–33.
- Stiglitz J, Sen A and Fitoussi J-P (2009) *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Paris: CMEPSP. <http://ec.europa.eu/eurostat/documents/118025/118123/Fitoussi+Commission+report> (accessed 2 June 2018).
- Thomas C, Benzeval M and Stansfeld S (2005) Employment transitions and mental health: An analysis from the British household panel survey. *Journal of Epidemiology and Community Health* 59(3): 243–9.
- Tøge A and Blekesaune M (2015) Unemployment transitions and self-rated health in Europe: A longitudinal analysis of EU-SILC from 2008 to 2011. *Social Science & Medicine* 143: 171–8.
- Van der Meer P (2014) Gender, unemployment and subjective wellbeing: Why being unemployed is worse for men than for women. *Social Indicators Research* 115(1): 23–44.
- Voßmer J, Gebel M, Täht K, Unt M, Högberg M and Strandh M (2017) The effects of unemployment and insecure jobs on well-being and health: The moderating role of labor market policies. *Social Indicators Research*. Epub ahead of print. DOI: 10.1007/s11205-017-1697-y.
- Warr PB (1987) *Work, Unemployment, and Mental Health*. New York: Oxford University Press.
- Warr PB (2007) *Work, Happiness, and Unhappiness*. New York: Erlbaum.
- Winkelmann L and Winkelmann R (1998) Why are the unemployed so unhappy? Evidence from panel data. *Economica* 65: 1–15.
- Winkelmann R (2009) Unemployment, social capital, and subjective wellbeing. *Journal of Happiness Studies* 10(4): 421–30.
- Woessmann L, Schütz G and Ursprung HW (2005) *Education policy and equality of opportunity*. IZA Discussion Paper no. 1906. Bonn: Institute for the Study of Labor.
- Wolbers MHJ (2007) Patterns of labour market entry: A comparative perspective on school-to-work transitions in 11 European countries. *Acta Sociologica* 50(3): 189–210.
- Wulfram M (2014) Life satisfaction effects of unemployment in Europe: The moderating influence of labour market policy. *Journal of European Social Policy* 24(3): 258–72.

## APPENDIX



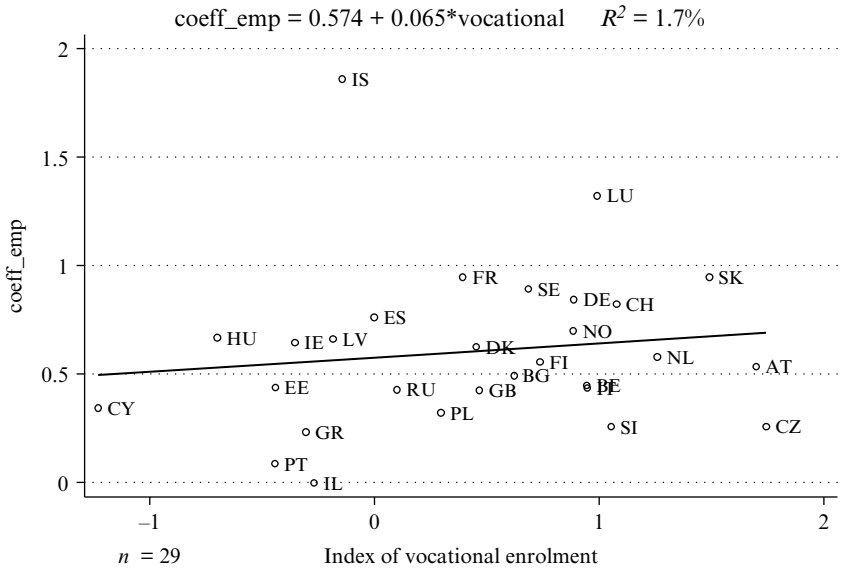
Source: Employment-well-being coefficient: European Social Survey. Trade union density: OECD.

Figure 2A.1 The employment-well-being relationship and trade union density



Source: Employment-well-being coefficient: European Social Survey. Collective bargaining coverage: OECD.

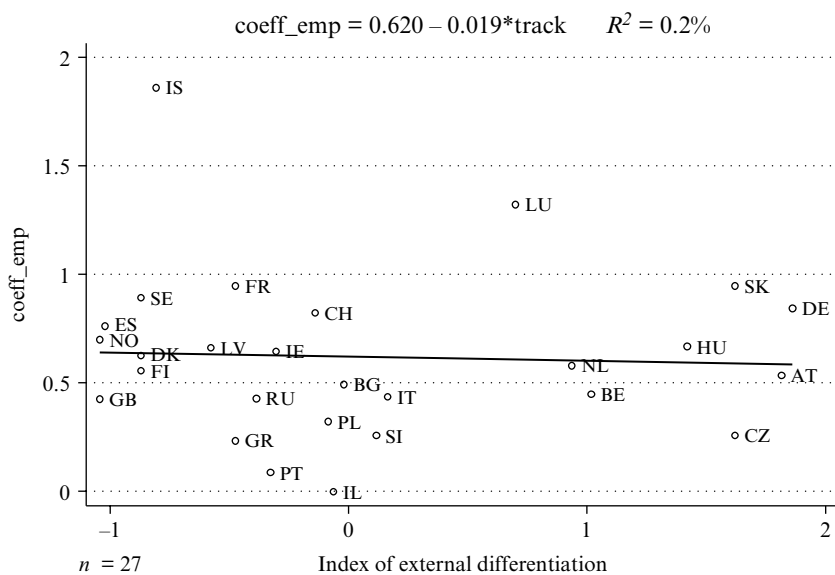
Figure 2A.2 The employment-well-being relationship and bargaining coverage



Source: Employment-well-being coefficient: European Social Survey. Vocational enrolment: OECD.

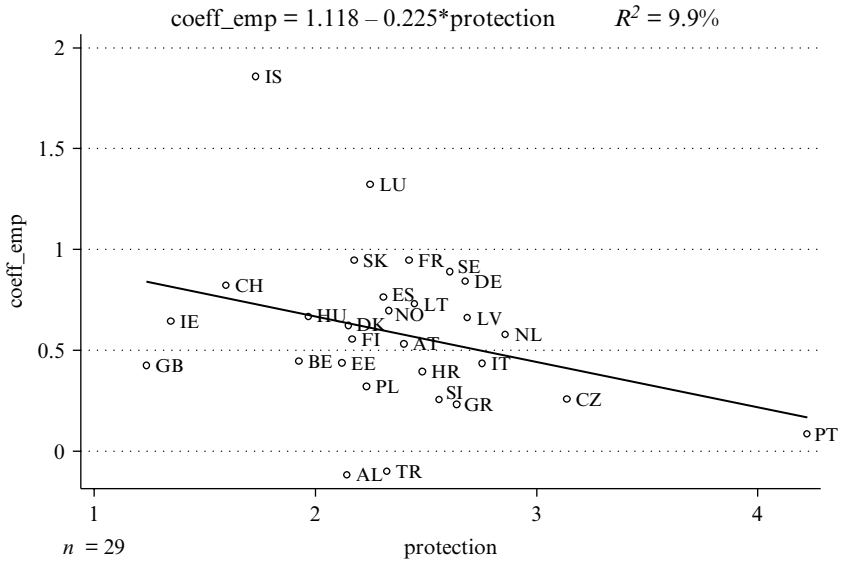
Figure 2A.3 The employment-well-being relationship and the share of vocational students (secondary level)





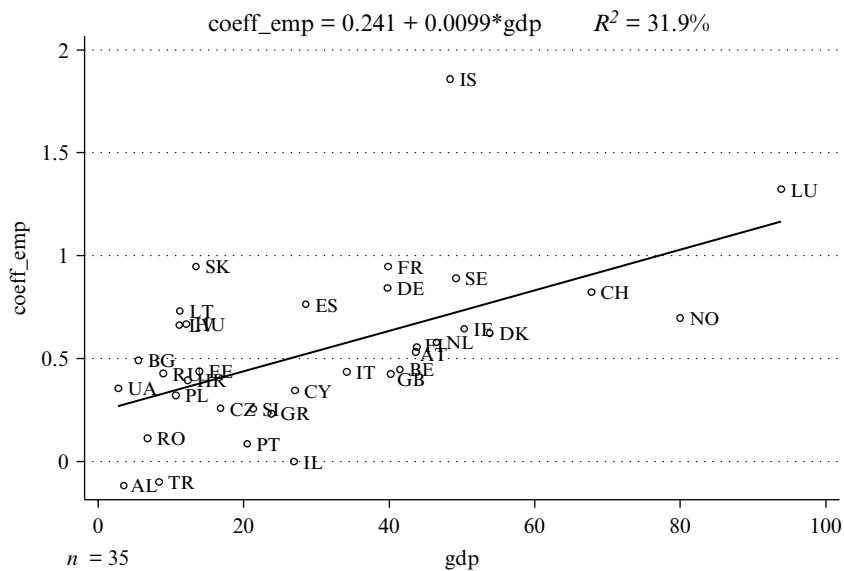
Source: Employment–well-being coefficient: European Social Survey. Index of external differentiation: Bol and Van der Werfhorst (2012).

*Figure 2A.4 The employment–well-being relationship and educational stratification*



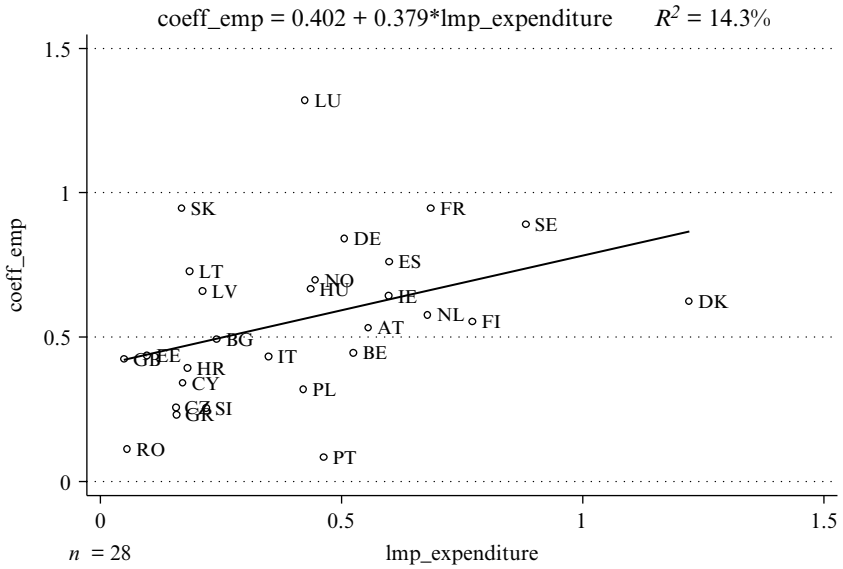
Source: Employment-well-being coefficient: European Social Survey. Index of employment protection: OECD.

Figure 2A.5 The employment-well-being relationship and employment protection



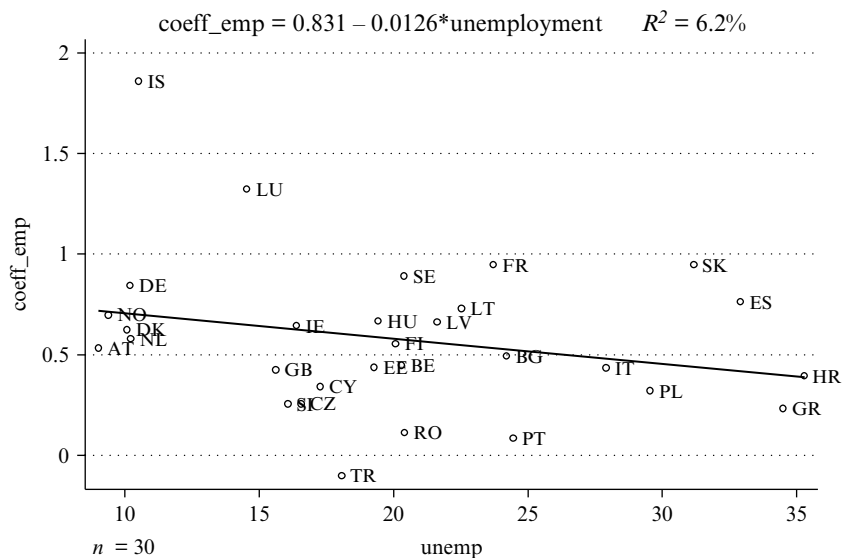
Source: Employment–well-being coefficient: European Social Survey. GDP: OECD.

Figure 2A.6 The employment–well-being relationship and GDP per capita (US\$ in thousands)



Source: Employment-well-being coefficient: European Social Survey. LMP expenditure: OECD.

Figure 2A.7 The employment-well-being relationship and spending on labour market programmes (as a share of GDP)



Source: Employment-well-being coefficient: European Social Survey. Unemployment rate: OECD.

Figure 2A.8 The employment-well-being relationship and the youth unemployment rate

### 3. Four narratives of overcoming early job insecurity in Europe: a capability approach

**Kjetil Klette Bøhler, Veneta Krasteva,  
Jacqueline O'Reilly, Janikke Solstad Vedeler,  
Rumiana Stoilova and Ida Tolgensbakk**

---

#### 1 INTRODUCTION

Overcoming early job insecurity is a demanding challenge for young people, even when labour market conditions are favourable. Over the past decades, young Europeans have had to face some very significant obstacles: the economic crisis of the 1980s, the collapse of the communist regimes and, most recently, the financial crisis. These major economic and political upheavals have made youth trajectories into adulthood even more arduous. Through a comparative analysis of nine qualitative life-course interviews from seven European countries (Greece, Norway, Germany, Poland, Bulgaria, the United Kingdom and the Czech Republic), this chapter examines the subjective consequences of these challenges.

Four main narratives emerge from our analysis: (1) the Stumbler, (2) the Stigmatized, (3) the Great Crisis and (4) the Messy Life. The Stumbler narrative encompasses life-course trajectories where unemployment and precarious work situations had few lasting consequences for individuals' prospects for meaningful work. The Stigmatized narrative captures young people who have faced lasting difficulties that they attribute to characteristics they are unable to change, for example ethnicity and disability. The Great Crisis narrative refers to groups of people trying to find work at a time when significant political or economic upheavals hampered these attempts. We focus here on the financial crisis of 2008, looking at how broader macro-structural changes impacted on young people's personal sense of active agency. Lastly, the Messy Life narrative characterizes individuals who question society's ideals about work–life balance and develop

alternative visions of the life they want to live that contrast with the norms and values of their social peers.

Conceptually, we interpret these four narratives through the lens of the capability approach (Sen, 1992, 1993, 2009) to demonstrate how each narrative expresses different forms of *capability* – here meaning the extent to which we can live a life that we have ‘reason to treasure’ (Sen, 2009: 227), despite facing different levels of adversity in diverse societal arrangements. We pay particular attention to the *conversion factors* that enable or prevent individuals’ conversion of their social, economic or political resources so as to enhance their capabilities. This analysis goes beyond quantitative approaches by providing an in-depth understanding of how individual actors perceive these challenges, what they are capable of doing about them, what resources would help them to make successful transitions, and how these insights can inform policymaking at both the European and the local levels.

Much cross-national comparative research on the consequences of youth unemployment and precarious employment has been conducted in recent years, focused either on secondary analysis of large-scale data sets or on policy evaluation (Ayllón and Nollenberger, 2016; Blustein et al., 2013; Fryer, 1997; Kieselbach, 2003; McLaughlin, 2013; O’Reilly et al., 2015, forthcoming; Strandh et al., 2014; Wanberg, 2012). However, there are few cross-national qualitative studies of the subjective effects of unemployment (Tanum and Krogstad, 2014). Existing qualitative approaches have tended to focus on specific cases from individual countries (Gabriel et al., 2010; Shildrick et al., 2012). This lack of systematic qualitative cross-national comparison is due in part to the complexity of conducting such research in different languages and institutional settings. This chapter addresses this gap by examining the extent to which the narratives of young Europeans experiencing job insecurity have commonalities across nation states, while also defining the specificity of these narratives’ particular societal contexts. As such, this research is an important, original and innovative contribution to the debates around how young people have managed to overcome early job insecurity in Europe. We discuss our use of the capability approach and briefly summarize our methodology and research design before presenting the evidence from these interviews and our conclusions.

## 2 THE CAPABILITY APPROACH AND SEVEN CONVERSION FACTORS

Amartya Sen’s capability approach (1992, 1993, 2009) draws attention to a person’s relative freedom and opportunity to live a life according to his

or her visions and values in a given context. While this approach has been widely adopted, it has seldom been used to explore youth employment (Bussi, 2016). In using this theoretical framework, we go beyond economic studies and their focus on productivity and human capital accumulation. We consider instead the extent to which young unemployed or those with insecure jobs are able to live their lives according to their personal needs and wants (Otto, 2015).

Sen describes a person's realization of capability in practice as his or her *functioning* (Sen, 1992: 40). Functionings can vary over time and be influenced by a wide range of what Sen calls *conversion factors* (1981: 26–30). A conversion factor is a way in which a person can convert a resource to improve his or her capability, and these resources and forms of conversion can vary across groups, in different geographical locations and over time.

Robeyns (2005) distinguishes between personal, social and environmental conversion factors that impact on a person's functionings:

First, personal conversion factors (e.g., metabolism, physical condition, sex, reading skills, intelligence) influence how a person can convert the characteristics of the commodity into a functioning. . . Second, social conversion factors (e.g., public policies, social norms, discriminating practises, gender roles, societal hierarchies, power relations) and, third, environmental conversion factors (e.g., climate, geographical location) play a role in the conversion from characteristics of the good to the individual functioning. (Robeyns, 2005: 99)

Sen (in Hvinden and Halvorsen, 2017: 5) differentiates between five types of conversion factors: (1) *personal heterogeneities*, that is, the diversity of individual characteristics (e.g., physical and mental capacities, knowledge and skills); (2) *distributions within the family*, such as the extent to which family relations influence a person's capability (e.g., by providing services, networks, economic capital and the gendered division of labour); (3) *differences in relational positioning* (e.g., cultures, social norms and conventions that negatively affect one's respect for others, and a sense of dignity, self-respect and 'ability to appear in public without shame'; (4) *varieties in social climate* (e.g., the quality of public services and community relations); and (5) *environmental diversities* (e.g., climate, differential exposure and risk of illness).

Despite the significant explanatory power of Sen and Robeyns's understandings of conversion factors, we argue that their sub-categories are both too few and too broad to adequately capture the complex empirical reality that shapes a person's sense of capability in practice. For example, by grouping such various phenomena as 'public policies, social norms, discriminating practises, gender roles, societal hierarchies and power relations' within a broad rubric termed 'social conversion factors' (Robeyns,



2005: 99), Robeyns does not pick up on specific experiences of these diverse factors. For instance, a specific public policy to promote gender equality may have little traction where discriminatory practices and social norms are not supportive of such policies. The broad dimensions included in Robeyns's social conversion factors are not sufficiently fine-grained.

We therefore propose a more nuanced conceptual framework of seven conversion factors, building on and expanding Sen and Robeyns's arguments. This approach allows us to identify the complex contextual factors affecting youth unemployment and job insecurity transitions amongst young adults. We propose using the following seven conversion factors: (1) institutional, (2) social, (3) familial, (4) economic, (5) cultural, (6) political and (7) personal.

*Institutional conversion factors* address the impact of institutions (either state-run or non-state) on a person's sense of capability – that is, the ways in which a school, an unemployment agency office or a football club might alter a person's ability to live a life according to his or her visions and values. *Social conversion factors* address the abiding influence of individual friends, friend groups or social networks on personal capability. *Familial conversion factors* associate capability with relations within the family. *Economic conversion factors* address an individual's income and wealth in relation to capability. *Cultural conversion factors* capture capability's relationships to cultural norms, practices and customs, such as, for example, how discrimination against ethnic groups or expected patterns of behaviour related to gender may enable capability for some people and hinder it for others. *Political conversion factors* designate how larger changes in the politics or economy of a nation (e.g., the impact of a financial crisis or the change from socialism to capitalism) impact on a person's possibilities for capability. *Personal conversion factors* address how the active agency of an individual might improve his or her capability, including choices about voluntary versus paid work in relation to an individual's well-being and/or human capital.

Conversion factors can have both positive and negative effects (Halvorsen and Böhler, 2017: 177; Hvinden and Halvorsen, 2017: 5). In the following analysis we use this approach to examine forms of functioning, while also drawing on Robeyns's (2003) argument that conversion factors all interrelate with gender differences. We also take account of interaction effects between conversion factors causally and over time. These interactions can operate both *synchronically* (i.e., in how social, familial and institutional conversion factors interplay in time) and *diachronically* (i.e., how various conversion factors affect causal relationships over time). In addition to the analytical framework provided by the capability approach and our nuanced set of seven conversion factors, we also draw on Tannen's (2008) concept of big-N and small-n narratives to allow us to interpret our data.

### 3 METHODOLOGICAL APPROACH: BIG-N AND SMALL-N NARRATIVES

A ‘big-N’ narrative develops ‘a storyline or theme that functions as a coherence principle organizing a speaker’s discourse’ (Tannen, 2008: 227). Each narrative is identified based on the interpretation of what Tannen terms ‘small-n’ narratives, or ‘accounts of specific events and interactions that speakers told’ (Tannen, 2008: 209). Small-n narratives are defined as micro-level accounts of specific events experienced by the interviewees. Analysis of statements from these individual narratives builds evidence for the big-N narratives.

Here we use narratives to identify our respondents’ most common accounts of unemployment and job insecurity, looking at how these narratives manifest different functionings for groups of individuals across countries and cultural contexts. We focus on general and shared experiences, while keeping societal specificities in sight. By drawing upon subjective narratives about the extent to which an unemployed individual can live a life according to his or her own needs and wants, we transcend common binary views that differentiate between only productive and non-productive labour forces. In this way we can understand how participation in the public sphere of economic production and paid employment is shaped by the private sphere of social reproduction specific to that individual (O’Reilly et al., 2017). These various unique stories or narratives about different functionings contribute to narratives that encompass both national context and issues of intersectionality.

### 4 RESEARCH DESIGN

This study analyses nine qualitative life-course interviews with men and women born in three birth cohorts (1950–55, 1970–75 and 1990–95) in seven European countries: Bulgaria, the Czech Republic, Germany, Greece, Norway, Poland and the United Kingdom. We focused on interviewees with a high-school level of education who had been unemployed or in a precarious work situation for more than four months before the age of 25 (for details of the qualitative data collection and method, see Hvinden et al., Chapter 1 this volume).

All interviews were based on a common interview guide initially developed in English in an iterative process between the research teams, while the final versions were translated into the relevant local languages. The interview guide was thematically organized, and each interview lasted between one and two hours. The interviews were conducted between May

2016 and November 2016; all were tape-recorded and then transcribed into the relevant national language. Summary reports of each interview were translated into English so that the material could be shared and analysed by all the research teams.

All interviewees have been anonymized using pseudonyms. Ethical approval ensuring that vulnerable respondents and the researchers themselves were covered by a duty of care was obtained from the Norwegian Centre for Research Data, as well as local ethical research committees at the universities in the respective countries.

## 5 FOUR NARRATIVES: SUBJECTIVE EXPERIENCES OF EARLY JOB INSECURITY

We identified four narratives in our data: the *Stumbler*, the *Stigmatized*, the *Great Crisis* and the *Messy Life*. The *Stumbler* narrative captures life stories where the experience of unemployment or precarious employment had little overall impact on a person's sense of capability. Drawing on a range of conversion factors, these individuals eventually secured work they liked and found to be meaningful. The *Stigmatized* narrative refers to those experiencing recurring unemployment that they attributed to characteristics they could not change, such as ethnicity and disabilities. The *Great Crisis* narrative points to macro-structural political conversion factors as exceptional obstacles to overcoming early job insecurity. Finally, the *Messy Life* narrative characterizes individuals whose visions concerning the lives they wanted to live were alternative to the dominant norms and values of their social peers. The cases selected below illustrate these different narratives and analyse the complex interplay between specific functionings and conversion factors.

### 5.1 The Stumbler Narrative

Born in the 1970s in the eastern part of Norway, Thor finished upper-secondary school in the early 1990s, completing his final exams a little late following his obligatory military service. Gaining admission to a university was hard at that time because high levels of unemployment had resulted in more applicants, which inflated grade requirements. Thor's job applications were equally unsuccessful; he recalled that there were almost no job opportunities throughout 1992. Still, he managed to live independently by paying a relatively cheap rent to a friend and roommate and drawing unemployment benefits as an entitlement resulting from his military service; he also worked on Saturdays as a postman.

The focal point of his social life was hanging out at the local pub on weekdays, together with other unemployed young men like himself. Thor described the pub as both a space for creating social networks and an arena for intellectual stimulation, while acknowledging the temptations of late-night drinking:

I was at the local pub almost every day; we drank but didn't always get drunk. Whoever had money bought the beer, that was part of the social thing. . . That pub became essential in our lives. We even went there on Christmas Eve after we had been with our families; it became 'our place' . . . We also talked about real stuff at the pub. I remember we discussed Hannah Arendt, Machiavelli, Aristotle and Plato. We had great discussions. It made me really interested in political theory. (Thor)

As a consequence of this intellectual awakening, Thor started dreaming about studying philosophy and political science.

After being unemployed for a year and a half, Thor eventually found a temporary job at the municipal administration. When he asked his boss why he had been chosen out of 223 applicants, the man replied that the reason was his good grade in English and his work experience and work ethic, evidenced by the fact that he had been a Saturday postman since he was 16 years old. Thor said that this job was a turning point in his life because it provided him with a better income and raised his self-esteem. When it came to an end, he was once again unemployed for nearly a year until he found another temporary job in the administration of the federal government; this position ultimately led to permanent work. However, after a few years Thor felt limited as to what he could achieve in this permanent job and decided he needed better qualifications, so he applied to the university and was admitted. After completing a degree in politics in three years, in 2001 he secured a relevant and permanent position that he loves in the welfare administration of the public sector; he has now been there for 15 years.

### **Identifying conversion factors in Thor's story**

Read in the light of the theoretical framework presented above, Thor's story illustrates a complex interplay of positive and negative conversion factors that influenced Thor's functionings, operating on different levels. First, on the one hand, we see how the military worked as a negative institutional conversion factor by delaying his entry into university studies and, subsequently, the labour market. This conversion factor implicated gender as well, as it was mandatory for young men to do military service at this time. On the other hand, the military also improved Thor's functioning by entitling him to unemployment benefits, thanks to the Norwegian

National Insurance Act,<sup>1</sup> meaning that it also worked as a positive institutional conversion factor.

In this case two institutional conversion factors were coupled diachronically – the institution of the military and the institution of the Norwegian welfare apparatus (represented by the *folketrygd* law). The ways in which Thor managed to survive economically – his low rent, thanks to a friend, and his long-term Saturday job as a postman – are two positive conversion factors. The income from his Saturday job, together with his unemployment benefits, acted as an economic conversion factor that enabled him to meet friends at the pub and live independently of his family in his early 20s. In addition, Thor's close friend/room-mate and the pub community acted as social conversion factors, because they influenced Thor's well-being and sense of autonomy by providing him with a social network and a space for engaging discussions and intellectual growth. Of course, they also exposed Thor to regular alcohol consumption. In this sense, the pub as a social conversion factor influenced Thor's sense of capability positively and negatively at the same time.

However, it was personal conversion factors – that is, the human capital and positive harbinger represented by a good grade in English and ten years of work as a postman – that gave Thor his first job. While this job experience was translated temporally into further personal conversion factors by leading to other jobs afterwards, hence increasing Thor's human capital, he also mobilized impressions from his pub conversations to rethink what he wanted to do. He decided that his current job at the time was not enough for him; moving into higher education enabled him to get a more stimulating and stable job in welfare administration. Earlier conversion factors interacted diachronically and changed Thor's perceptions of the life he wanted to live (i.e., discussing political theory at the pub, along with his Saturday job, enabled him to buy the beers and participate in the pub community). This diachronic perspective underscores the fact that a person's sense of capability cannot be viewed as either static or given but must be viewed as dynamic and changing according to his or her preferences.

### **Female stumblers and the role of gender**

In contrast to Thor, the female Stumbler narratives added early motherhood as a gendered key point. Many individuals reported that they had to postpone higher education and labour market entry after giving birth at an early age. For example, Helena, born in the early 1990s in the Czech

---

<sup>1</sup> See *Lov om folketrygd*, dated 28 February 1997, paragraphs 4–16.

Republic, became pregnant while still in upper-secondary school and felt that this delayed her career path. She had to work in low-skilled jobs (as a cleaner and in a warehouse) throughout the week and study at weekends to sustain herself in her early 20s. She was, in turn, very dependent on her family to help her take care of her son and assist her financially when she could not make ends meet:

If my parents had not helped me, I would be doing really bad. . . They support me a lot. They take care of my son on weekends when I am attending school. . . They support us financially. . . My sisters support me; they have kids, so they give me their clothes and stuff. (Helena)

While Helena described this time in her life as hard because of periods of unemployment followed by job insecurity, she ultimately returned to her secondary education, with a focus on nursing and social services.

Framing Helena's story using the theoretical framework, we see that her family served as a familial conversion factor that enhanced her capability as a young mother in that both her parents and her sisters helped her to realize the life she wanted to live with her new-born son. This familial conversion factor manifested itself by providing financial support (parents) and baby clothes (sisters), as well as providing services in the sense of taking care of Helena's son during the weekend (parents).

Most of the female Stumbler narratives referred to the importance of family (partner or parents) as 'significant others' (Ayllón et al., Chapter 9 this volume) in overcoming problems related to unemployment, which underscores a gendered difference with regard to how individuals cope with unemployment.

Thor and Helena's stories are classified as Stumbler narratives because both these individuals were able to recover from their struggles with unemployment and develop careers. This was thanks to multiple and converging conversion factors that operated both synchronically (in different domains, such as the interplay between social and economic conversion factors) and diachronically (such as the sequence of temporary jobs that led both Thor and Helena to a permanent position).

## **5.2 The Stigmatized Narrative**

In contrast, the Stigmatized narrative refers to people who experience consistent difficulties that they attribute to characteristics they cannot change, such as disability or ethnicity. The life-course interviews with Astrid from Norway and Adléta and Osvald from the Czech Republic illustrate these trajectories.

**Disability discrimination**

Astrid was born with a physical disability in southeast Norway in the early 1990s and always had a strong ambition to work in the field of health management. After finishing upper-secondary education with a specialization in that field, she found herself unable to secure work. She disclosed her disability on her applications because Norwegian employers are legally forbidden from discriminating against people with disabilities. In retrospect, though, she wondered whether this was why she was never called to a job interview. After applying for hundreds of jobs over a period of seven years and participating in multiple internships through state-organized active labour market policies (ALMP), she lost all faith in such measures:

I have been in and out of work training measures for seven years. It's two months here, three months there and five months there. It would have been fine if it got me something permanent afterwards. But I am often told early on that I will never get a permanent position. They call it 'work training'. But I do not want that. I want to be in a job environment where I can participate and be useful. I don't want to be free labour; I want to be useful. (Astrid)

As evidenced by Astrid's repetition of the word 'useful', her main goal was to find work that she liked and where her knowledge was valued. At the time of the interview, Astrid had given up: all she wanted now was a disability pension, 'so that I at least have a stable income'. She felt that a disability pension would relieve her of the pointless 'work training', as well as enable her to find part-time jobs that would fit in with her disability-related health issues.

Astrid's story illustrates how cultural and institutional conversion factors worked in tandem and negatively contributed to her sense of capability (Halvorsen and Bøhler, 2017; Hvinden and Halvorsen, 2017). She perceived cultural conversion factors as discrimination because her disability damaged her ability to find permanent work. The state-sponsored ALMP programme that provided Astrid with an internship operated as an institutional conversion factor that was supposed to supply her with relevant experience to find more stable employment. However, it had no positive long-term outcome. Instead, Astrid went from one internship to another. What could have been positive conversion factors instead led to a string of new trainee programmes, ultimately culminating in her losing faith in her dream of working in health management. The feedback loop between the negative cultural conversion factors (disability discrimination) and the negative institutional conversion factors (internships from the ALMP programmes) made Astrid reconsider her sense of capability. At the time of the interview, she said that she was at the point of trying to formulate new ideas about the life she wanted to live and about how she

could qualify for a permanent disability benefit to provide her with some financial security.

### **Roma discrimination**

Adléta was born in the early 1990s in the Czech Republic; she finished primary school at the age of 15 and tried to find a job. After a year, she became pregnant and stayed home for three years with her child until she was 19. She was living with her grandmother and received only a minimal amount of social assistance. Except for temporary, low-paid jobs, her job search was ultimately unsuccessful. Although her extended family helped her to survive, most of them were unemployed and had little interest in further education. Poverty thus became a vicious circle: with no way to pay for childcare or public transport, Adléta had few options remaining to her. She decided that discrimination and her lack of education were the main obstacles to her success:

They don't give me work just because I am Roma. Being Roma is much more difficult than being just Czech. But it is also difficult for me to find work because I have only lower-secondary education; but being Roma also makes it difficult to enter higher education. Everything is more difficult if you are Roma. (Adléta)

Adléta said she would have accepted just about any job to get the money to raise her child because her access to welfare benefits as a Roma in the Czech Republic was very limited. She was depressed and lacked confidence, expressing great worry about the future due to the difficult situation she was in.

Interpreting Adléta's story, we can see how supportive familial conversion factors were keeping Adléta and her child afloat, but little more. As part of a poor Roma family, Adléta could not expect her family to motivate her: her family had no experience with higher education or business networks to give her work experience. Economic conversion factors also put Adléta in a difficult position in that her poverty hindered her movement and choice of employment. In addition, we can see how two institutional conversion factors, represented by her lack of education and her lack of access to welfare benefits, interplayed synchronically with broader cultural conversion factors related to discrimination against Roma people in general. This synchronic interplay restricted Adléta's possibilities for living a meaningful life that was in line with her own needs and desires. Gender in the form of early motherhood added to her burdens.

A similar experience of a stigmatized narrative is found in the case of Osvald, a Czech Roma born in the 1970s. He left school at age 16 and worked in construction as a low-qualified bricklayer. In the interview he



frequently compared the earlier communist era to his current situation: the past was much better. Before the 1989 revolution he had been a carpenter. In the early 1990s he found it more difficult to find work and it was only with the help of his father that he found a short-term job in a foundry. Welfare reforms introduced after the 1989 revolution meant that Osvald was able to contact several unemployment offices, but he felt that he never got the services and support that he was entitled to; they always perceived him as 'just a lazy Gypsy with no education who doesn't want to work' (Osvald). It was his ethnic identity that he felt disadvantaged him most during this period. Feeling excluded from society with no job security made him deeply depressed, stressed and frustrated, to the point that he began self-harming.

I could not eat, I was in a bad mental state, I was so frustrated and I gave up. . . I begged for work every day. I had to get up and do the same thing every day; every morning I went to the unemployment office and I was told 'no' again and again. I even started to cut myself [shows his arm with thin scars]. I was depressed. (Osvald)

Self-harming worsened both his physical and his mental health, in addition to feeling inadequate at supporting his wife and three children. At the same time, his family was also a source of strength and motivation:

You know what gives me strength? The fact that I have a family! I have kids and a wife, I have to care for them, I have to provide. I cannot lie on the ground and die. (Osvald)

Reading Osvald's story through our theoretical framework, we can see how multiple political, institutional and cultural conversion factors interacted synchronically and negatively to impact on his sense of capability. A general political conversion factor is present in Osvald's description of the regime change from socialism to capitalist democracy following the Velvet Revolution of 1989 and his subsequent loss of work. Institutional conversion factors included Osvald's experiences with the new unemployment offices over the past two decades, which damaged his self-esteem by failing to improve his condition. This condition was linked to a cultural conversion factor represented by increased discrimination against the Roma people after the revolution. The ways in which these three conversion factors interplayed synchronically and diachronically left Osvald in a precarious state, as was apparent from his description of self-harming and deep depression. While the familial conversion factor represented by his wife and three children potentially added to his burden, Osvald noted that his family also had a positive influence on his well-being, providing

him with the strength and motivation to continue the fight. This dual conversion factor, which both positively and negatively impacted on Osvald's sense of capability, was tied to gender roles and Osvald's view of himself as the male breadwinner.

The stories of Astrid, Adléta and Osvald illustrate how the challenges to find stable employment were inter-related with stigmatization and also how their sense of capability deteriorated. These stories also illustrate the complex synchronic and diachronic interplay between cultural and institutional conversion factors that fuel discrimination on multiple levels across societies.

### **5.3 The Great Crisis Narrative**

The 'Great Crisis' narrative represents people whose negative capabilities stem from the consequences of the Great Recession following the financial crisis in 2008. Here we draw on two cases – Theodora from Greece and Nikolai from Bulgaria.

Theodora was born in the south of Greece in the early 1990s and finished high school as the effects of the 2008 financial crisis were completely transforming Greek society. She spent six months applying for jobs until she eventually found some temporary, poorly paid, low-quality work handing out leaflets and providing childcare through contacts with friends and acquaintances. None of these jobs provided any security, so she did not know from one day to the next if she would be employed again. Whilst unemployed she registered at the public unemployment agency, even though she was not receiving unemployment benefits. Her lack of economic independence meant she had to remain living with her parents, although she would have preferred to move in with her boyfriend and start a family. All of these options were on hold. The constant job insecurity affected her sense of identity and mental health as a series of disappointments lowered her self-esteem:

[The lack of work] is a piece of your everyday life. A job gives you an identity, a sense of self. . . Job insecurity or being uncertain about your work situation and being constantly disappointed after having your applications rejected, that all defines you as a person. To a certain degree you lose faith in yourself, you lose your self-confidence, it changes you day by day. . . I felt like life didn't give me back any joy. (Theodora)

The only reliable support she received during these hard times was moral encouragement and economic assistance from her family. She was very sceptical about the support provided by the state via various employment programmes:

Work training programmes that last for five months do not provide any solution; afterwards people are unemployed again. The thing they need to do is to create real job positions and maintain them. If they don't create a climate of growth for companies there is no chance to solve [the problem of] unemployment. Employment programmes don't solve the problem, they are certainly a temporary relief, but they are something temporary. . . I would prefer for people to be able to find a job on their own, without the help of any programme, that would be ideal. (Theodora)

Because of the lack of work prospects, Theodora decided to study information technology and English on her own, and to volunteer in a childcare programme organized by a church:

While I was applying for jobs and nothing was coming out of this, a neighbour told me about this project run by the parish. It wouldn't give me any material profit or remuneration; it was only voluntary work for others, with a specific focus on voluntary work for families with children. And since I was very interested in this, and particularly in children, I saw it as an opportunity to acquire some experience of working with children, even on a voluntary basis. First, I gained some experience that I needed, because it was before I started working as a babysitter, and secondly it helped me psychologically, I felt creative again. (Theodora)

Theodora hoped that her studies would pay off in the future and she had faith in better times to come.

Multiple conversion factors interplayed to hamper Theodora's sense of capability. First and foremost, the political conversion factor represented by the economic crisis put impossible conditions upon the life Theodora wanted to live, as unemployment rates had risen to around 50 per cent amongst young adults in her country, which made work very hard to find. In addition, institutional conversion factors represented by mandatory visits to the unemployment office added to her burden without providing any actual support. Throughout this difficult situation, Theodora's friends and acquaintances came to represent a positive social conversion factor in that they enabled her to find work against all odds. The support from her family also represented a positive familial conversion factor. Both the social and the familial conversion factors interacted with a positive personal factor represented by her volunteer work and ongoing studies to strengthen her sense of well-being and enhance the human capital she hoped would lead her to work in the future.

Nikolai, who was born in the 1990s in Bulgaria, provides a contrasting example of a Great Crisis narrative. Against all the odds, he got his first job in the printing sector during the first three years of the economic crisis, between 2007 and 2010, right before he completed his upper-secondary education. However, in 2010, during the peak of the crisis in Bulgaria,

he left his job as a result of decreased market demand and a reduction in pay. After applying for other work in the same field for six months with no success, he started work as a plastic machine operator, despite having no skills in this area and finding the pay to be low here too. Nikolai was the breadwinner of the family, supporting his wife, son and new-born daughter, which continuously drove him to seek better pay in the throes of the crisis. Thanks to his new skills and his social network at work, Nikolai was soon able to find new work with better pay in the same field. A couple of months later, however, the company went bankrupt, and he was unemployed for around four months. Nikolai recalls it as a tough time:

I was depressed and unhappy then. I was the head of the family but could not prove myself as such, I couldn't provide for my family. My self-confidence was deeply affected. . . Then I drank. I drank a lot. But that only helped me for a while. I stopped eating and lost a lot of weight, I remember – my weight was only 48 kg at the worst, compared to now, when my weight is 95 kg. (Nikolai)

The effect on Nikolai undermined his masculine identity as breadwinner for his family. This feeling of failing as a man affected him both mentally (his depression) and physically (his weight loss). Eventually, a neighbour helped Nikolai connect with a foreign company, where he has worked for the last four years for decent pay, enabling him to take care of his family.

Various conversion factors are at play in Nikolai's narrative. First, a personal conversion factor – his role as male breadwinner – prevented him from seeking institutional support because of issues of pride. Understood in terms of the capability approach, this personal conversion factor (breadwinner identity) blocked Nikolai from accessing other possible forms of institutional conversion factors such as support from the state through various programmes. Nonetheless, other personal conversion factors, represented by a good knowledge of English and a willingness to work hard, eventually became economic conversion factors by increasing Nikolai's income and allowing him to fulfil his breadwinner ideals. When Nikolai's life course was at its worst he relied heavily on support from his relatives and friends (positive social conversion factors) and his wife (familial conversion factor).

Taken together, these examples of Great Crisis narratives demonstrate how one powerful political conversion factor can severely hamper an individual's sense of active agency, and how this factor then interacts with institutional, social, familial, economic and personal conversion factors in complex ways as well. While these synchronic and diachronic interactions usually have a negative impact on one's sense of capability, the data also demonstrate that people are sometimes able to mobilize active agency,

against all odds, thanks to positive feedback loops between specific conversion factors (e.g., between social, familial and personal conversion factors, as in the case of Theodora).

#### **5.4 The Messy Life Narrative**

Young people who follow trajectories that result in ‘messy lives’ have often chosen pathways outside of mainstream life.

Moritz, born in Germany in the 1950s, spent his adolescence, in the early 1970s, hitchhiking across Europe. He became part of a punk culture nurturing an alternative ideology about life values. He felt disorientated and separated from a bourgeois way of living. Rather than getting a job and a steady income, Moritz wanted to enjoy life and not have the responsibilities associated with a full-time job:

The times back then were of great importance to me. It was just going out a lot, being out and about at night. And also the first experiences with drugs. . . This was more appealing to me and this was more my world than going to work somewhere. (Moritz)

He suffered periods of illness and of living on the streets. He nevertheless chose to live this way for many years while he was in his 20s because he wanted to ‘be free of societal pressure and live in the moment’. Following on from a series of chaotic legal and illegal jobs, and consuming various drugs on a regular basis, Moritz responded in his late 20s to his father reaching out to him and persuading him to find a more stable job. His father was able to convince him to finish his training as a construction worker, which led to steady employment for a short time. However, Moritz found it impossible to keep down a regular job:

I was unemployed for quite some time. And I bummed around a lot. I did not feel like doing anything at all. I also had a lot of conflict with my father for this reason because he had a very strict ethos concerning work and a disciplined life. (Moritz)

His father reached out to him again and this last intervention resulted in Moritz finishing his training in social work:

. . . actually I had not grown up on the whole. But at least I recognized that I couldn’t go on with my life like that. Being unemployed, being homeless, on the go and always in danger of heading for the gutter. (Moritz)

Moritz currently works as a social worker in a homeless shelter, is married and has one child. Looking back, he sees the reason for the period of job

insecurity and unemployment in his own attitude towards life, which he describes as characterized by denial of responsibility, lack of motivation and disorientation.

Czesław, born in Poland at the beginning of the 1950s, also had a ‘messy life’ as a result of wanting to be carefree and to have fun: ‘At the time, the idea was to earn money and then go have fun without a care.’

Czesław spent most of his professional life working in the informal sector or in illegal activities. He made money from drug dealing and has himself been an addict. He described a sense of freedom, even pride – especially because he could earn a higher-than-average income through these activities – as one of the positive aspects of living on the edge of the law. He also made good money working (often informally) in construction and on the railroads. Under communism, when such luxuries were unimaginable to most others, he owned a motorcycle and a car. However, while it was the illegal and dangerous work that enabled him to acquire these luxuries, it was also what got him in trouble: Czesław caused an accident on one of the building sites that ended up with him being imprisoned. He has had periods of relative wealth and had a family, but has also experienced periods of alcoholism, homelessness and loneliness. He claims his sense of pride prevented him from asking for help. At the time we interviewed him, he was waiting for social housing. He has limited entitlement to claim social benefits and has no health insurance because he has rarely earned income within the formal economy. (Czesław’s experiences are discussed in more detail in the chapter by Ayllón et al., Chapter 9 this volume, looking at young people’s use of drugs.)

Moritz’s and Czesław’s lives share some similarities, although the outcomes are very different. Both felt a strong need in youth for a different and independent lifestyle. They both made choices that were incompatible with earning a stable income and having a straightforward career trajectory. Regarding the conversion factors involved in these two men’s lives, the institutionalized welfare state had little success in interfering in their ‘messy life’ trajectories. Both men have had long periods of time living on the outskirts of society. Moritz found a positive cultural conversion factor in punk culture, but this was not enough to secure a future. In the case of Czesław, his inner strength and sense of pride is something he himself cites as the factor that has kept him going. In other words, it is an inner, personal conversion factor that enables him to cope with life’s ups and downs. In the case of Moritz, however, there is an external conversion factor entering his life, helping him back on his feet – his father. Although he had cut off all contact with his parents, Moritz later reunited with them. Moritz’s father, himself an unemployed refugee living on social benefits, managed to convince him to pursue higher education and thus get a

position in a homeless shelter. This positive familial conversion factor gave Moritz the boost he needed. At a point of his life when he ran a real risk of becoming a delinquent, Moritz found an occupation that suited him and re-entered education and employment.

The Messy Life narratives illustrate the complexities of unemployment and the importance of taking a holistic approach to understanding the various trajectories that may lead to individual unemployment. Although these specific cases seem to point to an element of personal choice, many of the stories we have categorized as messy derive their messiness from factors such as broken homes, abuse or ill health. Reading the stories through the lens of the theoretical framework presented at the beginning of this chapter, personal and familial conversion factors are the most important. The complexities of the unemployment stories in this category, and the reluctance of people with this kind of narrative to seek institutional help, may make it unlikely that they are reached by or are able to receive adequate help from state institutions. However, in other Messy Lives, the security net provided by a strong welfare state is what – at least over time – may turn a Messy Life around.

## 6 CONCLUSION

The aim of this chapter has been to examine the subjective consequences of unemployment and early job insecurity amongst young adults in Europe through interpretive analysis of qualitative life-course interviews from seven countries. We used the capability approach as the theoretical perspective for our analysis and expanded on Robeyns's and Sen's earlier work by proposing a more nuanced conceptual framework of seven conversion factors as lenses for our analysis. We termed these: institutional, social, economic, familial, cultural, political and personal conversion factors. Reading the data through these lenses, four overarching narratives of unemployment emerged across the seven countries we studied: the Stumbler narrative, the Stigmatized narrative, the Great Crisis narrative and the Messy Life narrative.

In brief, the Stumbler narrative captured life stories where the experience of unemployment and precarious employment had little impact on a person's sense of capability. Drawing on a range of multiple conversion factors, these individuals eventually encountered work they liked and found meaningful. The Stigmatized narrative tells of recurring unemployment with a weak connection to the labour market; these individuals remained on long-term unemployment or disability benefits, or in precarious, intermittent fixed-term employment. Obstacles to

converting any resources they had into a positive sense of capability were limited by a range of intersectional characteristics related to disability, gender and/or ethnicity. The Great Crisis narratives also led to negative capabilities related to long-term unemployment. What distinguished these stories from those of the Stigmatized narrative was the attribution of cause. Macro-structural political conversion factors, such as changes in the political economy, for example following the financial crisis in 2008, created exceptional obstacles to these people overcoming early job insecurity. Finally, the Messy Life narrative was characterized by people with alternative visions concerning the life they wanted to live – visions that contrasted with the dominant norms and values amongst their social peers. These alternative visions often led to unorthodox, ‘messy’ life trajectories that, for example, questioned the value of ordinary work trajectories.

While these four narratives enable us to identify different scenarios related to the causes and consequences of early job insecurity, the approach has some limits. There is some overlap between stories that could be allocated to different narratives, for example Moritz’s Messy Life narrative could also be read as a Stumbler narrative, in the sense that he was able to recover from his troubles eventually, thanks to the intervention of his father; however, this transition took much longer than for Thor and Helena, so the scarring effects were more profound.

We proposed seven conversion factors that could act as stepping stones for a conceptual framework that is both more nuanced and better equipped to deal with the empirical complexities that influence a person’s sense of capability. In addition, despite its shortcomings, the capability approach does not view people solely as instruments for the production of economic growth; instead, it usefully considers the ways in which new types of work correlate with subjective desires and perceptions of well-being. In this sense a capability approach can illuminate and redirect our focus towards capability-friendly jobs (Otto, 2015).

## REFERENCES

- Ayllón S and Nollenberger N (2016) *Are recessions good for human capital accumulation?* NEGOTIATE Working Paper no. 5.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D5.1.pdf> (accessed 17 February 2018).
- Blustein DL, Kozan S and Connors-Kellgren A (2013) Unemployment and under-employment: A narrative analysis about loss. *Journal of Vocational Behavior* 82(3): 256–65.
- Bussi M (2016) *Straightjacket and stepping stones. Exploring institutional ability*



- to develop employability of young people. PhD thesis, University of Geneva, Switzerland.
- Fryer D (1997) International perspectives on youth unemployment and mental health: Some central issues. *Journal of Adolescence* 20(3): 333–42.
- Gabriel Y, Gray DE and Goregaokar H (2010) Temporary derailment or the end of the line? Managers coping with unemployment at 50. *Organization Studies* 31(12): 1687–712.
- Halvorsen R and Böhler KK (2017) Transitions to active citizenship for young persons with disabilities – virtuous and vicious cycles of functionings. In: Halvorsen R, Hvinden B, Beadle-Brown J, Biggeri M, Tøssebro J and Waldschmidt A (eds) *Understanding the Lived Experiences of Persons with Disabilities in Nine Countries: Active Citizenship and Disability in Europe, vol. 2*. Abingdon, UK: Routledge, pp. 175–91.
- Hvinden B and Halvorsen R (2017) Mediating agency and structure: What role for conversion factors? *Critical Sociology*. Epub ahead of print 9 January 2017. DOI: 10.1177/0896920516684541.
- Kieselbach T (2003) Long-term unemployment among young people: The risk of social exclusion. *American Journal of Community Psychology* 32(1/2): 69–76.
- McLaughlin E (2013) *Understanding Unemployment: New Perspectives on Active Labour Market Policies*. Hoboken, NJ: Taylor and Francis.
- O'Reilly J, Eichhorst W, Gábos A, Hadjivassiliou K, Lain D, Leschke J, McGuinness S, Kureková LM, Nazio T, Ortlieb R, Russell H and Villa P (2015) Five characteristics of youth unemployment in Europe: Flexibility, education, migration, family legacies, and EU policy. *SAGE Open* 5(1):1–19. DOI:10.1177/158244015574962.
- O'Reilly J, Leschke J, Ortlieb R, Seeleib-Kaiser M and Villa P (eds) (forthcoming) *Youth Labor in Transition: Inequalities, Mobility, and Policies in Europe*. New York: Oxford University Press.
- O'Reilly J, Smith M and Villa P (2017) The social reproduction of youth labour market inequalities: The effects of gender, households and ethnicity. In: Grimshaw D, Fagan C, Hebson G and Tavora I (eds) *Making Work More Equal: A New Labour Market Segmentation Approach*. Manchester, UK: Manchester University Press, pp. 249–67.
- Otto H-U (ed.) (2015) *Facing Trajectories from School to Work: Towards a Capability-Friendly Youth Policy in Europe*. Dordrecht: Springer.
- Robeyns I (2003) Sen's capability approach and gender inequality: Selecting relevant capabilities. *Feminist Economics* 9(2/3): 61–92.
- Robeyns I (2005) The capability approach: A theoretical survey. *Journal of Human Development* 6(1): 93–117.
- Sen A (1981) *Poverty and Famines: An Essay on Entitlement and Deprivation*. Oxford, UK: Oxford University Press.
- Sen A (1992) *Inequalities Reexamined*. Oxford, UK: Clarendon Press.
- Sen A (1993) Capability and well-being. In: Nussbaum MC and Sen A (eds) *The Quality of Life*. Oxford, UK: Clarendon Press, pp. 30–53.
- Sen A (2009) *The Idea of Justice*. London, UK: Allen Lane.
- Shildrick T, MacDonald R, Webster C and Garthwaite K (2012) *Poverty and Insecurity: Life in Low-pay, No-pay Britain*. Bristol: Policy Press.
- Strandh M, Winefield A, Nilsson K and Hammarström A (2014) Unemployment and mental health scarring during the life course. *European Journal of Public Health* 24(3): 440–45.

- Tannen D (2008) 'We've never been close, we're very different'. Three narrative types in sister discourse. *Narrative Inquiry* 18(2): 206–29.
- Tanum S and Krogstad A (2014) Fortellinger om livet uten arbeid [Stories about life without work]. *Sosiologisk tidsskrift* 22(3): 249–75.
- Wanberg CR (2012) The individual experience of unemployment. *Annual Review of Psychology* 63: 369–96.

## 4. Comparing long-term scarring effects of unemployment across countries: the impact of graduating during an economic downturn<sup>1</sup>

**Laura Alexandra Helbling, Stefan Sacchi and Christian Imdorf**

---

### 1 INTRODUCTION

Youth employment prospects are highly sensitive to the business cycle, and especially so at labour market entry. Young workers tend to be the last in and therefore the first out when an economy declines (Vandenberghe, 2010: 4–5). In the Great Recession beginning in 2008, youth unemployment peaked at record-high levels, followed by only slow improvement (OECD, 2017). A number of observers have been concerned that young people who were left without work or engaged in insecure employment during the recession may become a lost generation (OECD Observer, 2010). These youth cohorts may not only find it difficult to establish themselves in the labour market in the short term but may also experience lasting negative consequences for their careers (Arulampalam et al., 2001). The exposure to unemployment adversely impacts on young people's subsequent careers and labour market integration, as well as on their future subjective well-being.

It is not possible to fully explain these long-term consequences through individual characteristics such as low qualifications, low motivation or a lack of abilities (Biewen and Steffes, 2010). Rather, the incidence of unemployment itself renders people less attractive to prospective employers. In addition, through diverse psychological mechanisms, the experience of unemployment negatively affects the person's further success in job

---

<sup>1</sup> Acknowledgement: This study was funded by the Swiss State Secretariat for Education, Research and Innovation SERI (grant no. 15.0089) as part of the Horizon 2020 project 'Negotiating early job insecurity and labour market exclusion in Europe – NEGOTIATE'.

searches (Brandt and Hank, 2014: 728). This diminishes the competitiveness and future employment prospects of the (formerly) unemployed. Such lasting negative effects of unemployment on future employment outcomes have become widely known in the literature as scarring.

In these ways, the state of the economy at the time of labour market entry may affect the future careers of young people (Kahn, 2010). Bad luck concerning the timing of labour market entry may translate into persistent disadvantages. In addition to a higher risk of successive unemployment, individuals who graduate in a bad economy may have difficulty gaining access to high-quality jobs with good career prospects after exposure to unemployment. The person may experience lower career advancement, weaker promotion prospects, lower wage growth and less stable labour market integration through his or her engagement in marginal and insecure jobs. Overall, the result is a scarred career.

The initial aim of this study was to measure and explore the dynamics of long-term scarring from an internationally comparative perspective based on a large number of European countries. However, because of data restrictions that were unforeseeable at the beginning of our research we had to reduce our sample to a rather small number of countries. Nonetheless, the five remaining countries – the United Kingdom, Germany, Switzerland, Spain and Finland – serve as interesting comparative cases because they differ remarkably in their institutional and economic dimensions. Such dimensions include the vocational orientation of their education systems, the strictness of employment protection legislation (EPL), the general level of youth unemployment and the active labour market policies (ALMP) in place to support the job-search success of jobless young people. We expect these dimensions to relate to nationally distinct patterns in scarring effects, but because of the small number of countries in our analysis, it is not possible to disentangle the roles of the different institutional factors. This contribution therefore primarily aims at advancing the conceptualization and measurement of long-term unemployment scarring in different institutional and economic contexts. Our focus is on the impact of aggregate youth unemployment in the year of graduation on the career advancement of upper-secondary school-leavers in the first 12 years after graduation. We focus on upper-secondary school graduates – disregarding both upper-secondary dropouts and tertiary graduates – because the persistence of scarring effects depends on education level (the effects for college graduates are more persistent but smaller; Cockx, 2016) and also for reasons of data availability and space limitation. Helbling et al. (2017) have analysed outcomes for tertiary graduates in the five countries studied in this contribution.

More specifically, we (1) investigate whether graduating in times of high aggregate youth unemployment scars the careers of school-leaver

cohorts; as indicators of such scarred careers, we refer to increased future unemployment and a higher share of fixed-term and involuntary part-time work over a long period of time. To the extent that we find such scarring, we (2) ask whether differences in such effects across countries can be related to the institutional settings of the five European countries under investigation.

This chapter contributes to previous research on unemployment scarring in multiple ways. First, it tackles the theoretical deficit concerning contextual factors that may explain differential patterns and persistency in scarring across institutional settings. In this regard we consider diverse institutional and economic dimensions – such as education systems, EPL, youth labour market policies and the level of youth unemployment – as potential mitigating factors. Second, the chapter offers an internationally comparative analysis of long-term unemployment scarring in the form of successive unemployment and forms of unstable and insecure employment. Third, we exploit exogenous variations in the entry conditions of successive cohorts of school-leavers, which is an under-rated methodological approach that allows us to circumvent the usual endogeneity problems in assessing scarring effects.

## 2 THEORETICAL EXPLANATIONS OF UNEMPLOYMENT SCARRING

Diverse demand- and supply-side mechanisms underlie scarring effects. To summarize briefly, employers' recruitment practices can discriminate against the formerly unemployed such that those who have experienced some unemployment face difficulties and relative disadvantages in future hiring. Extrapolating from signalling theory (Spence, 1973) and statistical discrimination theory (Aigner and Cain, 1977), one would expect employers to be more reluctant to hire individuals with gaps in their work history. Employers may view gaps as signalling that an applicant possesses less ability or is less productive, and they may not solely rely on such applicants' educational qualifications as indicators of their future on-the-job performance. In addition, periods of economic inactivity are likely to hinder the accumulation of job-specific human capital, while previously accumulated human capital may depreciate (Pissarides, 1992). This means that in such situations, (formerly) unemployed persons are in comparatively weaker positions when competing for jobs. Young workers who have experienced long or frequent spells of unemployment are at a disadvantage in the competition for jobs and may receive only 'risk-discounted' (lower) returns and jobs of lower quality.

Finally, yet importantly, unemployed people may lower their initial expectations regarding the subsequent quality of their employment and their expected returns (Mortensen, 1986). They may become discouraged (Ayllón, 2013) and to some extent habituated (Clark et al., 2001) to their situation of a bleak employment career. Previous research indicates that the experience of unemployment tends to diminish psychological well-being and self-esteem (Goldsmith et al., 1996). Altogether, this gives us reason to expect an altered job-application behaviour in the (formerly) unemployed. This job-application behaviour then becomes manifest in subsequent weaker chances of a successful and stable (re)integration into high-quality jobs.

Such demand- and supply-side mechanisms have proven to be difficult to disentangle in their separate effects. Furthermore, wider institutional contexts are likely to influence these determinants of unemployment scarring and may mitigate the ‘costs’ of unemployment for subsequent careers, which may result in international differences in the patterns and persistence of scarring. Since research on scarring has so far mainly consisted in national studies on unemployment and wage development, it has not provided a sufficient basis to formulate precise hypotheses about differences in scarring across more diverse employment outcomes, countries and institutional settings. Because of the complexity of investigating institutional effects, the hypotheses that previous studies have advanced have engendered controversy. Against this backdrop, Section 3 below briefly introduces some hypotheses on international differences and the moderating role of institutional settings at the national level.

### 3 THE IMPACT OF INSTITUTIONAL AND NATIONAL SETTINGS

#### 3.1 Institutional and National Contexts of Unemployment Scarring

With respect to differences in economic contexts and institutionally embedded pathways for young people from school to work, we consider several assumptions.

First, in countries with nationally standardized initial vocational education and training (IVET) and where hiring strongly relies on IVET credentials as signalling valuable job-specific performance (Breen, 2005; Van der Velden et al., 2001), post-unemployment job matches are likely of a higher quality than in countries without IVET (Dieckhoff, 2011: 237). We assume that in countries with well-established IVET systems, where tight links exist between occupation-specific credentials and prospective

occupations, scarring will be less profound than in countries without such systems (Hypothesis 1).

Second, we expect weak EPL to allow labour market outsiders such as entrants and the unemployed to (re-)enter the labour market more easily because the dismissal costs are low and work contracts can be easily terminated (Van der Velden et al., 2001). Employers may invest less in screening job applicants' prior work histories and they may be less suspicious towards the unemployed if they can easily dismiss workers. By contrast, strict EPL may intensify unemployment scarring and prolong unemployment, which in turn will exacerbate the loss of human capital and increase unemployment stigma (Breen, 2005; De Lange et al., 2014; Gangl, 2006). Following this line of reasoning, we expect comparatively lower and less persistent scarring in countries with weak employment protection of the permanent workforce than in countries with stricter employment protection (Hypothesis 2.1).

In addition, we assume that not only is re-entry into the labour market more difficult for the unemployed in economies with strict EPL but also that access to permanent and secure jobs is more limited to labour market insiders (De Lange et al., 2014; Dieckhoff, 2011: 236–7; Van der Velden et al., 2001). We therefore expect that the formerly unemployed will be more likely to end up in marginal forms of employment and less secure temporary positions in country contexts with stricter EPL (Hypothesis 2.2).

Third, some researchers have argued that unemployment may be less of a negative signal in countries with high unemployment as opposed to countries with low unemployment (Biewen and Steffes, 2010; Lupi and Ordine, 2002; also see Parnanoglou et al., Chapter 5 this volume). In countries where unemployment is widespread, recruiters may view gaps in job applicants' work histories as resulting from bad luck and structural problems of job shortages and not as indicating negatively connoted individual characteristics. Consequently, we assume that the risk of scarring is greater in countries with lower unemployment rates than in countries with higher unemployment rates (Hypothesis 3).

Fourth, aspects of unemployment benefit systems and, in particular, their generosity in terms of level and duration of benefits may play a role in determining the labour market (re)integration of the unemployed (Brandt and Hank, 2014; Gangl, 2004, 2006). Some scholars have argued, however, that contributory unemployment insurance systems, as they are organized across European countries (Hora et al., 2016), may be less important for supporting young people's job searches and (re)integration success (Kawaguchi and Murao, 2014) because young people with no or little work experience often do not qualify for substantial benefits. We therefore do not expect this institutional dimension to play a significant role in the European context.

Moreover, several countries have means-tested social assistance and ALMPs that specifically target young people with, for example, job training, upskilling, job-search support and job subsidies (Hora et al., 2016). These measures may assist young people without work in gaining a foothold on the labour market (Kawaguchi and Murao, 2014). Such programmes may also help prevent or counteract young people's loss of human capital, job-search motivation and efforts. The programmes may also reduce employers' anticipated (re)integration costs and hence buffer unemployment scars (Brandt and Hank, 2014; Dieckhoff, 2011: 236; Van der Velden et al., 2001).

But if ALMPs push young people into the job market regardless of job quality – a trend observed in several advanced economies (Bonoli, 2012) – they are unlikely to lead to sustainably establishing young people in the labour market. On the contrary, they may even foster scarred careers for unemployed youths. We expect that in countries with ALMPs that concentrate on supporting young people in their job-search strategies and in upskilling (an enabling policy approach; see Sirovátka et al., 2017) there will be less risk of unemployment scarring than in countries where ALMPs primarily aim to push young people into the labour market (a work-first approach) (Hypothesis 4). But there may also be countries where the advancement of young people is mainly a family responsibility and the role for them of ALMPs and social assistance is negligible.

### **3.2 Description of Countries: Institutional and Contextual Dimensions**

In this section we briefly describe differences in the relevant institutional characteristics of the five European country cases available in our empirical analysis: Germany, Switzerland, the United Kingdom, Spain and Finland. These five cases encompass a considerable degree of variation regarding the relevant institutional characteristics. Given the small number of countries, it goes without saying that our empirical analysis will be of an exploratory rather than an explanatory, hypotheses-testing nature since we are not able to disentangle the outlined moderating effects of institutional characteristics on the level of scarring. Our empirical analysis aims instead to qualify some of the hypotheses.

#### **Dimension 1: Vocational orientation of the education system**

The United Kingdom has a comprehensive education system, privileging general education at the upper-secondary level (see OECD, 2011: 305), with only a small and decreasing share of students engaged in IVET. Spain has levels of participation in IVET close to the EU/OECD average, while those in Finland exceed the EU/OECD average. In these two



countries IVET is, however, mainly school based, so it involves the risk of skills mismatch with respect to labour market demands. Participation in work-based apprenticeships or training is very limited (Cedefop, 2013; for Finland, see Duell et al., 2009; OECD, 2011: 305). In contrast, Germany and Switzerland have well-established dual-track IVET systems in which employers are highly involved in determining the training content, and vocational training programmes are nationally standardized. Tight links exist between vocational programmes and the occupationally segmented labour markets (Sacchi et al., 2016). The occupation-specific IVET diplomas qualify the young for skilled employment, providing them with institutionalized pathways to work.

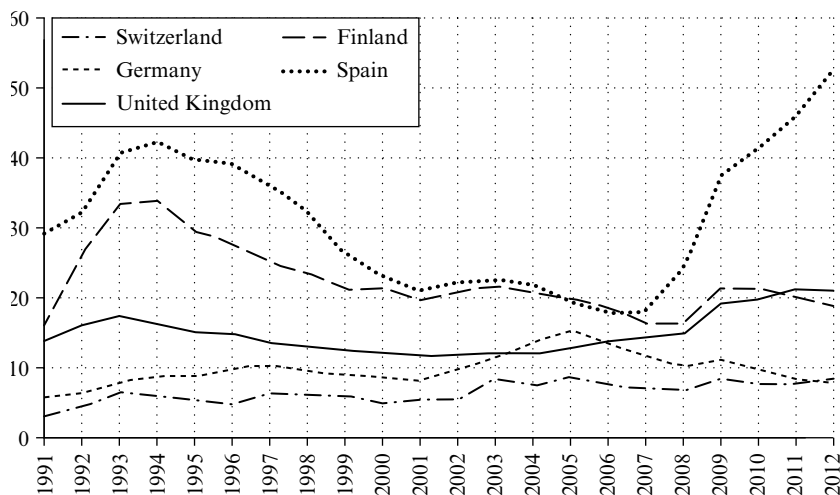
For these reasons, cohorts with upper-secondary education in Switzerland and Germany, which are mainly comprised of company-trained youth, have favourable employment prospects. In contrast, in countries that privilege general education at the upper-secondary level (such as the United Kingdom and Spain; OECD, 2011: 305) and workers with a tertiary education, graduates from vocational education, who are mostly trained at vocational schools, may form a group of less educated entrants with less favourable employment prospects. Following Hypothesis 1, we expect that the vocational diplomas that young people with upper-secondary education receive in countries such as Switzerland and Germany will better protect them from scarring than the vocational diplomas that young people receive in Spain, Finland and the United Kingdom.

### **Dimension 2: Employment protection legislation (EPL)**

EPL concerns matters such as notice and severance pay and dismissal of employees. EPL has been rather liberal in the United Kingdom and Switzerland (especially for young workers), whereas in Germany, Spain and Finland the protection of the permanent workforce has been stricter and more highly regulated since the 1990s (Hora et al., 2016). In contrast to those employed on permanent contracts, young workers in Spain on fixed-term contracts have weaker employment protection (Cockx, 2016). Following Hypothesis 2, we expect young people to experience less severe scars and to be less likely to end up in marginal and less secure forms of employment in countries with liberal employment protection – such as Switzerland and the United Kingdom (because [re-]entry may be easier if they happen to become unemployed) – than in countries with stricter employment protection.

### **Dimension 3: Level of (youth) unemployment**

As shown in Figure 4.1, during the period of labour market entries investigated in this study (1991–2012), Switzerland and Germany had relatively



Sources: Eurostat (DE, ES, FI, UK), World Bank (CH).

*Figure 4.1 Youth unemployment (%), ages 15–24, by country and year (1991–2012)*

low shares of people in the age group 15–24 who were without work but available for and seeking employment (according to Eurostat and the World Bank data series on youth unemployment). Spain topped the ranking of the selected countries with very high youth unemployment in the mid-1990s and – because of the Great Recession – late 2000s. Finland had high youth unemployment figures in the 1990s too, which dropped to moderate rates in the 2000s. Still, we see the Finnish situation as marked by high youth unemployment again by the mid-2000s. Furthermore, Duell et al. (2009) have noted that Finland has continued to have a relatively high share of temporary contracts amongst young people, in particular for involuntary temporary work. Finally, the United Kingdom is characterized by moderate youth unemployment figures over the two decades compared to the other countries.

Hence, if we follow Hypothesis 3, which states that unemployment gaps in work histories represent a less negative signal if a large share of young people have such gaps, then we might expect early career unemployment to be comparatively less stigmatizing in Spain and Finland than in the United Kingdom and especially less so than in Germany and Switzerland. But this expectation contradicts Hypothesis 1 on the mitigating effects of IVET systems. Since youth unemployment amongst skilled workers

*Table 4.1 Postulated institutional moderators of scarring effects amongst upper-secondary graduates in 1990s and 2000s, by country*

Country	Dimensions impacting on scarring		
	Well-established IVET	Liberal EPL	Youth unemployment level
Germany (DE)	Yes	No	Low
Switzerland (CH)	Yes	Yes	Low
Finland (FI)	No	No	High
Spain (ES)	No	No	High
United Kingdom (UK)	No	Yes	Moderate

*Source:* Author's interpretation.

is low in countries where (company-based) IVET has an important role, unemployment spells (according to Hypothesis 3) may be more negatively evaluated by employers as indicating a lack of 'soft skills' or an inability to perform well in work, devaluing the signalling power of their vocational credentials (Shi et al., 2018). Such complexity surrounding the differential mechanisms of scarring in different contexts obviously hampers the formulation of clear and simple hypotheses. Table 4.1 provides an overview of the role of the country-specific characteristics discussed so far.

#### **Dimension 4: Active labour market policies targeted at youth**

According to a comparative analysis of active labour market policy (ALMP) measures targeted at youth during the 2010s, Germany and Switzerland have continued to show stronger overall levels of activation measures compared to the weaker forms found in the United Kingdom and especially in Spain (Hora et al., 2016). Accordingly, youth policy measures for Germany and Switzerland have followed an enabling approach (Dingeldey et al., 2017) that targets youth who lack qualifications from IVET. In this group we may also include Finland, which has implemented a variety of initiatives aimed at activating jobseekers (Julkunen and Öhman, 2005). By contrast, Spain and the United Kingdom followed a work-first approach, though Switzerland also applies this approach to skilled young workers (e.g., IVET graduates; see Kilchmann et al., 2016).

Most of the countries under investigation introduced youth ALMP measures during the 1990s or early 2010s, which falls within the time period of this study's analysis. Moreover, ALMP measures have been governed and implemented on regional levels, making it difficult to classify the five analysed countries according to the level and quality of their

youth-oriented ALMPs. However, a comparison of public expenditure on ALMPs as a share of GDP relative to expenditure on passive measures over the past decades confirms that ALMPs have played a particularly marginal role in Spain, where they have only recently become a more relevant strategy for integrating young people (see Ayllón and Ferreira-Batista, 2016, and the relevant OECD data). Thus, on the one hand, Spain seems to represent a case where ALMPs have been weakly implemented (and/or used by youth) throughout the period of labour market entries observed in this study, which to some degree stands in contrast to the other countries investigated. On the other hand, we are limited in comparing Spain with the other four countries since we do not have precise information about the respective roles of work-first versus enabling approaches from the 1990s onwards in the remaining countries.

#### 4 METHODOLOGICAL CHALLENGES IN THE ANALYSIS OF SCARRING EFFECTS

Empirical work on scarring effects is usually concerned with whether or not individual unemployment episodes early in a person's career have an adverse impact on future labour market outcomes. The focus is thus often on the micro level (Vandenberghe, 2010: 3–4), where – given the problem of endogeneity – a major challenge lies in robustly identifying causal effects of individual unemployment exposure on future employment outcomes. It is difficult to separate individual characteristics associated with a higher risk of unemployment in early career and worse future employment prospects from scarring, and this difficulty may bias the results. Methods that allow for a robust identification of scarring effects at the individual level depend on high-quality (longitudinal) micro data providing information on a wealth of individual characteristics, which hardly exists at an internationally comparative level for investigating long-term scarring effects.

A promising approach to investigating long-term scarring effects from an internationally comparative perspective is to conduct comparative regression analysis on a macro level, where whole cohorts of labour market entrants rather than individuals are the units of analysis. Adopting a macro perspective by comparing aggregated school-leaver cohorts entering the labour market at different points of the business cycle is promising since it exploits exogenous variation in macroeconomic conditions. This allows for a more direct and robust identification of how employment insecurity on labour market entry causally affects the future careers of youth cohorts (Vandenberghe, 2010). This approach thus comes with

fewer demands concerning the amount of comparable data and the modelling requirements, making it possible to analyse long-term scarring. It offers a feasible way to robustly estimate long-term scarring effects from an internationally comparative perspective (for a rare application of this analytical strategy, see De Vreyer et al., 2000).

## 5 DATA

Our analyses of the five country cases<sup>2</sup> are based on a pseudo panel that we created using a time series of cross-sectional data sets over the observation window of 2001–13 from the Eurostat Labour Force Survey (EU-LFS), release 2014 (see EU-LFS, 2016). We established the pseudo panel for each country by aggregating the employment outcomes of individuals who belong to the same school-leaver cohort in each survey year over the period of 2001–13. We defined school-leaver cohorts as including all individuals who graduated from upper-secondary education in the same year based on a survey question asking respondents to indicate the year when they successfully completed their highest level of education. We observed career evolvment over a (maximal) span of 12 years since graduation (provided this span fell within the period 2001–13). We therefore had to base our analysis on unbalanced panel data because we could not observe employment outcomes for each cohort for all years since their graduation.

Overall, we used three different measurements of aggregate employment outcomes for 22 school-leaver cohorts: cohort unemployment rate, cohort fixed-term rate and cohort rate of people in involuntary part-time employment. These measurements cover at least some of the first 12 years after graduation in 1991 or later ( $n = 153$  aggregated cohort-year observations for each country).

We drew on secondary data (see Figure 4.1) to measure aggregate youth unemployment at the time of graduation. These data provide youth unemployment rates for the selected countries for each year since 1991; unemployment is measured according to the International Labour Organization (ILO) definition, which states that people are unemployed if they are economically inactive and have been either officially registered as unemployed or are actively in search of and available to start a job (ILO,

---

<sup>2</sup> We had initially hoped for a larger sample of countries with more institutional variation, but because of various data-quality issues with the available EU-LFS data, several interesting countries had to be eliminated from our analysis. For instance, the Norwegian EU-LFS data lacked the HATYEAR variable, specifying the year when the highest level of education was successfully completed.

1982). We based all dependent variables on EU-LFS micro data, which we aggregated to obtain measures on the cohort level:

*Unemployment after  $x$  years in the labour market* is similarly measured according to the ILO definition.

*The cohort unemployment rate* is the percentage of the total active labour force (which includes the employed and unemployed) in a respective cohort or survey year that is unemployed.

Accordingly, the *cohort fixed-term rate* is the share of the total amount of people in dependent employment (which includes fixed-term or permanent employment) in a cohort or survey year that has fixed-term work.

The *cohort rate of people in involuntary part-time employment* is the share of the total amount of people in dependent employment in the same cohort or survey year (which includes involuntary and voluntary part-time as well as full-time employment) who report that they are involuntarily working part time.

## 6 ANALYSES

We made use of weighted least squares linear regression analysis. Since we based the analyses on aggregate data, the number of observations underlying the calculation of aggregate cohort employment outcomes was entered as a weight (see Stock and Watson, 2012: 725–30). We set up the linear regression analyses as follows:

$$U_{ct} = \alpha + \beta_1 [u\_entry_c] + \beta_2 [u\_entry_c] \times [T(years)_{ct}] + \beta_3 [T(years)_{ct}] + \beta_3 U_t + Z_c \gamma + \varepsilon_{ct},$$

where  $U_{ct}$  is a vector capturing unemployment rates of cohort  $c$  in year  $t$ , and  $[u\_entry_c]$  includes aggregate youth unemployment that the school-leaver cohorts faced in the year of graduation. The vector  $T(years)_{ct}$  captures the years since graduation. Because cohort unemployment does not linearly decline with the years since graduation, we used fractional polynomials (see Royston and Altman, 1994) in order to find best-fitting transformations to model the relationship between each of the three employment outcomes and the years since graduation for each country.

To allow the effect of initial conditions (aggregate youth unemployment at graduation) to fade or increase over time, we included an interaction ( $[u\_entry_c] \times [T(years)_{ct}]$ ) between the years since graduation and the aggregate youth unemployment at graduation. The vector  $U_t$  includes aggregate yearly unemployment for the whole working-age population (15–64) in each survey year and serves as a control for further shocks in

the labour market over the investigation period 2001–13. Our analysis controls for particular effects of the Great Recession in 2008–09 on cohort unemployment (as well as on cohort engagement in fixed-term and involuntary part-time employment) in the respective years.  $Z_c$  is a set of cohort-specific control variables, which include the male share of the cohort, the mean age and the standard deviation of the age of the cohort as well as a four-year band of cohort dummies to control for cohort effects (De Vreyer et al., 2000). Helbling et al. (2017) have reported the potential gender differences in scarring effects within educational groups of school-leavers. We have abstained from presenting those findings in detail here because the gender-separated analyses are often based on small numbers of cases and are not sufficiently robust.

Besides investigating successive cohort unemployment, we analysed the successive engagement in fixed-term and involuntary part-time employment by changing the dependent variable  $U_{ct}$  to capture average fixed-term or involuntary part-time employment of cohort  $c$  in year  $t$ . Here,  $U_t$  includes aggregate yearly fixed-term or involuntary part-time employment to control for yearly fluctuations in the share of these work arrangements in different European labour markets.

We conducted the analyses using Stata (version 14). Standard-error estimates take into account clustering in residuals within cohorts.

## 7 RESULTS

### 7.1 Unemployment Scarring

Table 4.2 presents the results for unemployment scarring for school-leaver cohorts with upper-secondary education (for graphical representations of all findings reported in this section, see Helbling et al., 2017). For Switzerland, there was a rather rapid drop in the effects of aggregate youth unemployment at the time of graduation on the cohorts' subsequent unemployment rates. For both the United Kingdom and Germany, however, bad initial labour market conditions in terms of increased unemployment affected the cohorts with upper-secondary education for much longer. The results for the cohorts with upper-secondary education suggest that unemployment scars were particularly persistent in the United Kingdom and Germany. No such unemployment scarring seemed to be at work in Spain and Finland, the two countries with the highest youth unemployment figures. The fact that short-term scarring was most prevalent in Germany and Switzerland – that is, in the two countries with well-established IVET systems and low youth unemployment rates – reso-

Table 4.2 Marginal effects (and standard errors) of initial unemployment level on unemployment  $x$  years after graduation

Years since graduation	FI		CH		DE		UK		ES	
	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.
1	0.176	0.151	<b>0.557(*)</b>	0.284	<b>0.480(*)</b>	0.233	<b>0.265*</b>	0.074	0.142	0.101
2	0.152	0.121	0.204	0.143	<b>0.308*</b>	0.118	<b>0.265*</b>	0.074	0.102	0.068
3	0.134	0.101	0.087	0.112	<b>0.266*</b>	0.099	<b>0.265*</b>	0.073	0.078	0.053
4	0.119	0.086	0.028	0.104	<b>0.248*</b>	0.094	<b>0.265*</b>	0.072	0.061	0.047
5	0.106	0.077	-0.007	0.103	<b>0.238*</b>	0.092	<b>0.265*</b>	0.071	0.048	0.046
6	0.093	0.073	-0.031	0.103	<b>0.232*</b>	0.091	<b>0.264*</b>	0.071	0.037	0.048
7	0.082	0.073	-0.047	0.105	<b>0.229*</b>	0.090	<b>0.263*</b>	0.076	0.028	0.052
8	0.072	0.076	-0.060	0.106	<b>0.226*</b>	0.090	<b>0.262*</b>	0.088	0.020	0.056
9	0.062	0.082	-0.070	0.107	<b>0.224*</b>	0.090	<b>0.261*</b>	0.109	0.014	0.060
10	0.053	0.089	-0.078	0.108	<b>0.223*</b>	0.090	<b>0.260(*)</b>	0.141	0.007	0.064
11	0.044	0.097	-0.084	0.109	<b>0.222*</b>	0.090	0.258	0.184	0.002	0.068
12	0.036	0.106	-0.089	0.110	<b>0.221*</b>	0.090	0.256	0.239	-0.003	0.072

Notes: \*  $p \leq 0.05$ ; (\*\*)  $p \leq 0.1$ .

Source: EU-LFS data, author's calculations.

nates both with Hypothesis 3 and with the findings of an in-depth analysis of the NEGOTIATE recruiter data for Switzerland (Shi et al., 2018). The latter has shown that employers assessed former unemployment spells of job applicants with upper-secondary education critically when they hired in Switzerland, where youth unemployment was relatively low. Our hypotheses do not explain, however, why medium- and long-term scarring effects were absent in Switzerland whereas they persisted in Germany and the United Kingdom.

## 7.2 Fixed-Term Work

With regard to the effects that graduating at a time of higher aggregate youth unemployment had on subsequent engagement in fixed-term work for cohorts with upper-secondary education (see Table 4.3), we obtained the following results: For Germany, higher youth unemployment on labour market entry increased the cohort-specific risks of working in fixed-term jobs in the first two years. From eight years after labour market entry onwards, a reversed effect appeared, indicating an increased share of permanent positions for cohorts with harsh entry conditions. One might argue that, because unemployment in Germany had relatively strong scarring effects, IVET graduates were more likely to switch to temporary



*Table 4.3 Marginal effects (and standard errors) of initial unemployment level on fixed-term work  $x$  years after graduation*

Years since graduation	FI		CH		DE		UK		ES	
	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.
1	0.330	0.329	0.001	0.761	<b>0.679*</b>	0.278	0.152	0.128	0.024	0.158
2	0.271	0.268	-0.062	0.528	<b>0.470*</b>	0.222	0.129	0.109	0.028	0.129
3	0.226	0.225	-0.098	0.397	0.310	0.183	0.111	0.097	0.031	0.108
4	0.188	0.192	-0.124	0.309	0.175	0.153	0.097	0.090	0.034	0.094
5	0.155	0.167	-0.144	0.247	0.056	0.133	0.084	0.086	0.036	0.084
6	0.125	0.151	-0.161	0.206	-0.051	0.121	0.072	0.085	0.038	0.078
7	0.097	0.141	-0.175	0.180	-0.150	0.117	0.061	0.086	0.040	0.075
8	0.071	0.139	-0.187	0.170	<b>-0.242(*)</b>	0.120	0.051	0.089	0.042	0.077
9	0.046	0.143	-0.197	0.171	<b>-0.328*</b>	0.128	0.041	0.093	0.044	0.080
10	0.023	0.152	-0.207	0.180	<b>-0.410*</b>	0.141	0.032	0.098	0.045	0.086
11	0.002	0.163	-0.216	0.193	<b>-0.488*</b>	0.155	0.024	0.103	0.047	0.093
12	-0.019	0.178	-0.223	0.210	<b>-0.562*</b>	0.171	0.016	0.109	0.048	0.100

Notes: \*  $p \leq 0.05$ ; (\*)  $p \leq 0.1$ .

Source: EU-LFS data, author's calculations.

or other marginal positions, which may have been in their favour in the medium and long term (Gebel, 2013). Germany's enabling approach to ALMPs may have added to this trend, resulting in a long-term stable labour market integration of young workers who graduated at a bad time. In other countries higher aggregate youth unemployment did not seem to relate significantly to increased participation in fixed-term employment amongst cohorts with upper-secondary education. Hence, the careers of cohorts with upper-secondary education graduating at a bad time did not seem to be marked by generally higher engagement in fixed-term work.

### 7.3 Involuntary Part-Time Work

Table 4.4 focuses on the degree of involuntary engagement in part-time work. The results suggest that cohorts with upper-secondary education graduating at a bad time in both Finland and Germany (and to some degree in Spain) – that is, the three countries with stricter EPL – were adversely affected by remarkably higher engagement in involuntary part-time employment in the first few years. In both Germany and Spain, effects were significant up to five years after graduation, while for Finland we found significant effects for two years after graduation, which is consistent with the findings of Duell et al. (2009). In those three countries, involuntary

Table 4.4 Marginal effects (and standard errors) of initial unemployment level on involuntary engagement in part-time work  $x$  years after graduation

Years since graduation	FI		CH		DE		UK		ES	
	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.	M.E.	S.E.
1	<b>0.591*</b>	0.238	-0.041	0.182	<b>0.705*</b>	0.088	-0.065	0.077	<b>0.133*</b>	0.058
2	<b>0.232*</b>	0.106	0.066	0.046	<b>0.241*</b>	0.028	0.029	0.038	<b>0.123*</b>	0.055
3	0.112	0.071	<b>0.086(*)</b>	0.044	<b>0.125*</b>	0.021	0.061	0.041	<b>0.111*</b>	0.051
4	0.052	0.059	<b>0.093(*)</b>	0.048	<b>0.076*</b>	0.022	0.076	0.046	<b>0.096*</b>	0.046
5	0.016	0.055	<b>0.097(*)</b>	0.050	<b>0.051*</b>	0.023	<b>0.086(*)</b>	0.050	<b>0.080(*)</b>	0.042
6	-0.008	0.055	<b>0.098(*)</b>	0.052	0.036	0.024	<b>0.092(*)</b>	0.052	0.062	0.037
7	-0.025	0.055	<b>0.099(*)</b>	0.053	0.025	0.025	<b>0.096(*)</b>	0.054	0.042	0.033
8	-0.038	0.056	<b>0.100(*)</b>	0.053	0.018	0.026	<b>0.100(*)</b>	0.056	0.021	0.031
9	-0.048	0.057	<b>0.101(*)</b>	0.054	0.013	0.026	<b>0.102(*)</b>	0.057	-0.002	0.031
10	-0.056	0.058	<b>0.101(*)</b>	0.054	0.009	0.026	<b>0.105(*)</b>	0.058	-0.026	0.034
11	-0.062	0.059	<b>0.101(*)</b>	0.054	0.006	0.027	<b>0.106(*)</b>	0.059	-0.051	0.040
12	-0.068	0.060	<b>0.101(*)</b>	0.054	0.004	0.027	<b>0.108(*)</b>	0.060	-0.078	0.047

Notes: \*  $p \leq 0.05$ ; (\*)  $p \leq 0.1$ .

Source: EU-LFS data, author's calculations.

part-time work might have been a strategy used by the formerly unemployed to compensate for lack of access to full-time employment, which was less available to them because of the stronger coverage through EPL in the respective countries. Interestingly, cohorts graduating in both the United Kingdom and Switzerland when aggregate youth unemployment was higher were initially not over-represented in involuntary part-time employment. However, there was an increase in involuntary part-time employment (significant effects at  $p < 0.1$ ) in later years.

## 7.4 Comparative Findings

Table 4.5 briefly summarizes the findings reported above in a comparative way, where *long-term* scar refers to scarring effects persisting for at least six years, *medium-term* scar refers to a scar lasting three to five years and a *short-term* effect refers to an initial effect of up to two years since graduation.

We may note that we found scarring in employment outcomes such as successive unemployment, fixed-term employment and involuntary part-time work in very diverse institutional contexts and of different durations. But we did not find a clear and easily interpretable pattern in the institutional characteristics that mitigated scarring effects in the five

*Table 4.5 Country overview of estimated scarring effects from graduating during an economic downturn*

	Institutional dimensions			Scarring effects		
	Dual IVET	Liberal EPL	YUE	Unemployment	Fixed-term work	Involuntary part-time work
DE	Yes	No	Low	long-term	short-term scars, long- term benefits	medium-term
CH	Yes	Yes	Low	short-term	–	increasing
FI	No	No	High	–	–	short-term
ES	No	No	High	–	–	medium-term
UK	No	Yes	Moderate	long-term	–	increasing

*Notes:* Long-term effects ( $\geq 6$  years); medium-term effects (3–5 years); short-term effects ( $< 3$  years); – no scarring.

*Source:* Author's interpretation.

countries analysed. One reason might be that highly educated youth (e.g., college graduates) may have experienced smaller but more persistent penalties from graduating in a recession – especially in rigid labour markets (Cockx, 2016) – than the upper-secondary school cohorts analysed in this contribution. Nonetheless, our findings show some interesting patterns: whereas national unemployment contexts seem to matter more for unemployment scarring, EPL contexts seem more relevant with respect to involuntary part-time work. The institutional effects on fixed-term work as a consequence of graduating during an economic downturn remain less clear in that we only find respective scarring effects in the case of Germany.

Given the limited number of countries we were able to consider in our analysis, the rather complex pattern of institutional characteristics and scarring effects in our data is not much of a surprise. Some of our results are quite sensitive to the inclusion or exclusion of specific school-leaver cohorts, suggesting that one would need a longer observation period to better control for heterogeneity in scarring over time and over entry cohorts. In order to obtain clear-cut conclusions regarding the moderating role of different institutional characteristics, the analysis would need to be extended to a larger number of countries (including non-European countries) representing institutional variations as fully as possible, and also to longer observation spans. Cockx (2016) has found that the evidence from European studies concerning persistent scarring effects from graduating in a recession are generally less clear cut because those countries occupy

a middle position with respect to labour market rigidity compared to the more flexible North American labour markets or the very rigid Japanese labour market.

## 8 CONCLUSIONS

Summing up, we found evidence that bad luck in the timing of labour market entry scars the long-term future careers of upper-secondary school-leaver cohorts concerning various subsequent employment outcomes across European countries. Graduating at a time of higher aggregate youth unemployment affects subsequent cohort unemployment and leads to over-representation in insecure forms of work such as fixed-term and involuntary part-time employment. Increased unemployment and engagement in marginal forms of work may be thought to further hamper the career advancement of youth cohorts; for example, it might affect their wages (Cockx, 2016), professional development (Van den Berge and Brouwers, 2017) or the skill adequacy of their employment. These aspects are not depicted in this study but deserve more in-depth attention in scarring analyses in future research so as to obtain a more comprehensive understanding of how a short-term scar in one employment domain may relate to longer-term scars in other domains. All in all, our findings suggest that there are substantial scarring effects on various employment outcomes in very diverse institutional settings. This result should be of great interest to policymakers seeking to prevent 'lost generations'.

A clear-cut picture of how institutional characteristics mitigate scarring effects does not emerge from our case study, however. This has an obvious methodological cause and perhaps also less evident fundamental ones. From a methodological point of view, an analysis with a much larger country sample observed over a longer period would be required to disentangle the expected moderating effects of the various potentially important institutional factors. Because of restrictions related to the EU-LFS data, we had to limit our study to five countries observed over a relatively short observation period and, consequently, to a rather exploratory analysis. Another methodological reason why our evidence is not very clear cut might be the fact that European labour markets in general occupy middle positions on an international scale of labour market rigidity.

From a substantive point of view, we have derived some tentative hypotheses from the literature pertaining to the mitigating role of four different institutional or contextual variables. But there potentially are many interacting institutional characteristics that might, in principle, affect scarring. One could, for instance, easily propose additional country-level

factors with a possible impact on scarring, such as the degree of globalization (see De Lange et al., 2014). An increase in flexible and non-standard work arrangements may shift unemployment scarring towards scarring from engagement in atypical or marginal forms of employment and non-standard careers, which may be evaluated as negative productivity indicators by employers (Pedulla, 2016).

To complicate things further, scarring effects are likely to vary not only across institutional settings but also across different groups of workers (Plum and Ayllón, 2015), such as those with different educational levels or in different gender categories. Gender-separate analyses by Helbling et al. (2017) suggest that the findings presented above may mask gender differences in employment outcomes. For example, analyses conducted that include a gender dimension suggest some long-term unemployment scarring for female upper-secondary school graduates in Germany and in Finland, while for the United Kingdom long-lasting unemployment scarring seems to pertain more to men with upper-secondary school diplomas. For Spain, as well as to some extent for the United Kingdom and Finland, results also suggest some long-term scarring in terms of an over-representation in fixed-term work for cohorts of female upper-secondary school graduates, while increased shares in involuntary part-time employment over the course of the career is more a male phenomenon in Switzerland.

Many factors might potentially explain the observed variation in scarring effects across different institutional settings or worker groups. A sound conceptualization of the institutional framing of scarring effects would require a well-established micro theory of their behavioural foundations, both for employers and for jobseekers or workers. Without such a micro theory, it is difficult to derive concise theoretical expectations for the patterns of aggregate effects from institutional settings or worker groups.

## REFERENCES

- Aigner DJ and Cain GG (1977) Statistical theories of discrimination in labor markets. *Industrial Labor Relations Review* 30(2): 175–87.
- Arulampalam WP, Gregg P and Gregory M (2001) Unemployment scarring. *Economic Journal* 111(475): 577–84.
- Ayllón S (2013) Unemployment persistence: Not only stigma but discouragement too. *Applied Economics Letters* 20(1): 67–71.
- Ayllón S and Ferreira-Batista N (2016) *Institutional determinants of early job insecurity in nine European countries*. National Report Spain for NEGOTIATE Working Paper no. 3.4. [https://negotiate-research.eu/files/2015/03/WP-3.4\\_Spain\\_National-report.pdf](https://negotiate-research.eu/files/2015/03/WP-3.4_Spain_National-report.pdf) (accessed 2 June 2018).

- Biewen M and Steffes S (2010) Unemployment persistence: Is there evidence for stigma effects? *Economics Letters* 106(3): 188–90.
- Bonoli G (2012) Active labour market policy and social investment: A changing relationship. In: Morel N, Palier B and Palme J (eds) *Towards a Social Investment Welfare State? Ideas, Policies and Challenges*. Bristol: Policy Press, pp. 181–204.
- Brandt M and Hank K (2014) Scars that will not disappear: Long-term associations between early and later life unemployment under different welfare regimes. *Journal of Social Policy* 43(4): 727–43.
- Breen R (2005) Explaining cross-national variation in youth unemployment: Market and institutional factors. *European Sociological Review* 21(2): 125–34.
- Cedefop (2013) *On the way to 2020: Data for vocational education and training policies: Country statistical overviews*. Research Paper no. 31. Luxembourg: Publications Office of the European Union.
- Clark AE, Georgellis Y and Sanfey P (2001) Scarring: The psychological impact of past unemployment. *Economica* 68(270): 221–41.
- Cockx B (2016) *Do youths graduating in a recession incur permanent losses? Penalties may last ten years or more, especially for high-educated youth and in rigid labor markets*. IZA World of Labor no. 281. DOI: 10.15185/izawol.281.
- De Lange M, Gesthuizen M and Wolbers M (2014) Youth labour market integration across Europe. *European Societies* 16(2): 194–212.
- De Vreyer P, Layte R, Hussain A and Wolbers M (2000) The permanent effects of labour market entry in times of high unemployment. In: Gallie D and Paugam SP (eds) *Welfare Regimes and the Experience of Unemployment in Europe*. Oxford, UK: Oxford University Press, pp. 134–52.
- Dieckhoff M (2011) The effect of unemployment on subsequent job quality in Europe: A comparative study of four countries. *Acta Sociologica* 54(3): 233–49.
- Dingeldey I, Assmann ML and Steinberg L (2017) *Strategies to improve labour market integration of young people: Comparing policy coordination in nine European Countries*. NEGOTIATE Working Paper no. 8.2. [https://negotiate-research.eu/files/2015/04/NEGOTIATE\\_WP\\_8.2\\_-\\_Strategies-to-improve-labour-market-integration-of-young-people.pdf](https://negotiate-research.eu/files/2015/04/NEGOTIATE_WP_8.2_-_Strategies-to-improve-labour-market-integration-of-young-people.pdf) (accessed 29 April 2018).
- Duell N, Grubb D and Singh S (2009) *Activation policies in Finland*. OECD Social, Employment and Migration Working Paper no. 98. Paris: OECD. DOI: 10.1787/220568650308.
- EU-LFS, Eurostat Labour Force Survey (2016) *Employment and unemployment (LFS) – Overview*. <http://ec.europa.eu/eurostat/web/lfs/overview> (accessed 18 May 2016).
- Gangl M (2004) Welfare states and the scar effects of unemployment: A comparative analysis of the United States and West Germany. *American Journal of Sociology* 109(6): 1319–64.
- Gangl M (2006) Scar effects of unemployment: An assessment of institutional complementarities. *American Sociological Review* 71(6): 986–1013.
- Gebel M (2013) *Is a temporary job better than unemployment? A cross-country comparison based on British, German, and Swiss panel data*. SOEPpapers on Multidisciplinary Panel Data Research 543. Berlin: German Socio-Economic Panel Study, DIW Berlin.
- Goldsmith AH, Veum JR and Darity W (1996) The impact of labor force history on self-esteem and its component parts, anxiety, alienation and depression. *Journal of Economic Psychology* 17(2): 183–220.

- Helbling LA, Sacchi S and Imdorf C (2017) *Understanding cross-country variation in the long-term consequences of graduating at a bad time: A comparison of five European countries*. NEGOTIATE Working Paper no. 6.3. [https://negotiate-research.eu/files/2015/04/NEGOTIATE\\_working\\_paper\\_6.3.pdf](https://negotiate-research.eu/files/2015/04/NEGOTIATE_working_paper_6.3.pdf) (accessed 29 April 2018).
- Hora O, Horáková M and Sirovátka T (2016) *Institutional determinants of early job insecurity in nine European countries*. NEGOTIATE Working Paper no. 3.4. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-D3.4.pdf> (accessed 29 April 2018).
- ILO (1982) *Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by the Thirteenth International Conference of Labour Statisticians*. Geneva: International Labour Organization. [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms\\_087481.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_087481.pdf) (accessed 10 June 2018).
- Julkunen I and Öhman J (2005) Finland. In: Walther A and Pohl A (eds) *Thematic Study on policy measures concerning disadvantaged youth: Final report, Vol. 2 – Annexes II–VI*. Tübingen: Institute for Regional Innovation and Social Research (IRIS), pp. 53–69.
- Kahn LB (2010) The long-term labor market consequences of graduating from college in a bad economy. *Labour Economics* 17(2): 303–16.
- Kawaguchi D and Murao T (2014) Labor-market institutions and long-term effects of youth unemployment. *Journal of Money, Credit and Banking* 46(S2): 95–116.
- Kilchmann V, Kobler C, Shi LP and Imdorf C (2016) *Strategies to improve labour market integration of young people: Comparing policy coordination in nine European countries*. National Report Switzerland for NEGOTIATE Working Paper no. 8.2. [https://negotiate-research.eu/files/2015/03/D8.2\\_Country\\_Report\\_Switzerland.pdf](https://negotiate-research.eu/files/2015/03/D8.2_Country_Report_Switzerland.pdf) (accessed 10 June 2018).
- Lupi C and Ordine P (2002) Unemployment scarring in high unemployment regions. *Economics Bulletin* 10(2): 1–8.
- Mortensen D (1986) Job search and labor market analysis. In: Ashenfelter O and Layard R (eds) *Handbook of Labor Economics*, vol. 2. Amsterdam: Elsevier, pp. 849–919.
- OECD (2011) *Education at a Glance 2011*. Paris: OECD.
- OECD (2017) *Labour Force Statistics 2016*. Paris: OECD.
- OECD Observer (2010) *Lost generation?* [http://www.oecdobserver.org/news/archivestory.php/aid/3257/Lost\\_generation\\_.html](http://www.oecdobserver.org/news/archivestory.php/aid/3257/Lost_generation_.html) (accessed 15 June 2016).
- Pedulla DS (2016) Penalized or protected? Gender and the consequences of non-standard or mismatched employment histories. *American Sociological Review* 81(2): 262–89.
- Pissarides CA (1992) Loss of skill during unemployment and the persistence of employment shocks. *Quarterly Journal of Economics* 107(4): 1371–91.
- Plum A and Ayllón S (2015) Heterogeneity in unemployment state dependence. *Economics Letters* 136: 85–7.
- Royston P and Altman DG (1994) Regression using fractional polynomials of continuous covariates: Parsimonious parametric modeling. *Journal of the Royal Statistical Society* 43(3): 429–67.
- Sacchi S, Kriesi I and Buchmann M (2016) Occupational mobility chains and the role of job opportunities for upward, lateral and downward mobility in Switzerland. *Research in Social Stratification and Mobility* 44: 10–21.

- Shi LP, Imdorf C, Samuel R and Sacchi S (2018). How unemployment scarring affects skilled young workers: Evidence from a factorial survey of Swiss recruiters. *Journal of Labour Market Research*. 52:7. DOI: 10.1186/s12651-018-0239-7.
- Sirovátka T, Hora O and Horáková M (2017) *The fight against youth unemployment: Enhancing the chances of success by strengthening linkages between horizontal and vertical policy coordination*. NEGOTIATE Working Paper no. 8.4. [https://negotiate-research.eu/files/2018/06/NEGOTIATE\\_working\\_paper\\_8.4.pdf](https://negotiate-research.eu/files/2018/06/NEGOTIATE_working_paper_8.4.pdf) (accessed 20 June 2018).
- Spence M (1973) Job market signaling. *Quarterly Journal of Economics* 87(3): 355–74.
- Stock JH and Watson MM (2012) *Introduction to Econometrics*. 3rd ed. Boston, MA: Pearson.
- Vandenbergh V (2010) *The long-term effects of recessions on youth: Reviewing the evidence*. Louvain: Université catholique de Louvain (UCL), Economics School of Louvain.
- Van den Berge W and Brouwers A (2017) *A lost generation? The early career effects of graduating during a recession*. CPB Discussion Paper no. 356. The Hague: CPB Netherlands Bureau for Economic Policy Analysis.
- Van der Velden R, Welters R and Wolbers M (2001) *The integration of young people into the labour market within the European Union: The role of institutional settings*. Working Paper no. 7E. Maastricht: Research Centre for Education and the Labour Market.



## 5. The impact of active labour market policies on employers' evaluation of young unemployed: a comparison between Greece and Norway<sup>1</sup>

**Dimitris Parsanoglou, Aggeliki Yfanti,  
Christer Hyggen and Lulu P. Shi**

---

### 1 INTRODUCTION

According to the European Commission (2016), 'the main goal of active labour market policies (ALMPs) is to increase the employment opportunities for job seekers and to improve matching between jobs (vacancies) and workers (i.e. the unemployed)'. However, the effects of ALMPs on (re-) employment for young people are mixed and may well be affected by the general macroeconomic conditions and functioning of labour markets. As the head of the Youth Employment Programme at the International Labour Office has admitted, 'ALMPs cannot solve structural problems that require other types of policies, neither can they create jobs, particularly during periods of slack demand' (Rosas, 2015).

In this chapter we examine two extreme cases in Europe – Greece and Norway – with regard to both their macroeconomic conditions and the structure/functioning of their labour markets. Our aim is to explore the possible moderating impact of national contexts on the effects of participation in ALMPs on young people's employment probabilities (or rather on evaluations of such young people by employers). More precisely, we explore how employers evaluate participation in work training when rating candidates for a job and in the final selection between the best-rated candidates. Simulating the first phase of a real hiring process, an analysis of recruiters' evaluations of vignettes representing applicants' CVs is performed.

---

<sup>1</sup> Acknowledgement: This study was co-funded by the Swiss State Secretariat for Education, Research and Innovation SERI (grant no. 15.0089) as part of the Horizon 2020 project 'Negotiating early job insecurity and labour market exclusion in Europe – NEGOTIATE'.

## 2 SCARRING EFFECTS OF UNEMPLOYMENT AND ACTIVE LABOUR MARKET POLICIES

Persisting consequences of employment instability and unemployment have come to be known in the literature as scarring effects. Different theoretical explanations have been proposed to frame and explain such effects. Both demand- and supply-side factors may be seen as driving mechanisms of scarring (Helbling et al., 2016). In order to overcome the supply-side bias in research on the negative consequences of unemployment, we examine the role that employers play in the inclusion and exclusion of young adults who have experienced early job insecurity in the labour market.<sup>2</sup> The impact of education, labour market conditions and employment policies on employer behaviour are of special interest in understanding the kinds of job biographies recruiters are looking for, as well as candidates' experiences that are viewed with caution.

One of the basic problems employers face during recruitment is the limited amount of accessible information they have on job applicants. Within a short space of time and with limited resources, recruiters try to find out as much as possible about the job candidates' productivity. During the first stage of the hiring process, employers often must rely entirely on limited information extracted from CVs. The questions regarding what sort of information they draw from the CVs to predict the suitability of the candidates for a specific position and how they interpret this information have engendered many studies in the social sciences building on different theoretical concepts and frameworks, notably human capital theory, job market signalling theory and employer discrimination theory (Helbling et al., 2016).

According to *human capital theory*, recruiters seek to know what the applicant's performance at work is like, including his/her skills and productivity; that is, all the attributes and properties often referred to in the literature as human capital (Becker, 1964, 1993). The acquirement and enhancement of human capital takes place during education and at work. Similarly, experiences of unemployment can be understood as foregone chances of human capital accumulation or as loss of previously earned skills and knowledge (Arulampalam et al., 2000). Frederiksen et al. (2013) have found that the duration of previous employment is an important indicator for human capital accumulation, simply because the longer the duration, the more time the worker has had to accumulate skills. Besides the duration of employment, recruiters are also interested in the quality

---

<sup>2</sup> For a discussion of the concept of early job insecurity, see Dingeldey et al. (2015) and Hvinden et al. (Chapter 1 in Volume 1).

of prior work experience. The skills considered the most valuable for organizations are work-specific skills; that is, whether the candidate has worked in the same or in a comparable occupational field before and/or has acquired the appropriate skills during education. Hence, depending on what unemployed people are doing during unemployment, human capital theory would presume that an increase in the duration of unemployment leads to decreased individual productivity, since long spells of unemployment might mean that an applicant had less time to acquire skills and knowledge. Lengthy unemployment might also suggest that candidates who have been educated and/or have worked in occupational fields irrelevant to the specific vacant job position are less well equipped with work-specific human capital. Accordingly, both experiences of unemployment and mismatch of job and education can be interpreted by employers as risks for productivity, likely resulting in an unsuccessful job application, unemployment and individual scars (Helbling et al., 2016). ALMPs, like training programmes, are designed to counteract human capital depreciation during unemployment. Building on human capital theory, participating in training programmes or in other types of ALMPs during unemployment – as opposed to being inactive – should have a positive effect on the evaluation of the candidate.

Obtaining information about applicants' true capabilities is costly, so recruiters often rely on the most visible – albeit sometimes superficial – hints that can be extracted from CVs. This information can be classified into two categories: the unalterable attributes, such as gender or ethnicity – what Spence (1973) calls indices – and *signals*, which in contrast can be actively created by individuals, such as education and employment experiences. Educational credentials, school grades, company names of previous employers, but also gaps in CVs or participation in labour market measures can all serve as signals. In line with human capital theory, *signalling theory* suggests that spells of unemployment can signal a worker's low productivity and a deterioration of their motivation, behaviour and skills (Atkinson et al., 1996). Although employers do not systematically reject people with a history of unemployment, they are more careful about whether they hire them or not with a view to avoiding the potential risk of an unprofitable company investment (Helbling and Sacchi, 2014). In many cases they are more likely to opt for the more secure route by hiring people with a 'safe' biography – if the candidate pool allows for this – or preferring not to hire anybody at all rather than risking disrupting the workplace (Devins and Hogarth, 2005).

Other authors are more optimistic about what unemployment may signal. Ma and Weiss (1993) studied people who voluntarily prolong their unemployed status and reject taking the next best job. This can occur

when the proposed wage is below the lowest wage that the applicant would accept – the so-called reservation wage – or when taking the job would decrease his/her chances of finding future employment. In this light, it seems plausible that employers do not necessarily always consider unemployment or even prolonged periods of unemployment as a bad signal; instead they might differentiate between individual cases. According to McCormick (1990), former job experiences are stronger and more reliable signals for productivity than the duration of unemployment spells. Eriksson and Rooth (2014) suggest that the strength of the negative signal of experiences of unemployment firmly depends on the duration of the spell and whether work experience follows the periods of inactivity. In a field experiment they found evidence that unemployment needs to last for at least nine months for recruiters to perceive it as a bad signal. Furthermore, they suggest that the effect of an unemployment spell can be neutralized by subsequent work experiences.

Furthermore, the rank and quality of the position an employer is recruiting for also plays a major role. Employers who are recruiting for positions that require low or medium skills are more likely to reject applicants who have experienced unemployment, while recruitment for positions that require higher skills is accompanied by more tolerance towards applicants with experiences of unemployment, even when these were of lengthy duration.

Whether unemployment is perceived as a negative signal depends not least on the reason for the job displacement. Even though signalling theory adds valuable additional explanations to human capital theory in terms of understanding scarring effects from an employer's perspective, neither economic theory considers the social embeddedness of the hiring process. Sociological theories, on the other hand, take the social background of both job applicants and companies into account, against which signals must be analysed, and upon which their meanings may vary. In order to explain how recruiters gather and evaluate information on applicants' social backgrounds, discrimination theories consider the embeddedness of signals in a social context (Imdorf, 2017). In theory, the signals sent by work-training participation should be positive, reflecting activity and motivation. However, the content and intensity of the activities during participation are still unknown to the employer.

Therefore, *theories of discrimination* help us understand how employers can read identical signals differently by taking information on the applicants' social backgrounds into account. It is sometimes the case that two individuals with the same educational credentials or identical work experience are treated differently. This may happen if these two individuals belong to different social groups that are believed to be equipped with

unequal abilities. Depending on the social backgrounds of the applicants, their previous experiences might be interpreted differently. The *taste-based theory of discrimination* (Becker, 1971) argues that employers who have a taste for discrimination would be willing to sacrifice profit for choosing a less productive worker over a more capable one because the latter possesses traits unrelated to productivity with which the employer does not feel comfortable.

The *statistical theory of discrimination* (Phelps, 1972), on the other hand, is based on the premise that employers are rational individuals whose actions are driven by profit maximization. The reason why they exert discrimination is because of their flawed observations and beliefs about members of specific groups. If employers assume the proportion of productive workers to be relatively small in certain groups, they might be unwilling to spend time and money to find out the true abilities of somebody who belongs to one of these groups and might prefer to let possible talents go undiscovered.

To sum up, a prior belief about a certain group can determine a recruiter's subsequent belief about the productivity of a worker from that group (Mishra, 2003). Signals can become unclear ('noisy') in interaction with class or ethnic background (Seibert and Solga, 2005). The presumption of group homogeneity procures advantages for some and disadvantages for others who belong to other groups. Unlike human capital theory (which assumes that recruiters act rationally and only hire the applicants with the highest known productivity) and unlike signalling theory (which ignores the social contexts in which employers and jobseekers are embedded), discrimination theories suggest that one pay attention to the perception of people in relation to their social and cultural backgrounds. Discrimination takes place in various shapes. The most obvious and strongest reaction is to not give the applicant a job at all. Another way to enact discrimination is to measure situations in which there is a mismatch between an individual's job and education. Higher qualifications might be required from an applicant from a discriminated group in order to prove her/his skills, whereas a recruiter might accept another application that signals a lower qualification from an individual from a group that is not discriminated. Overqualification is common amongst immigrant workers, whose credentials are downgraded when they apply for jobs in a host country (Andersson et al., 2012). Participating in a work-training programme is not equal to belonging to a social group, nonetheless employers may believe that work-training participants share some unobserved negative qualities (statistical discrimination), rendering them more likely to evaluate participants negatively.

To summarize, the impacts of attributes such as educational attainment, unemployment, situations where there is a mismatch between an

individual's education and job, and gender are well known in the research literature. Some authors have examined scarring effects by concentrating on the duration of unemployment (Atkinson et al., 1996; Cockx and Picchio, 2013; McCormick, 1990), while others have measured its impacts by contextualizing unemployment more specifically with regard to employment history (Eriksson and Rooth, 2014; Frederiksen et al., 2013). Others again have used education as a benchmark (Diem and Wolter, 2014; Rosenbaum et al., 1990). Little research has been done on the possible scarring effects of measures invented to counteract the negative consequences of unemployment. An exception is the factorial survey experiment conducted with managers of hotels in Switzerland (Liechti et al., 2017), which focused on the signalling effect of participation in labour market programmes. The experiment showed that participation in such programmes can be assessed either positively or negatively by employers, depending on the candidate's distance from the labour market: candidates who are more distant from the labour market receive a better evaluation if they have participated in a programme, while for 'stronger' candidates, participation can act as a relative stigma in the eyes of employers.

In the cases of Greece and Norway examined here, we find differentiated effects of unemployment and participation in ALMPs. These differentiations are probably linked to differences in both the structure of the labour markets and the macroeconomic contexts in the two countries.

### 3 MACROECONOMIC CONTEXT, RECRUITMENT PRACTICES AND REGULATORY FRAMEWORK

National labour markets are shaped by specific economic conditions and political regulations. We assume that different economic contexts and institutional frameworks are not only associated with insecurity regarding employment (Chung and Van Oorschot, 2011), rather also with country-specific recruitment behaviour on the part of firms, especially when we compare two countries with such different structural and institutional backgrounds as Greece and Norway. The general economic situation of a country, and especially that within specific industries, is relevant for a company's risk assessment when hiring young employees (Grotti et al., 2018). Gangl (2002) was able to show not only that the risk of unemployment closely follows the cyclical changes of economic conditions, but also that the lowest qualified are affected most heavily by such changes. Hence the risk assessment of companies during the recruitment process is more cautious when the economic situation is difficult. We can therefore assume that job candidates' experiences of unemployment or occupation

in insecure jobs might be exacerbated during the hiring process in difficult economic contexts.

The gross domestic product (GDP) per capita is an indicator of a country's economic performance. An alternative measure that captures firms' hiring and firing behaviour more directly is the (youth) unemployment rate, that is, the share of the (young) labour force that is without work but is available for and seeking employment.

For the last few decades Norway has had a significantly higher GDP per capita than Greece (for details, see Figure 5A.1 in the Appendix, this chapter). The two countries also differ with regard to unemployment rates, with Greece showing significantly higher and growing figures – particularly in the years following the 2008 financial crisis – whereas the rates in Norway are much lower and have been rather unaffected by the crisis (for details, see Figures 5A.2 and 5A.3 in the Appendix, this chapter).

Accordingly, if we only consider the national economic situations of the two countries, we can expect young people who have experienced job insecurity to have better chances of being hired in Norway than in Greece. To sum up, Norway combines a good economy with low unemployment rates, while Greece displays lower economic performance and high unemployment rates, particularly for young people. Therefore, we expect the two countries' contexts to have different impacts on the meaning and significance of individual job insecurity for a person's chances of being recruited for a new job.

#### 4 ALMPS IN GREECE: STRUGGLING WITH STRUCTURAL SHORTCOMINGS

Profound changes in labour relations and labour rights in Greece started back in 2010 as part of fiscal-discipline policies following the sovereign debt crisis of 2009. These reforms were imposed by the structural adjustment programmes accompanying the Memoranda of Understanding between Greece and its creditors (for further details, see Karamessini et al., 2016a). Changes have mainly focused on the expansion of flexible forms of employment as against steady and full-time employment, on more flexible working hours, on liberation and facilitation of layoffs, and on changing the way wages are determined through collective bargaining (Kouzis, 2014).

Some of the changes in Greek labour legislation have particularly affected young people. The definition of a specific minimum wage for youth aged under 25 and apprentices, which was reduced in 2012 by 32 per cent in relation to the national minimum wage, has certainly had a

significant impact on young workers' lives. The minimum wage floor was set at 586.08 euros for employees over the age of 25 and at 510.95 euros for those aged under 25. Furthermore, the trial period for the newly recruited has been extended from two to 12 months, and employers are generally facilitated in hiring workers on fixed-term or part-time contracts, as well as replacement workers through employment agencies. Those who have entered the labour market since the changes have been greatly affected by the extension of flexible forms of employment. It is telling that the part-time employment rate has almost doubled since 2008 in the age category 15–25 (from 13.4 per cent to 21.1 per cent), while for the category 25–29 it has increased from 6.1 per cent to 12.2 per cent. In the Greek case, part-time employment is hardly voluntary; most part-time employees have no other option, rather they accept this form of employment given the lack of full-time employment: 63 per cent in the age category 15–24 and 74.4 per cent in the category 25–29 reported that they are working part time against their will (Petmesidou and Polyzoidis, 2015).

It is, however, important to note that in Greece, even before the current financial and economic crisis, education-to-work transitions appeared quite problematic. According to a survey on the participation in employment of university degree-holders conducted during the years 2005–06, 84 per cent of the respondents were working five to seven years after their graduation, but 45 per cent of these were on fixed-term, part-time or project-based contracts (Karamessini et al., 2008).

In Greece, labour policies targeting youth had for some time showed a focus on activation measures. Before 2013 policies on work-study balance included an allowance for students during exams and subsidization of internships for students in universities of applied sciences that covered 50 per cent of the cost. Since 2013 a dialogue has been launched on the formation of an institutional framework for internship as part of the European Quality Framework of Internship, but also of the national strategy for the improvement of vocational education and training. These institutional initiatives were funded partly by the Greek Youth Guarantee programme.

Vocational training and its incorporation in the general educational system has not really been very high on the political agenda or visible in the design of main policy objectives. The main goal is its adjustment to labour market needs. Policies and measures that encourage young people who abandoned education to return have been relatively weak. The only exception was the establishment of 'second-chance schools', which was, however, a fragmented initiative that had low impact on the target group. When it comes to employment policies, one can see that vocational training has diachronically played an important role, since it is usually the most significant part of ALMPs. Voucher programmes for participation in vocational



education and training have been significantly extended in recent years. These programmes are implemented by the Ministry of Labour on the basis of geographical criteria, that is, according to local unemployment rates or level of economic development, but they also target specific groups of redundant workers, for instance those from big companies or from specific sectors that have been affected by the economic crisis.

To sum up, in Greece policies regarding school-to-work transitions are weak. Their ineffectiveness is demonstrated by the extremely low probability of school-leavers finding employment one year after graduation: in Greece in 2013, the probability of finding employment was 19 per cent, of being unemployed 56 per cent and of being inactive 25 per cent (Karamessini et al., 2016b). Even if the Youth Guarantee programme seemed to trigger a dialogue on the obligation of all relevant stakeholders to establish a sort of social contract for the enhancement of young people's probabilities of finding a place in the labour market or in education, the outcomes of the programme up until now have been relatively poor. While there has certainly been a significant impact of such actions on the possibility of acquiring some work experience for those who wish to enter the labour market, Greece's youth unemployment rate still remains the highest in the EU, (involuntary) flexible forms of employment keep growing at the expense of steady and full employment, and wages remain low. In other words, it seems that the financial and economic policies in Greece and the low demand in the Greek labour market are undermining any initiative towards an increase in youth employment.

## 5 ALMPS IN NORWAY: A LONG TRADITION WITH AMBIGUOUS RESULTS

Young unemployed and dropouts from upper-secondary school in Norway primarily participate in one of three measures: work training, wage subsidies and different kinds of training aimed at upskilling or enabling participants for employment. Amongst these three, the most widely used measure is work training (Von Simson, 2012: 80). Administered by the Norwegian Labour and Welfare administration (NAV), this measure gives all unemployed people the opportunity to gain work experience for up to one year, being placed in an ordinary company or business while being followed up by their NAV supervisor (NOU 6, 2012).

For the age group 16–19, 70 per cent of participants in ALMPs in 2016 were in work training. Out of the age group 20–24, 46 per cent of ALMP participants were participating in work training (NAV Statistics, 2016). The average share for all age groups in 2016 was 30 per cent. The main

reason for this high percentage is the goal of the Youth Guarantee that seeks to give this age group practical work experience before (re-)entering higher education or work (Strand et al., 2015). Work training is by far the most widely used labour market measure for the young in Norway (NAV Statistics, 2016). Overall, when studying the effect of labour market measures on youth in Norway, work training is the most important measure to understand.

Work training has a long history as a labour market measure in Norway (Zhang, 2016: 46). It involves the unemployed participant being placed in an ordinary workplace. The participant is supposed to formulate a plan in cooperation with her NAV supervisor regarding what is to be achieved during the work-training period. The employer commits to mentoring the newcomer in a way that make the participant better qualified (Zhang, 2016: 46).

Despite being the most widely used labour market measure, research concludes that work trainings have only small or negative effects on combatting youth employment. First, Von Simson's (2012) research comparing the effects of private intermediary firms with NAV's work-training measure for upper-secondary school dropouts concludes that taking part in NAV-organized work trainings results in 30 per cent less probability of becoming employed during the measure. There is no increased probability of employment after the measure.

Second, Hardoy (2005) reaches a similar conclusion using older data from 1989 to 1993. Compared to Von Simson, Hardoy looks at youth up to the age of 25 and concludes that the work trainings only work positively for girls aged 16–20. Third, using an event-history analysis on everyone registered as unemployed in the time span 2003 to 2012, Zhang (2016) concludes that work trainings have a minimal effect on reducing unemployment. It is worth noting that Zhang does not separate youth as one group from his data. Overall, research tends to conclude that NAV's work training has at best negligible effects on reducing youth unemployment.

## 6 SURVEY AND EXPERIMENT DESIGN

How the different national contexts ultimately impact on the chances of young adults with insecure past job experiences being hired for new jobs, and which context ultimately proves to be the most relevant, remain empirical questions. In the second part of this chapter we outline our methodological and empirical approach, which is aimed at answering the following research question: How do employers use information on participation in ALMP measures in relation to education, gender and

unemployment in their assessment of written job applications in different economic and institutional contexts?

In order to study the scarring effects of insecure job experiences induced by employers, we apply a straightforward methodological design – a multi-dimensional vignette experiment integrated in a web-based employer survey. The vignettes simulate hypothetical job candidates who differ by gender, education and experience of (un-)employment and participation in work training. A main aim of our research design was to capture the complexity of hiring decisions and to test multiple potential scarring factors at the same time. Since the dimensions are orthogonal to each other – in other words, the levels of one dimension can vary independently of the levels of other dimensions – it is possible to calculate the influence of each of the dimensions on the outcome (Auspurg and Hinz, 2015). A multi-factorial survey design therefore permits the analysis of the single and joint effects of several features of the job applicants on hiring decisions.

The main idea behind the factorial survey method is to present survey respondents with stimuli that resemble real-world evaluations and to force them to make trade-offs between several dimensions. The method is arguably better at enabling a more precise determination of the judgement principles that underlie evaluations than is possible using, for example, single-item questions (Auspurg and Hinz, 2015). The set-up of a factorial survey follows the guiding principles of experimental research. The stimuli are manipulated by the researchers and the outcome can be causally related to this manipulation. The factorial survey design combines the advantages of experimental and survey research. The experiments guarantee internal validity and the survey methodology allows for relatively cost-effective data collection reaching a heterogeneous population, thus also increasing its external validity (Hyggen et al., 2016).

A pre-test was performed to test the field access, response rates and the questionnaire in five occupational sectors. The sample size for the main data collection was established based on results from this pre-test. Real vacancies for occupations in five sectors – mechanics, finance, health, catering and information technology – were sampled during spring 2016 using online job portals.<sup>3</sup> This choice enables the results to be close to the outcomes of the real hiring process.

A general strategy was applied for sampling. First, databases and communication channels for job advertisements covering the chosen occupa-

---

<sup>3</sup> In Greece a total of 14 online job portals were used in sampling (with three of them, xe.gr, skywalker.gr and aggelipolis.gr covering almost 80 per cent of the job vacancies that were retrieved), while in Norway the online portals used were nav.no and finn.no, which together cover 90 per cent of the positions publicly advertised in the country.

tions and sectors were identified and analysed for structure and search opportunities. Second, channel-sensitive search algorithms designed to capture vacancies in the relevant occupations in the five sectors were applied. This included both text-based searches where the description exactly coincided with one of the labels of interest for the study and text-based searches where appropriate sub-categories from the full labels of offered positions in the sector were chosen. The third step consisted of sorting out identified vacancies that would not meet our criteria (for instance, vacancies requiring more than five years' professional experience). In most cases this was done through manual screening of the ads.

Based on contact information from the job advertisements, but also through phone calls in cases where email addresses were missing (particularly in Greece), the personnel responsible for recruiting for the position were contacted and invited to participate in an online survey. Participants in the survey were presented with an image of the sampled vacancy in order to link their responses directly to the hiring procedure for the sampled vacancy.

The online survey consisted of three parts. In the first part respondents were asked if the recruitment occurred externally by means of a professional personnel recruitment company and were then asked questions about the advertised job (e.g., workload, form of contract) and about the characteristics and requirements of the advertised position (e.g., required educational credentials and work experience, supervisory functions) beyond the information that was given in the advertised vacancy. It was further asked how difficult it was to find suitable candidates for the specific job that was being advertised and how urgent it was that the vacancy should be filled.

Following the first section of the survey, the respondents were asked to rate eight vignettes representing hypothetical job candidates' CVs that were shown to them one by one.<sup>4</sup> The vignettes were shown in a graphical format so as to visualize (un)employment history and education. The vignettes (CVs) were designed to allow for a number of experimental variables:

- Gender (male/female);
- Timing of unemployment (immediately after graduation / between two previous jobs / ongoing when applying for new job);
- Duration of unemployment (0 months / 10 months / 20 months);

---

<sup>4</sup> The initial design was to include ten vignettes for each respondent; however, a technical problem in the Greek online questionnaire – which included only eight vignettes – led the research team to decide to consider only the first eight vignettes evaluated in each country.

- Education level (lower-secondary / upper-secondary / tertiary);
- Education type (specific to job advertisement / non-specific: retail sale);
- Employment experience (specific to job advertisement / retail sale / call-centre work); and
- ALMP participation during unemployment (PES employment programme in Greece and work training in Norway).

The first task for the respondents consisted in rating the likelihood of the illustrated candidate on the vignette being hired for the advertised position. The respondents rated the likelihood of being hired using a 10-point scale ranging from 0=not likely to 10=very likely. The best-rated three vignettes entered the next round, where they were paired with one another. The respondents were asked to choose one preferred candidate for each pair (forced choice task). The vignette that was twice preferred was the winner. After the forced choice task, the respondents were asked to report what other information they would have liked to know about the candidates in addition to the limited dimensions of the vignettes.

The third part of the survey (following the vignette study) covered questions about the recruiting process and further questions on the characteristics of the advertised position (e.g., how and through which channels vacancies were communicated and who was involved in the recruitment process). The respective answers provide additional information on the various contexts and help us understand the vignette ratings. To find out how the recruitment process reflects organizational features, the questionnaire also included questions about the size of the organization, whether it was located in the public or the private sector, and what the economic outlook of the company was like. Finally, we collected personal data from the respondents (e.g., work experience, professional background, function, education, gender, age).

## 7 RESULTS

In our analysis we compare the two countries with regard to the assessment of participation in ALMPs by employers/recruiters. Descriptive results from the survey show variations in reservations between the two countries about hiring previously unemployed youth. In general, Norwegian recruiters seem to have more reservations about hiring a person who has been unemployed during the recent past; in Greece, on the contrary, reservations are limited – with the exception of the catering sector (Table 5.1). This might be explained by the fact that catering and tourism are generally

*Table 5.1 Would you have any reservations about hiring a person who has been unemployed during the last two years?*

	Greece			Norway		
	No	It depends	Yes	No	It depends	Yes
Mechanics	38.9	53.8	7.3	21.8	69.1	9.1
Finance	37.1	55.3	7.7	19.0	67.1	13.9
Health	43.1	51.4	5.6	8.7	74.2	17.0
Catering	35.3	47.9	16.8	5.0	77.5	17.5
IT	42.3	48.7	9.1	20.7	58.6	20.7
Total	39.2	51.5	9.3	13.2	70.7	16.1

*Source:* Author's interpretation.

sectors with a relatively high demand for labour because of the importance of the industry for the Greek economy at large. In Norway, on the other hand, the mechanics sector is that where the reservations of recruiters are most moderate.

The results from the survey also reveal great differences between the two countries in regard to employers' assessment of enrolment in employment schemes for the unemployed (Table 5.2). In general, Norwegian employers/recruiters are more prone to believing that participation in ALMP schemes decreases people's chances of getting hired than Greek employers. In the case of finance, in both countries enrolment in employment schemes has a potentially negative effect on recruiters' assessments, while in Norway the most negative effect is in the health sector. The sectors where enrolment in employment schemes is mostly perceived as an advantage for candidates, on the other hand, are mechanics in Greece and catering in Norway; whether these specificities are based on sector particularities or highlight certain trends are questions to be further explored in additional research.

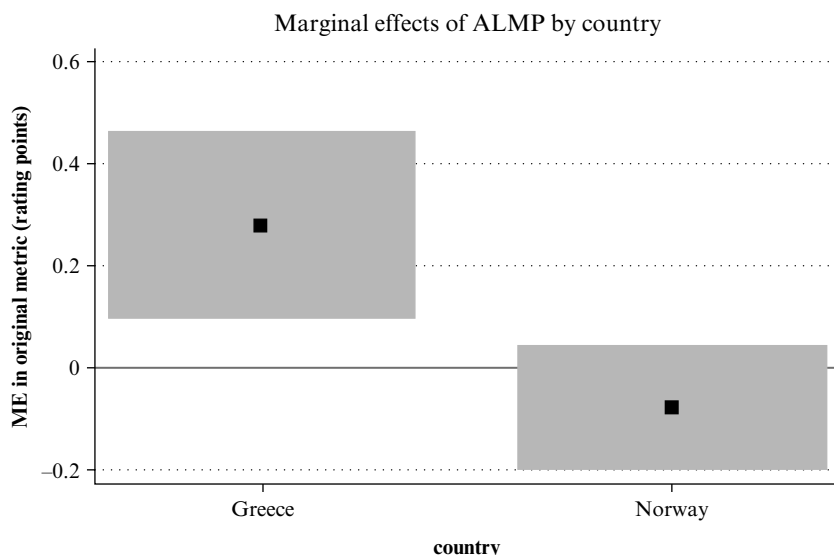
In order to examine the effect of participation in ALMP measures on recruiters' ratings and choices, we employed fixed-effects multi-level linear regression models (Auspurg and Hinz, 2015). To test our hypothesis on the positive effect of participation in ALMP, we estimated country-specific multi-level regression models (see Imdorf et al., Chapter 5 in Volume 1, for detailed model specifications).

As Figure 5.1 shows, there is a general divergence between the two countries regarding the effect of participation in ALMPs on recruiters' evaluations (also see Figure 5A.4 in the Appendix, this chapter, for results on gender). While in Greece participation in an ALMP has a positive

Table 5.2 Assessment of activities pursued during non-employment

Enrolment in employment scheme for the unemployed	Greece						Norway					
	Mechanics	Finance	Health	Catering	IT	Total	Mechanics	Finance	Health	Catering	IT	Total
Decreases chance of getting hired	3.4	13.7	1.4	7.1	0.0	5.3	8.9	17.5	23.3	14.3	16.4	19.0
No effect	57.3	58.9	67.1	66.8	68.7	63.5	71.4	66.3	60.0	57.1	65.6	62.8
Increases chance of getting hired	39.3	27.4	31.5	26.1	31.3	31.2	19.6	16.3	16.7	28.6	18.0	18.2

Source: Author's interpretation.



Source: Author's interpretation.

*Figure 5.1 Marginal effects of ALMP participation on recruiter ratings, by country*

effect, in Norway participating in work training during unemployment, all things being equal, has either no effect or negative effects on the likelihood of being hired. The analyses also reveal that gender matters only in Greece: the positive effect of participation in ALMPs is more significant in the case of male than of female candidates. In Norway there are no observed gender differences.

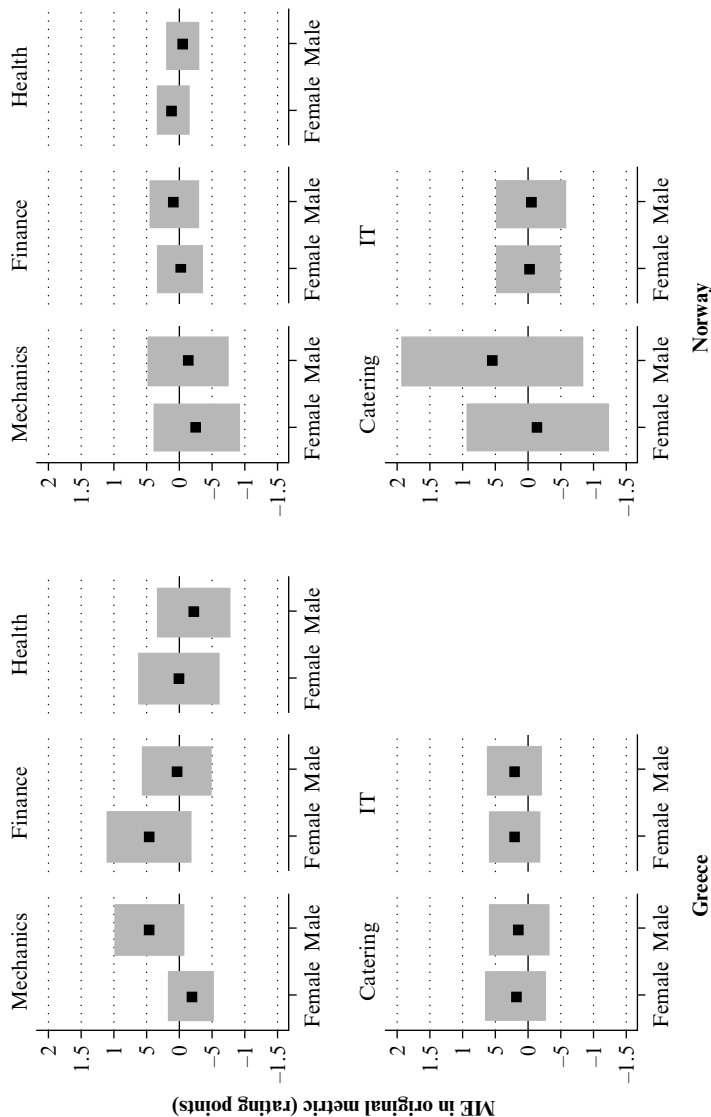
If we look at each country separately and at the effect of participation in ALMPs across sectors and gender, we can see in Figure 5.2 that in Greece gender differentiations exist mainly in mechanics and finance: in mechanics there is a positive effect for male candidates, while in finance the situation is reversed. In the other sectors the effect is equally neutral for both sexes.

In Norway participation in ALMPs seems to have a relatively neutral or negative effect on recruiters' assessments, with the slight exception of the catering sector, where male candidates' participation in ALMPs is evaluated more positively than participation by female candidates.

Divergences are observed also when it comes to education level and participation in ALMPs (Figure 5.3). In Greece the higher the level of

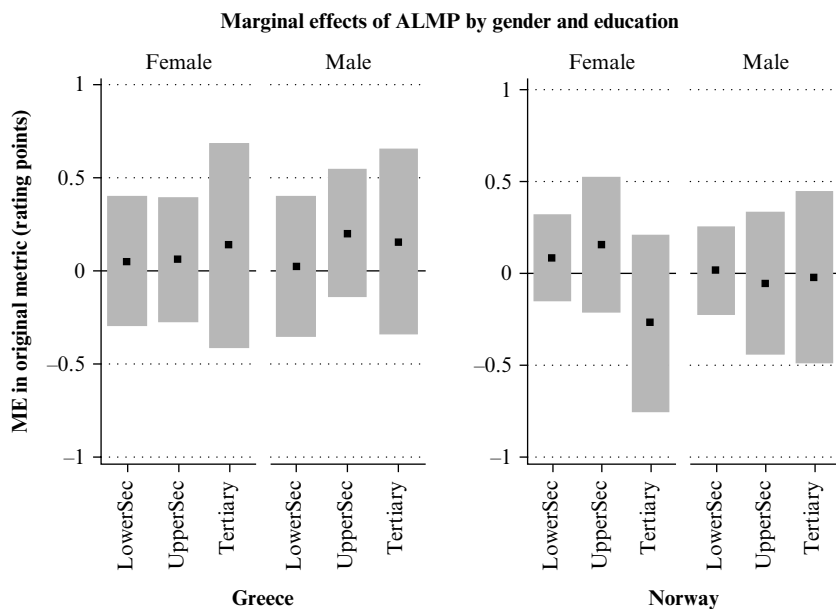


Marginal effects of ALMP by gender and occupation



Source: Author's interpretation.

Figure 5.2 Marginal effects of ALMP participation on recruiter ratings, by country, gender and occupation



Source: Author's interpretation.

*Figure 5.3 Marginal effects of ALMP participation on recruiter ratings, by country, gender and education*

education attained by a candidate who has participated in an ALMP, the more positive is the effect on his/her chances of being hired. For male candidates there is a positive effect – slightly more significant – also for those who have completed upper-secondary education.

In Norway the case seems to be inversely proportional, that is, the higher the education level, the less positive is the effect. This is more pronounced in the case of female candidates who have completed tertiary education; for this specific group it seems that participation in ALMPs has a negative effect during the evaluation of CVs by recruiters/employers.

## 8 CONCLUSIONS

For the last few decades ALMPs have been the guiding principle of policies aimed at reducing unemployment and job insecurity, particularly amongst the young. There has been a certain unanimity on this across the OECD countries, which have in one way or another adopted this approach in

designing and implementing relevant policies. Nevertheless, evidence shows that participation in ALMPs does not necessarily have a positive impact on someone's chance of finding a job. As other researchers have demonstrated (Liechti et al., 2017), 'different ALMPs entail different substantial and signalling effects depending on the job and characteristics of the candidate'.

More specifically, our findings show that the scarring effects of unemployment are more pronounced in countries where the macroeconomic context is positive and unemployment rates – including the youth unemployment rate – are low. What is also significant is that participation in ALMPs is not perceived in such a positive way in these cases. Our study shows that participating in ALMPs is perceived more positively in a context of high unemployment, such as in Greece, while it might have a negative effect in a context where labour demand is high, such as in Norway.

Coming back to our initial theoretical considerations, we could suggest that our findings somehow qualify hypotheses formulated within both human capital and signalling theories. Without neglecting findings from previous research that has demonstrated the significance of skills acquirement or of inactivity/unemployment spells in one's professional trajectory, our research adds and highlights the significance of the macroeconomic context and the institutional framework of both the labour market and vocational education and training. Divergences between countries with substantially different characteristics regarding economic and labour market contexts are evident in the ways in which recruiters and employers evaluate young candidates' experiences. In this sense this chapter contributes to the field by identifying divergences and national specificities regarding recruiters' evaluation of participation in work training as one credible mechanism behind results found in other studies. Contrary to the dominance of ALMPs as the most plausible way to deal with unemployment and the risk of reduced employability, our findings call for rethinking and, most importantly, for contextualizing ALMPs by taking into account national and sectorial specificities.

## REFERENCES

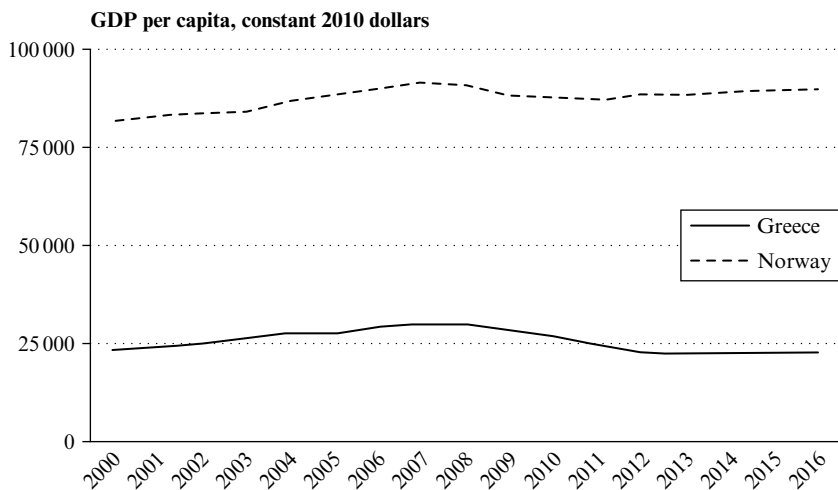
- Andersson P, Gupta ND and Wadensjö E (2012) *Overeducation among immigrants in Sweden: Incidence, wage effects and state-dependence*. IZA Discussion Paper no. 6695. Bonn: Institute for the Study of Labor.
- Arulampalam W, Booth AL and Taylor MP (2000) Unemployment persistence. *Oxford Economic Papers* 52(1): 24–50.
- Atkinson J, Giles L and Meager N (1996) *Employers, recruitment and the unemployed*. IES Report no. 325. Brighton, UK: Institute for Employment Studies, Sussex University.

- Auspurg K and Hinz T (2015) *Factorial Survey Experiments*. London, UK: Sage.
- Becker GS (1964) *Human Capital: A Theoretical and Empirical Analysis with Special Reference to Education*. Chicago, IL: University of Chicago Press.
- Becker GS (1971) *The Economics of Discrimination*. Chicago, IL: University of Chicago Press.
- Becker GS (1993) *Human Capital: A Theoretical and Empirical Analysis, with Special Reference to Education*, 3rd ed. Chicago, IL: University of Chicago Press.
- Chung H and Van Oorschot W (2011) Institutions versus market forces: Explaining the employment insecurity of European individuals during (the beginning of) the financial crisis. *Journal of European Social Policy* 21(4): 287–301.
- Cockx B and Picchio M (2013) Scarring effects of remaining unemployed for long-term unemployed school-leavers. *Journal of the Royal Statistical Society: Series A (Statistics in Society)* 176(4): 951–80.
- Devins D and Hogarth T (2005) Employing the unemployed. Some case study evidence on the role and practice of employers. *Urban Studies* 42(2): 245–56.
- Diem A and Wolter SC (2014) Overeducation among Swiss graduates: Determinants and consequences. *Journal for Labour Market Research* 47(4): 313–28.
- Dingeldey I, Hvinden B, Hyggen C, Schoyen MA and O'Reilly J (2015) *Understanding the consequences of early job insecurity and labour market exclusion: The interaction of structural conditions, institutions, active agency and capability*. NEGOTIATE Working Paper no. 2.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D2.1-1.pdf> (accessed 28 May 2018).
- Eriksson S and Rooth D-O (2014) Do employers use unemployment as a sorting criterion when hiring? Evidence from a field experiment. *American Economic Review* 104(3): 1014–39.
- European Commission (2016) *European Semester: Thematic factsheet – Active labour market policies*. [https://ec.europa.eu/info/strategy/european-semester/the-matic-factsheets/labour-markets-and-skills\\_en](https://ec.europa.eu/info/strategy/european-semester/the-matic-factsheets/labour-markets-and-skills_en) (accessed 28 May 2018).
- Frederiksen A, Ibsen R, Rosholm M and Westergaard-Nielsen N (2013) Labour market signalling and unemployment duration: An empirical analysis using employer-employee data. *Economic Letters* 118(1): 84–6.
- Gangl M (2002) Changing labour markets and early career outcomes: Labour market entry in Europe over the past decade. *Work, Employment and Society* 16(1): 67–90.
- Grotti R, Russell H and O'Reilly J (2018) Where do young people work? In: O'Reilly J, Leschke J, Ortlieb R, Seeleib-Kaiser M and Villa P (eds) *Youth Labor in Transition. Inequalities, Mobility, and Policies in Europe*. New York: Oxford University Press, Chapter 2.
- Hardoy I (2005) The impact of multiple labour market programs on multiple outcomes. *Labour. The Review of Labour Economics and Industrial Relations* 19(3): 425–67.
- Helbling LA, Imdorf C, Ayllón S and Sacchi S (2016) *Methodological challenges in the study of scarring effects of early job insecurity*. NEGOTIATE Working Paper no. 6.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D6.1-Methodological-challenges-in-the-study-1.pdf> (accessed 28 May 2018).
- Helbling LA and Sacchi S (2014) Scarring effects of early unemployment among young workers with vocational credentials in Switzerland. *Empirical Research in Vocational Education and Training* 6(12).
- Hyggen C, Imdorf C, Parsanoglou D, Sacchi S, Samuel R, Stoilova R, Shi LP, Yfanti A and Yordanova G (2016) *Understanding unemployment scars: A vignette*

- experiment of employers' decisions in Bulgaria, Greece, Norway and Switzerland. NEGOTIATE Working Paper no. 7.2. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-papers-no-D7.2.pdf> (accessed 28 May 2018).
- Imdorf C (2017) Understanding discrimination in hiring apprentices: How training companies use ethnicity to avoid organisational trouble. *Journal of Vocational Education and Training* 69(3): 405–23.
- Karamessini M, Kominou K and Papazachariou A (2016a) *Institutional determinants of early job insecurity in nine European countries*. National Report Greece for NEGOTIATE Working Paper no. 3.4. See <https://negotiate-research.eu>.
- Karamessini M, Symeonaki M and Stamatopoulou G (2016b) *The role of the economic crisis in determining the degree of early job insecurity in Europe*. NEGOTIATE Working Paper no. 3.3. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-D3.3.pdf> (accessed 19 May 2018).
- Karamessini, Vitoratou S, Gazon E and Moustaki I (2008) *The Absorption of University Graduates in the Labour Market*. Athens: Dionikos.
- Kouzis I (2014) Labour in the vortex of economic crisis and memoranda. In: Zamparloukou and Kouzis (eds) *Dimensions of the Current Crisis: Society and Crisis*. Athens: Pedio, pp. 231–46.
- Liechti F, Fossati, F, Bonoli G and Auer D (2017) The signalling value of labour market programmes. *European Sociological Review* 33(2): 257–74.
- Ma CA and Weiss AM (1993) A signaling theory of unemployment. *European Economic Review* 37(1): 135–7.
- McCormick B (1990) A theory of signalling during job search, employment efficiency and 'stigmatised' jobs. *Review of Economic Studies* 57(2): 299–313.
- Mishra A (2003) *A theory of discrimination based on signalling and strategic information acquisition*. Working Paper. Dundee, UK: University of Dundee, Department of Economics.
- NAV Statistics (2016) *Arbeidssøkere og stillinger*. Tiltaksdeltakere [Jobseekers and jobs. Participants in measures]. <https://www.nav.no/no/NAV+og+samfunn/Statistikk/Arbeidssøkere+og+stillinger+-+statistikk/Tiltaksdeltakere> (accessed 28 May 2018).
- NOU 6 (2012) *Arbeidsrettete tiltak* [Work-oriented measures]. <https://www.regjeringen.no/contentassets/f2ce6d22c3914e7b89d15db41285cf85/no/pdfs/nou201220120006000dddpdfs.pdf> (accessed 28 May 2018).
- Petmesidou M and Polyzoidis P (2015) *What policy innovation for youth in the era of prolonged austerity? The case of Greece*. OSE Research Paper no. 20. Brussels: European Social Observatory.
- Phelps ES (1972) The statistical theory of racism and sexism. *American Economic Review* 62: 659–61.
- Rosas G (2015) Active labour market policies: What works for youth? Presentation at: Piloting Youth Guarantee on the Ground: Experiences from the European Parliament Preparatory Action. Brussels, 8 May.
- Rosenbaum JE, Takehiko K, Settersten R and Maier T (1990) Market and network theories of the transition from high school to work: Their application to industrialized societies. *Annual Review of Sociology* 16: 263–99.
- Seibert H and Solga H (2005) Gleiche Chancen dank einer abgeschlossenen Ausbildung? Zum Signalwert von Ausbildungsabschlüssen bei ausländischen und deutschen jungen Erwachsenen [Equal opportunities thanks to completed training? On the signalling value of completed training in non-German and German young adults]. *Zeitschrift für Soziologie* 5(34): 364–82.

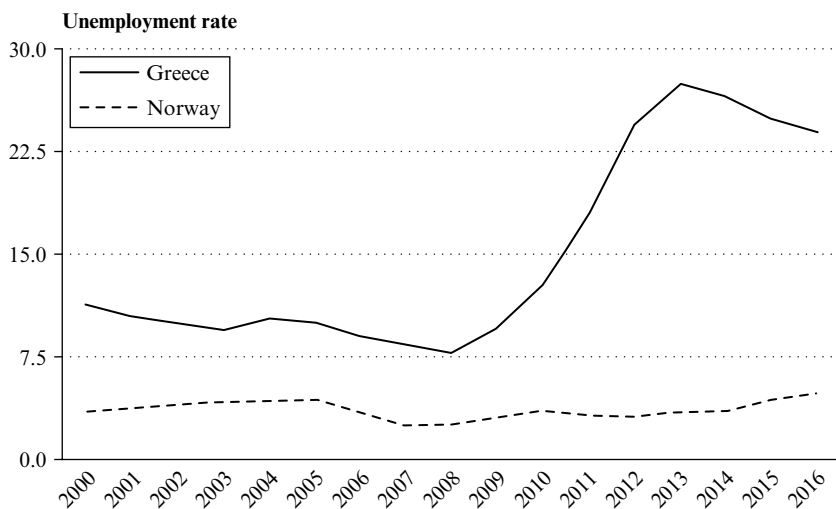
- Spence M (1973) Job market signaling. *Quarterly Journal of Economics* 87(3): 355–74.
- Strand A-H, Bråthen M and Grønningsæther A (2015) *Nav-kontorenes oppfølging av unge brukere* [The Norwegian Labour and Welfare Organisation (NAV)'s supervision of young clients]. <http://www.fao.no/index.php/nb/zoo-publikasjoner/fao-rapporter/item/nav-kontorenes-oppfolging-av-unge-brukere> (accessed 18 May 2018).
- Von Simson K (2012) Veier til jobb for ungdom uten fullført videregående opplæring. Kan vikarbyråer og arbeidsmarkedstiltak lette overgangen fra utdanning til arbeidsliv? [Paths to work for youth with incomplete upper-secondary education. Can temporary employment agencies and labour market measures facilitate the school-to-work transition?] *Søkelys på arbeidslivet* 29(1–2): 76–96.
- Zhang T (2016) Virker arbeidspraksis i ordinær virksomhet etter sitt formål? [Does the work training scheme in the ordinary sector work?] *Søkelys på arbeidslivet* 33(1–2): 45–65.

## APPENDIX



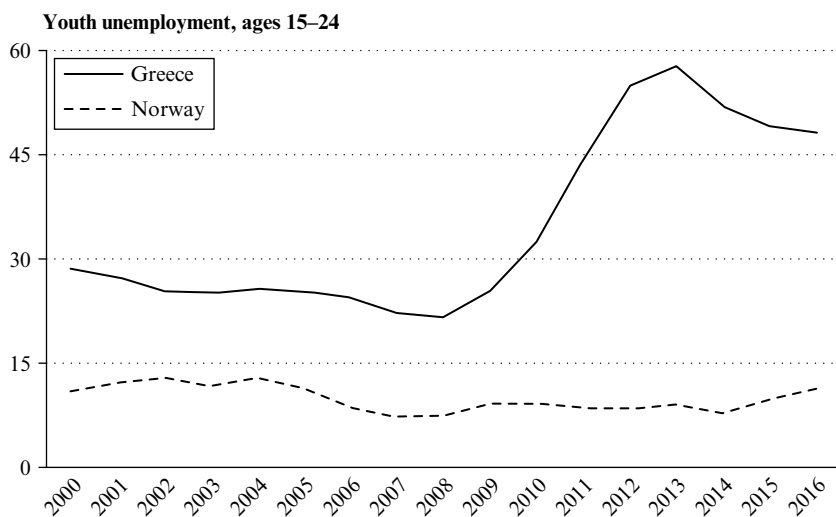
Source: TheGlobalEconomy.com, World Bank.

*Figure 5A.1 GDP per capita in constant 2010 US\$, Greece and Norway, 2000–16*



Source: TheGlobalEconomy.com, World Bank.

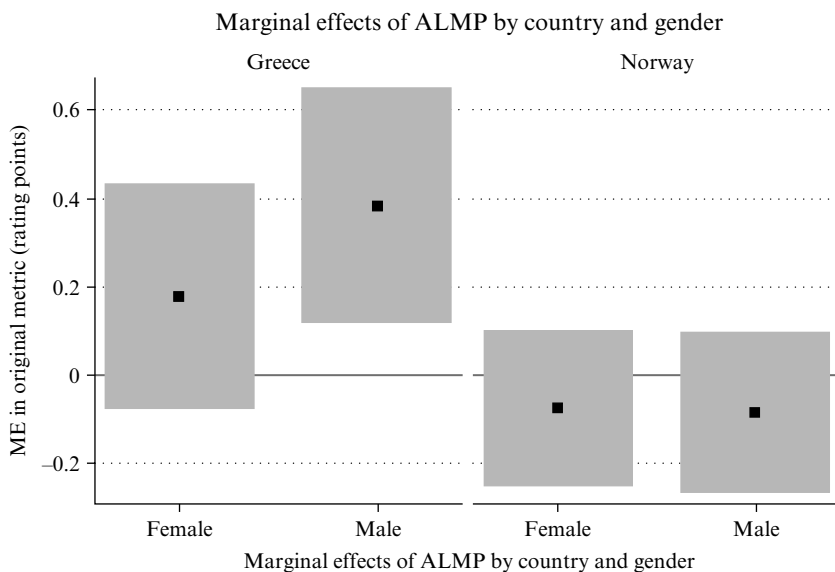
*Figure 5A.2 Unemployment rate, Greece and Norway, 2000–16*



Source: TheGlobalEconomy.com, World Bank.

*Figure 5A.3 Youth unemployment rate, Greece and Norway, 2000–16*





Source: NEGOTIATE employer survey.

*Figure 5A.4 Marginal effects of ALMP participation on recruiter ratings by country and gender*

## 6. Moderators of unemployment and wage scarring during the transition to young adulthood: evidence from Norway

**Dawit Shawel Abebe and Christer Hyggen**

---

### 1 INTRODUCTION

Entering the labour force is one of the most significant life events for young adults and is a central element of the transition to adulthood. Employment ideally provides – in addition to material security – social integration, identity and status. The experience of unemployment or employment instability during young adulthood may have long-term negative effects on labour market integration – so called *scarring effects* – as well as on subjective and objective well-being (Bell and Blanchflower, 2011; Gregg and Tominey, 2005; Luijckx and Wolbers, 2009; Nilsen and Reiso, 2011; Nordström Skans, 2004; Schmillen and Umkehrer, 2013).

The effect of scarring is well documented in the research literature, but less is known about the mechanisms behind such effects amongst young workers. The state of scarring on the individual has been explained by either exposure to early unemployment or observed and/or unobserved individual and family characteristics affecting the job offers or employment possibilities available to young people over time. Individual and family characteristics related to multiple domains may reveal direct and indirect pathways that suggest causal mechanisms of labour market outcomes for young people (Caspi et al., 1998). The direct pathway proposes that personal characteristics may directly affect job-search behaviour and job performance, which in turn influence opportunities for job offers and employment stability in later life. The indirect pathway proposes that individual and family characteristics may negatively affect other life events, such as education – high-school completion and college attendance – that are vital for securing employment (Caspi et al., 1998).

The present longitudinal study is aimed at investigating how exposure to early unemployment episodes and individual and family characteristics during adolescence causally moderate long-term labour market outcomes in Norway. Insight into moderators of labour market outcomes is crucial for understanding the causal mechanisms underlying scarring effects. Such knowledge may also be important for policy and programmes aimed at reducing unemployment and improving the ability of young people to cope with and exit unemployment, as well as reducing socioeconomic inequality in the general population. Using a rich and unique data set, including data on personal characteristics (such as self-esteem, conduct problems and impulsivity), family characteristics (such as parental bonding style) and labour market outcomes over time, this chapter contributes to the literature by identifying causal moderators of unemployment scarring.

In Section 2 we review relevant literature addressing moderators of unemployment scarring. In Section 3 we describe the data used and the methods applied in our analyses. Section 4 of the chapter contains the central analyses. In the final section we discuss the analyses and present conclusions.

## 2 MODERATORS OF UNEMPLOYMENT SCARRING

Given its potential effects on educational and occupational choice, and family patterns and preferences, *gender* has been commonly investigated as an individual factor that moderates scarring effects. Although unemployment and wage scarring are found significantly in both females and males (Nilsen and Reiso, 2011), distinct gendered patterns of unemployment scarring have been reported in previous research. Unemployment scarring accumulated with lengthy and repeated unemployment is not as distinct amongst women as amongst men. Women are also found to be subject to weaker effects of unemployment scarring related to the loss of occupation-specific knowledge and to the more temporary character of women's employment contracts (Mooi-Reci and Ganzeboom, 2015).

The importance of *education* for employment and career opportunities is also well documented, but there is less evidence regarding the possible moderating effect of education on scarring. Studies have, however, documented more severe scarring effects of unemployment in terms of recurring or persistent unemployment and lower wages for young people with lower education (Grasdal, 2001) and general skills (Hämäläinen, 2003). Possible moderating effects of education on scarring could be given demand-side or supply-side explanations (Helbling et al., 2016). Higher levels of education may signal higher productivity to a potential employer

(Spence, 1973), despite experience of unemployment, or may be subject to a smaller degree of skills depreciation (Pissarides, 1992) or loss of human capital over time (Becker, 1964; Pissarides, 1992).

So far, few studies have asked how *other early individual and family characteristics* relate to the development of labour market outcomes during the transition to adulthood. One that has is the Dunedin Multidisciplinary Health and Development Study, which revealed the following predictors for youth unemployment (at age 21): (1) human capital – poor academic qualifications and skills and limited parental resources; (2) social capital – growing up in a single-parent family, family conflict and lack of school attachment; and (3) personal capital – antisocial behaviours (Caspi et al., 1998). Moreover, findings from a UK longitudinal study supported the indirect pathway by indicating that antisocial boys had lower earnings during adulthood and that such poor employment outcomes could be mediated through poor educational attainment and higher rates of criminal conviction in early adulthood (Healey et al., 2004).

Other studies found that self-control (Daly et al., 2015), self-esteem (Trzesniewski et al., 2006), social competence (Heckman et al., 2006; Masten et al., 2010) and substance-use behaviours (Henkel, 2011) in childhood may influence labour force entry and job retention during adulthood, particularly in times of economic uncertainty (Daly et al., 2015). For instance, adolescents with problematic substance-use behaviours may have limited ability to attain a favourable socioeconomic status (SES), which supports the social selection hypothesis (Henkel, 2011). Furthermore, childhood health, parental SES and family functioning have been shown to impact on future educational and labour market outcomes (Currie, 2009; Elman and O’Rand, 2004; Haas et al., 2011).

However, it has remained unclear how these early individual and family characteristics are causally associated with or moderate long-term labour market participation during the transition to adulthood. The present Norwegian longitudinal study is therefore aimed at investigating how both exposure to early unemployment episodes and individual and family characteristics during adolescence causally moderate long-term labour market outcomes (i.e., employment and wage status) in the mid-30s. Specifically, we analyse the following factors as moderators for the development of scarring effects: gender, level of education, parental SES (measured by levels of education) and psychological well-being (measured by mental distress and substance-use behaviours). The rich available data allow us to consider important factors concerning the level of psychosocial problems in the individual when comparing young people who have experienced early job insecurity with those who have not.

### 3 METHODS

#### 3.1 Sampling Strategies and Participation Rates

The research behind this chapter used data from the Young in Norway longitudinal study (YiN). The data set includes survey data collected in four waves: 1992 (T1; ages 12–20 years), 1994 (T2; ages 14–22), 1999 (T3; ages 19–28) and 2005 (T4; ages 25–34). The respondents at T4 (N=2890) were asked for their consent to link the survey data to Norwegian population register data, to which 2606 (90 per cent) agreed. From this set of respondents, in order to select a sample representing unemployed versus employed (active in the labour market), we excluded from our analyses those who at T4 were students (N=249) or were in receipt of social or welfare benefits (N=234) (inactive in the labour market). The sample population (N) for the present study was thus 2123. Figure 6A.1 in the Appendix (this chapter) illustrates the sampling design and the participation rates across time points. Full details about the study design and sampling have been published elsewhere (Strand and Von Soest, 2008).

The *population register* provides time-series sociodemographic and economic data on all legal residents in Norway. In the current study we included *SES variables* such as level of education for respondents and their parents, annual net income, unemployment status and welfare benefits (social and rehabilitation benefits). We selected the record of these variables for the 2003–07 period as representing a period when the respondents could have been active in the labour market (ages 23 to 37). The *labour market outcome variables* in our study were unemployment status and annual net income from 2004 to 2007. *Unemployment status* was coded as 0 = employed and 1 = unemployed for at least one period during the last 12 months. *Annual net income* was measured in 1000 NOK (about 100 euros). Unemployment status in 2003 was regarded as an early unemployment exposure and was used to determine unemployment and wage scarring from 2004 to 2007. The *participants' highest level of education* was coded as 1 = college and university and 2 = primary and secondary (i.e., one value for the whole period – from 1995 to 2007).

From the survey we included information on *age and gender* as well as other independent variables representing early predictors of scarring effects. The independent variables, except for information on impulsivity, were mainly selected from T1 and T2. This approach helped in delineating temporal precedence between predictors and labour market outcomes, which was essential for establishing the causal associations between predictors and scarring effects. Details about the psychometric properties of

the instruments that were used to measure variables in the YiN study have been published elsewhere (Strand and Von Soest, 2008).

*Alcohol intoxication* was measured by asking participants to indicate how often they had ‘drunk so much that you felt clearly intoxicated’ during the preceding 12 months, while *illicit drug use* was assessed by asking about the frequency of illicit drug use over the past 12 months (Barnea et al., 1987; Johnson and Mott, 2001). The response scale ranged from 1 (‘never’) to 6 (‘more than 50 times’) for both measures. Dummy variables were constructed: at least 10 times alcohol intoxication and one use of illicit drugs in the last 12 months were regarded as cut-off points to indicate problematic substance-use behaviours.

*Mental distress* – symptoms of depression and anxiety – was measured with a 12-item short version of the Hopkins Symptom Checklist (SCL) (Derogatis et al., 1974). Using a response scale ranging from 1 (not at all) to 4 (extremely), respondents were asked to restrict their ratings to the preceding week. A mean sum score for all items equal to or above 1.85 has proven to be a valid predictor for mental distress amongst subjects aged 16–24 years using SCL-10 (Strand et al., 2009). We applied this cut-off level to categorize low and high levels of mental distress.

A short version of the Parental Bonding Instrument (PBI) (Parker et al., 1979) was used to assess *parental bonding styles*. The PBI measures the emotional relationship between participants and their parents by focusing on two dimensions: parental care and parental overprotection. Each dimension consists of five items and the respondents rated each of them on a four-point Likert scale from 1 (‘very likely’) to 4 (‘very unlikely’). High scores on the parental care sub-scale indicate a parent–child relationship based on emotional warmth, closeness and empathy, whereas high scores on the parental overprotection subscale indicate parental obstruction of independent behaviour, as well as parental control and parental intrusion (Parker et al., 1979).

*General self-esteem* was measured using the Global Self-Worth Subscale from the revised version of the Harter Self-Perception Profile for Adolescents (Harter, 2012; Wichstrøm, 1995). Five items assess how an adolescent respondent views himself/herself, with the response options ranging from 1 (‘corresponds very poorly’) to 4 (‘corresponds very well’). Higher mean scores reflect high self-esteem.

*Conduct problems* were measured using 15 items that are closely related to criteria for conduct disorder (Pedersen et al., 2001; Pedersen and Wichstrøm, 1995). Using a response scale ranging from 1 (‘0 times’) to 6 (‘more than 50 times’), participants were asked to restrict their responses to the last 12 months. High mean scores indicate serious conduct problems (i.e., delinquent actions and aggression).

*Scholastic competence* was measured using the revised version of the Harter Self-Perception Profile for Adolescents (Harter, 2012; Wichstrøm, 1995), which includes two sub-scales (both with five items), with the response options ranging from 1 = 'corresponds very poorly' to 4 = 'corresponds very well.' High mean scores indicate a high level of perceived self-concept towards scholastic competence.

*Impulsivity* was measured by seven items, three of which were designed by Eysenck et al. (1985), two of which were taken from a short version of the General Temperament Survey (Colder and Stice, 1998), and the last two of which were constructed for the purpose of the present study. Mean scores were computed, with high scores indicating a high level of impulsivity (reduced self-control).

### 3.2 Statistical Analyses

We applied propensity score matching (PSM) (Caliendo and Kopeinig, 2008; Rosenbaum and Rubin, 1983) to allow for causal conclusions about whether or not exposure to early unemployment leads to the development of scarring effects (i.e., persistence of unemployment and loss of income during young adulthood). We further tested how the development of scarring effects is moderated by gender, levels of education, parental levels of education, substance-use behaviours and mental distress. Since the data set includes comprehensive individual and family characteristics associated with scarring effects, we also controlled for these characteristics, ensuring comparability between those who had been unemployed early (treated) and those who had not experienced unemployment (untreated, control group). Since this method was initially developed for medical research, the medical concepts of treated and untreated (unemployed and employed in our case) are used here, too. We will also refer to these effects as the average causal effects of early unemployment.

Logit models were applied to estimate propensity scores in STATA (Leuven and Sianesi, 2011). As stated in the background section, matching covariates at T1 and T2 were included based on previous research suggesting that individual and family characteristics may have an important role in determining early labour market participation and scarring outcomes. These baseline covariates include age, gender, level of education, parental level of education, parental relationships, substance-use behaviours, mental distress, antisocial behaviour, self-esteem, scholastic competence and impulsivity.

A kernel matching algorithm was applied with caliper matching at 0.01 and 0.001 propensity score and bootstrap standard errors. This matching method enables performance of one-to-many matching by calculating

the weighted average of the outcome variable for the control group (employed) and then comparing the weighted average with the outcome of the treated group (unemployed). The analyses also imposed common support by dropping observations amongst the group who had experienced unemployment with propensity scores higher than the maximum or less than the minimum propensity scores of the controls. These analytical approaches help in reducing bias and estimating the variance of average treatment effects, and also in evaluating the robustness of the results, particularly comparing the results at 0.01 versus 0.001 propensity score (Caliendo and Kopeinig, 2008; Cochran and Rubin, 1973).

The matching quality was examined using standardized bias and t-test. When a baseline covariate showed a percentage bias above 5 per cent, we repeated the PSM analyses by adding interaction terms and/or excluding this covariate and then reassessed the matching quality. Visual analysis of the density of distribution of the propensity score in the treatment and control groups was conducted to check for any violations of the common support condition.

For all analyses, we specified predictors at T1 and T2 as a time invariant in order to simplify model fitting and to avoid a different time-person structure between outcome and predictor variables. A p-value of less than 0.05 was considered statistically significant.

This study has some limitations that require careful consideration when interpreting the findings. First, the study was conducted during a period of good macroeconomic conditions, so that scarring effects might be less pronounced (Tumino, 2015). Second, our study did not separate the effects of scarring based on the entry conditions to the labour market, or years or types of employment. Third, unemployment duration and quality of employment status (e.g., temporary or permanent) were not taken into consideration because of lack of data. Finally, we only followed about 25 per cent of the representative sample at T1. Even though most of the attrition was planned, and attrition analyses showed some significant differences between those who dropped out and those who completed the study (Abebe et al., 2012; Wichstrøm, 2000), the large share who dropped out from the follow-ups could be a source of bias.

## 4 RESULTS

### 4.1 Descriptive Summary of the Study Populations

The mean ages of participants were 15.2 (T1); 16.6 (T2); 21.1 (T3) and 28.6 (T4) years. The sample population included 1174 (55.3 per cent)



*Table 6.1 Predicted probabilities of being unemployed showing how early employment status (2003) affected labour market outcomes from 2004 to 2007*

Register data	2003	2004	2005	2006	2007
Unemployed – N (%)	262 (12.3)	271 (12.7)	231 (10.9)	158 (7.4)	115 (5.4)
Predicted probabilities for being unemployed if*					
employed in 2003	–	0.07	0.08	0.10	0.11
unemployed in 2003	–	0.47	0.39	0.34	0.32
annual income in 1000 NOK – M (sd)	245.3 (156.2)	276.6 (141.3)	316.1 (185.9)	349.2 (192.9)	386.2 (249.1)
Predicted probabilities of earning if unemployed in 2003	–	–3.28	–3.20	–3.46	–1.93

*Source:* Author's interpretation.

females and 949 (44.7 per cent) males. About 55 per cent of the sample had completed college or university education and had at least one parent with college or university education. Details about individual and family characteristics of the study participants are presented in Table 6A.1 in the Appendix (this chapter).

Table 6.1 presents descriptive statistics and predicted probabilities of labour market outcomes over time. The proportion of unemployed was 12.3 per cent in 2003 and it declined to 5.4 per cent in 2007 as the participants grew older. The predicted probability of being unemployed in 2004 if one had been unemployed early (2003) was 47 per cent, which declined to 32 per cent in 2007. The predicted probability of being unemployed in 2004 if one had been employed in 2003 was 7 per cent, which increased to 11 per cent in 2007. The results also showed that early unemployed had lower earnings (annual net income) over time as compared to early employed.

## 4.2 The Development of Unemployment and Wage Scarring

Table 6.2 presents descriptive summaries of the pre-treatment characteristics of the treated (unemployed early) and control (employed early) groups. The results show to some extent higher psychosocial problems amongst the previously unemployed than amongst the control group.

The average causal effects on the early unemployed are presented in Table 6.3. The results show that the average effect on unemployment

*Table 6.2 Descriptive summary of pre-treatment characteristics of treated (early unemployed) and control (early employed) groups*

Variables	Treated (N=260)	Control (N=1845)	P-value from chi <sup>2</sup> /t-test
Age at T4 – M (sd)	28.33 (1.87)	28.56 (1.76)	0.051
Gender – N (%)			0.905
Male	117 (45.00)	823 (44.61)	
Female	143 (55.00)	1022 (55.39)	
Level of education – N (%)			<0.001
Junior/Secondary	153 (58.85)	788 (42.71)	
College/University	107 (41.15)	1057 (57.29)	
Parental level of education – N (%)			0.060
Junior/Secondary	97 (37.89)	810 (44.12)	
College/University	159 (62.11)	1026 (55.88)	
Parental relationships – M (sd)			
overprotective	2.10 (0.52)	2.03 (0.49)	0.037
caring	3.09 (0.44)	3.18 (0.46)	0.003
Substance-use behaviour – N (%)	61 (23.46)	413 (22.46)	0.050
Conduct problems – M (sd)	1.39 (0.31)	1.35 (0.34)	0.069
High levels of mental distress – N (%)	67 (25.87)	376 (20.55)	0.050
Scholastic competence – M (sd)	2.83 (0.45)	2.92 (0.46)	0.008
Self-esteem – M (sd)	2.90 (0.47)	2.94 (0.48)	0.203
Impulsivity – M (sd)	2.59 (0.42)	2.46 (0.44)	<0.001

*Notes:* N = number; M = mean; % = percentage; sd = standard deviation; T = survey time.

*Source:* Author's interpretation.

*Table 6.3 Average treatment effect on treated (early unemployed) group for unemployment and wage scarring over time*

Matching methods	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000 NOK)
Kernel	0.01	0.085 (0.019)***	–47.768 (19.739)*
	0.001	0.085 (0.023)**	–47.768 (15.779)**
Radius	0.01	0.083 (0.024)***	–49.661 (17.806)**
	0.001	0.082 (0.025)**	–45.054 (23.538)

*Notes:* B = observed regression coefficients; SE = bootstrap standard errors in parentheses; \*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

*Source:* Author's interpretation.

scarring was statistically significant and close to 0.08 in all matching methods, using both kernel and radius matching. The average effect on annual income was statistically significant and negative in kernel and radius matching (at 0.01 propensity score), suggesting that there was wage scarring amongst those who were unemployed over time.

### 4.3 Moderators of the Effects of Treatment on Unemployment and Wage Scarring

In Table 6.4 we present analyses repeating the PSM analyses and stratifying by gender, levels of education, parental levels of education, mental distress and substance-use behaviours. We understand unemployment scarring as an increased probability of subsequent unemployment amongst

*Table 6.4 Average treatment effect on treated (early unemployed) group for unemployment and wage scarring over time stratified by gender, education, parents' education, mental distress and substance use. Kernel matching with caliper 0.01*

	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000 NOK)
Females	0.01	0.095 (0.031)**	–41.584 (9.918)***
Males	0.01	0.061 (0.028)*	–51.409 (47.093)
Low level of education	0.01	0.111 (0.029)***	–55.694 (17.830)**
High level of education	0.01	0.059 (0.023)*	–34.0255 (26.990)
Low level of parental education	0.01	0.083 (0.032)*	–71.072 (32.984)*
High level of parental education	0.01	0.083 (0.031)*	–29.324 (26.709)
Low level of mental distress	0.01	0.081 (0.028)**	–34.215 (18.286)
High level of mental distress	0.01	0.089 (0.047)	–87.050 (60.537)
Without problematic substance use	0.01	0.068 (0.028)*	–51.963 (13.753)***
With problematic substance use	0.01	0.154 (0.060)*	–20.666 (46.142)

*Notes:* B = observed regression coefficients with bootstrap standard errors in parentheses; \*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

*Source:* Young in Norway longitudinal study.

the previously unemployed. Similarly, wage scarring is understood as a reduced average income amongst the previously unemployed compared to those who had not been unemployed. From the analyses presented in Table 6.3 we know that the scarring effect on unemployment is about 8 per cent higher probability of subsequent unemployment and that the wage scarring amounts to about 47 000 NOK lower wages.

The analyses in Table 6.4 show how these average scarring effects of being unemployed are moderated by factors characterizing the youth themselves and their socioeconomic backgrounds.

We observe unemployment scarring both amongst females and males, but the scarring effects are higher amongst the females. In addition, our analyses reveal statistically significant wage scarring only amongst women. These findings indicate that early unemployment has more detrimental scarring effects for women than for men both regarding unemployment probability and reduced wages.

The analyses show that unemployment scarring is stronger amongst young people with low levels of education than amongst youth with higher levels of education. Statistically significant signs of wage scarring are only found amongst the group of young people with low levels of education. This means that young people with low levels of education are more affected by early unemployment episodes than their peers with higher levels of education – both as regards unemployment probability and future wages.

Regardless of the parental level of education, the analyses reveal significant effects on unemployment scarring. However, only amongst youth whose parents have low levels of education do we observe wage scarring.

When stratifying by level of self-reported mental distress, we are only able to identify significant effects on unemployment scarring amongst young people with low levels of mental distress.

Finally, we observe unemployment scarring amongst individuals both with and without problematic substance-use behaviours. However, the effects were almost twice as high amongst those with problematic substance-use behaviours as compared to those without.

In all the discussed PSM results the mean percentage bias was less than 5 per cent for most covariates. The t-test showed non-significant statistical differences in covariates for both groups. This result indicates that the matching strategies succeeded in making the distributions of the covariates similar between the early unemployed and the control groups without early unemployment. Detailed results are available on request from the authors. Results showing both kernel and radius matching with caliper at 0.01 and 0.001 can be found in Tables 6A.2 to 6A.6 in the Appendix (this chapter).

## 5 CONCLUSION

Unemployment leaves scars on young individuals entering the labour market. Our findings reveal that an early unemployment episode is a causal risk factor for unemployment and income inequality during young adulthood. In other words, experience of early unemployment episodes is regarded as a main pathway leading to the development of unemployment and wage scarring. This finding is consistent with previous results (Biewen and Steffes, 2010; Gregg, 2001; Gregg and Tominey, 2005; Nilsen and Reiso, 2011; Raaum and Røed, 2006). Individuals who have experienced brief early periods of unemployment more often remain unemployed and subject to loss of income for extended periods during young adulthood. Our study therefore further substantiates previous evidence that early unemployment leaves young workers with long-term scars (Nilsen and Reiso, 2011).

However, unemployment cuts deeper and leaves more visible scars on some young people than on others. Our findings suggest that gender, levels of education, parental education and psychological well-being all moderate the effects of an early unemployment episode on long-term labour market outcomes. Specifically, females appear to have a greater risk of more significant unemployment and wage scarring than do males. This finding is in contrast to results from previous studies on associations between gender and scarring. For instance, a register study in Norway reported almost similar levels of unemployment scarring for females and males (Nilsen and Reiso, 2011). Another study in the Netherlands indicated stronger effects of unemployment scarring amongst men than amongst women, and also gender variations in mechanisms underlying unemployment scarring: the effects of unemployment scarring are predominately driven by human capital depreciation for women, while amongst men stigma effects play a central role (Mooi-Reci and Ganzeboom, 2015). The more severe scarring effects on young females observed here may be partly due to the gender segregation of the Norwegian labour market in terms of occupations, where the public sector is dominated by female workers and the private sector is dominated by males (Jensberg et al., 2012). Young males have a higher probability of experiencing unemployment because of their orientation towards the less protected private sector.

Levels of education have shown marked effects on unemployment and wage scarring: having a high level of education may buffer the development of unemployment and wage scarring over time. Our finding substantiates previous evidence that level of education moderates scarring effects. Other studies correspondingly documented the importance of education in employment and career opportunities (Grasdal, 2001; Hämäläinen, 2003; Spence, 1973).

Our findings on the moderating roles of parental level of education and early psychological well-being are to some extent inconsistent. Prior studies have shown that parental SES affects future educational and labour market outcomes amongst young people (Currie, 2009; Elman and O'Rand, 2004; Haas et al., 2011), but the present study does not confirm such an impact of parental level of education in the development of unemployment scarring.

We found effects of an early unemployment episode on the development of unemployment scarring regardless of the status of substance-use behaviours. However, such effects on unemployment scarring appear to be higher amongst young people with a history of problematic substance-use behaviours. Prior evidence has demonstrated that problematic substance use may increase the risk of becoming and remaining unemployed, since it negatively affects productivity, work performance, work absences and other risk factors associated with unemployment (Ayllón et al., Chapter 9 this volume; Henkel, 2011).

A significant impact of mental distress on unemployment scarring is only found amongst those with low rather than high levels of mental distress. This could be related to characteristics of adolescents reporting a higher level of mental distress, who might have higher academic aspirations (Evensen et al., 2016), which may be a reason for experiencing a high level of mental distress but may not necessarily indicate a poor mental health status that diminishes the likelihood of participating and succeeding in education or the labour market. Alternatively, elevated levels of mental distress may be transitory – limited to the adolescent period – and thus have insignificant effects on future labour market outcomes.

## REFERENCES

- Abebe DS, Lien L, Torgersen L and Von Soest T (2012) Binge eating, purging and non-purging compensatory behaviours decrease from adolescence to adulthood: A population-based, longitudinal study. *BMC Public Health* 12(1): 32. DOI: 10.1186/1471-2458-12-32.
- Barnea Z, Rahav G and Teichman M (1987) The reliability and consistency of self-reports on substance use in a longitudinal study. *British Journal of Addiction* 82(8): 891–8.
- Becker GS (1964) *Human Capital. A Theoretical and Empirical Analysis with Special Reference to Education*. New York: Columbia University Press.
- Bell DN and Blanchflower DG (2011) Young people and the Great Recession. *Oxford Review of Economic Policy* 27(2): 241–67.
- Biewen M and Steffes S (2010) Unemployment persistence: Is there evidence for stigma effects? *Economics Letters* 106(3): 188–90.

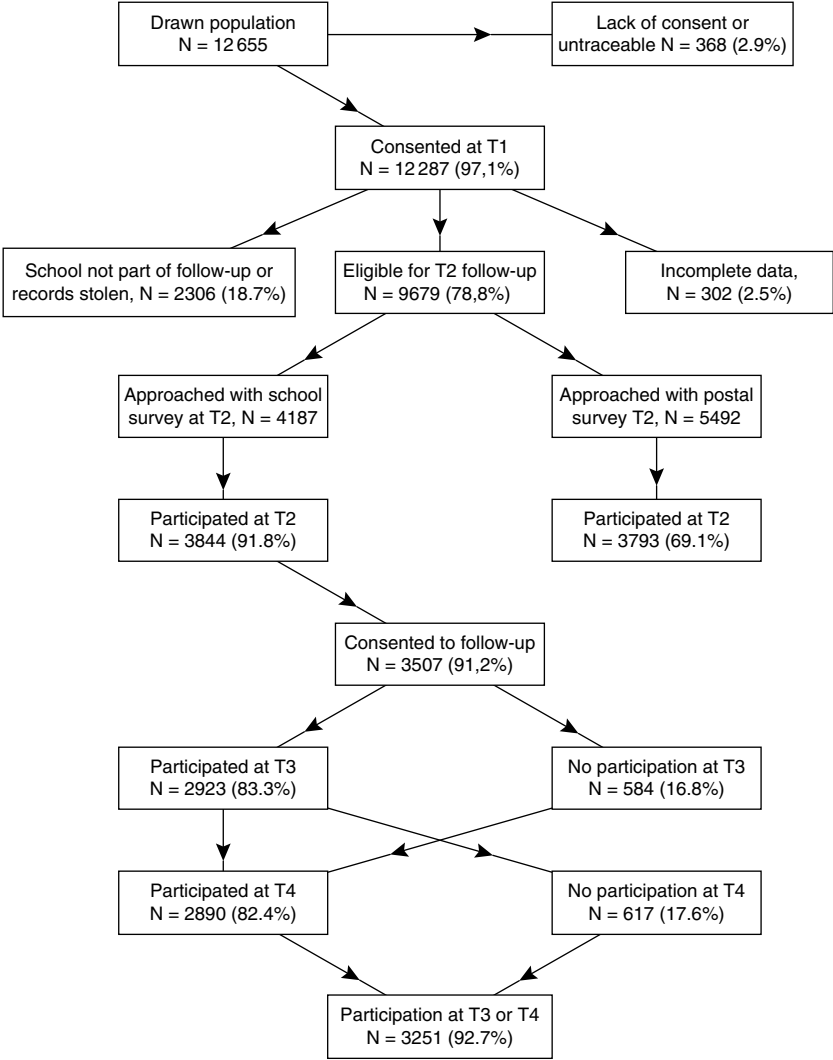
- Caliendo M and Kopeinig S (2008) Some practical guidance for the implementation of propensity score matching. *Journal of Economic Surveys* 22(1): 31–72.
- Caspi A, Wright BRE, Moffitt TE and Silva PA (1998) Early failure in the labor market: Childhood and adolescent predictors of unemployment in the transition to adulthood. *American Sociological Review* 63(3): 424–51.
- Cochran WG and Rubin DB (1973) Controlling bias in observational studies: A review. *Sankhyā: The Indian Journal of Statistics, Series A* 35(4): 417–46.
- Colder CR and Stice E (1998) A longitudinal study of the interactive effects of impulsivity and anger on adolescent problem behavior. *Journal of Youth and Adolescence* 27(3): 255–74.
- Currie J (2009) Healthy, wealthy, and wise: Socioeconomic status, poor health in childhood, and human capital development. *Journal of Economic Literature* 47(1): 87–122. DOI: 10.1257/jel.47.1.87.
- Daly M, Delaney L, Egan M and Baumeister RF (2015) Childhood self-control and unemployment throughout the life span: Evidence from two British cohort studies. *Psychological Science* 26(6): 709–23. DOI: 10.1177/0956797615569001.
- Derogatis LR, Lipman RS, Rickels K, Uhlenhuth EH and Covi L (1974) The Hopkins Symptom Checklist (HSCL): A self-report symptom inventory. *Behavioral Sciences* 19(1): 1–15.
- Elman C and O’Rand A (2004) The race is to the swift: Socioeconomic origins, adult education, and wage attainment. *American Journal of Sociology* 110(1): 123–60.
- Evensen M, Lyngstad TH, Melkevik O and Mykletun A (2016). The role of internalizing and externalizing problems in adolescence for adult educational attainment: Evidence from sibling comparisons using data from the young HUNT study. *European Sociological Review* 32(5): 552–66. DOI: 10.1093/esr/jcw001.
- Eysenck SB, Pearson PR, Easting G and Allsopp JF (1985) Age norms for impulsiveness, venturesomeness and empathy in adults. *Personality and Individual Differences* 6(5): 613–19.
- Grasdal A (2001) *Unemployment persistence among young Norwegian labour market entrants*. Working Paper. Bergen: Department of Economics, University of Bergen.
- Gregg P (2001) The impact of youth unemployment on adult unemployment in the NCDS. *The Economic Journal* 111(475): 626–53.
- Gregg P and Tominey E (2005) The wage scar from male youth unemployment. *Labour Economics* 12(4): 487–509. DOI: 10.1016/j.labeco.2005.05.004.
- Haas SA, Glymour MM and Berkman LF (2011) Childhood health and labor market inequality over the life course. *Journal of Health and Social Behavior* 52(3): 298–313.
- Hämäläinen K (2003) *Education and unemployment: State dependence in unemployment among young people in the 1990s*. VATT Discussion Paper no. 312. Helsinki: VATT Institute for Economic Research.
- Harter S (2012) *Self-perception Profile for Adolescents. Manual and Questionnaire*. Revised version. <https://portfolio.du.edu/downloadItem/221931> (accessed 10 June 2018).
- Healey A, Knapp M and Farrington DP (2004) Adult labour market implications of antisocial behaviour in childhood and adolescence: Findings from a UK longitudinal study. *Applied Economics* 36(2): 93–105.
- Heckman JJ, Stixrud J and Urzua S (2006) *The effects of cognitive and noncognitive abilities on labor market outcomes and social behavior*. NBER Working Paper no. 12006. Cambridge, MA: National Bureau of Economic Research.
- Helbling LA, Imdorf C, Ayllón S and Sacchi S (2016) *Methodological challenges in*

- the study of scarring effects of early job insecurity. NEGOTIATE Working Paper no. 6.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D6.1-Methodological-challenges-in-the-study-1.pdf> (accessed 10 June 2018).
- Henkel D (2011) Unemployment and substance use: A review of the literature (1990–2010). *Current Drug Abuse Reviews* 4(1): 4–27.
- Jensberg H, Mandal R and Solheim E (2012) *Det kjønnsdelte arbeidsmarkedet 1990–2010. Kontinuitet eller endring?* [The gender-segregated labour market 1990–2010. Continuity or change?] [https://www.regjeringen.no/globalassets/upload/bld/sla/skjeieutvalget/september\\_2012/kjonnsdelte\\_arbeidsmarkedet.pdf](https://www.regjeringen.no/globalassets/upload/bld/sla/skjeieutvalget/september_2012/kjonnsdelte_arbeidsmarkedet.pdf) (accessed 10 June 2018).
- Johnson TP and Mott JA (2001) The reliability of self-reported age of onset of tobacco, alcohol and illicit drug use. *Addiction* 96(8): 1187–98.
- Leuven E and Sianesi B (2011) *Stata Documentation for the Psmatch2 Command*. [http://anciensite.pep-net.org/fileadmin/medias/pdf/Training\\_Material/statadoc.pdf](http://anciensite.pep-net.org/fileadmin/medias/pdf/Training_Material/statadoc.pdf) (accessed 10 June 2018).
- Luijckx R and Wolbers MH (2009) The effects of non-employment in early work-life on subsequent employment chances of individuals in the Netherlands. *European Sociological Review* 25(6): 647–60.
- Masten AS, Desjardins CD, McCormick CM, Kuo SIC and Long JD (2010) The significance of childhood competence and problems for adult success in work: A developmental cascade analysis. *Development and Psychopathology* 22(3): 679–94. DOI: 10.1017/s0954579410000362.
- Mooi-Rei I and Ganzeboom HB (2015) Unemployment scarring by gender: Human capital depreciation or stigmatization? Longitudinal evidence from the Netherlands, 1980–2000. *Social Science Research* 52: 642–58.
- Nilsen ØA and Reiso KH (2011) *Scarring effects of unemployment*. CESifo Working Paper no. 3675. Munich: Ifo Institute.
- Nordström Skans O (2004) *Scarring effects of the first labour market experience: A sibling based analysis*. IFAU Working Paper no. 14. Uppsala: Institute for Labour Market Policy Evaluation.
- Parker G, Tupling H and Brown LB (1979) A parental bonding instrument. *British Journal of Medical Psychology* 52: 1–10.
- Pedersen W, Mastekaasa A and Wichstrøm L (2001) Conduct problems and early cannabis initiation: A longitudinal study of gender differences. *Addiction* 96(3): 415–31.
- Pedersen W and Wichstrøm L (1995) Patterns of delinquency in Norwegian adolescents. *British Journal of Criminology* 35(4): 543–62.
- Pissarica CA (1992) Loss of skill during unemployment and the persistence of employment shocks. *Quarterly Journal of Economics* 107(4): 1371–91.
- Raaum O and Røed K (2006) Do business cycle conditions at the time of labor market entry affect future employment prospects? *Review of Economics and Statistics* 88(2): 193–210.
- Rosenbaum PR and Rubin DB (1983) The central role of the propensity score in observational studies for causal effects. *Biometrika* 70(1): 41–55.
- Schmillen A and Umkehrer M (2013) The scars of youth: Effects of early-career unemployment on future unemployment experience. *International Labour Review* 156(3/4): 465–94.
- Spence M (1973) Job market signaling. *Quarterly Journal of Economics* 87(3): 355–74.
- Strand BH, Dalgard OS, Tambs K and Rognerud M (2009) Measuring the mental



- health status of the Norwegian population: A comparison of the instruments SCL-25, SCL-10, SCL-5 and MHI-5 (SF-36). *Nordic Journal of Psychiatry* 57(2): 113–18.
- Strand NP and Von Soest T (2008) *Young in Norway – Longitudinal: Documentation of Design, Variables, and Scales*. Oslo: NOVA.
- Trzesniewski KH, Donnellan MB, Moffitt TE, Robins RW, Poulton R and Caspi A (2006) Low self-esteem during adolescence predicts poor health, criminal behavior, and limited economic prospects during adulthood. *Developmental Psychology* 42(2): 381–90.
- Tumino A (2015) *The scarring effect of unemployment from the early '90s to the Great Recession*. ISER Working Paper no. 5. Essex, UK: Institute for Social and Economic Research, University of Essex.
- Wichstrøm L (1995) Harter's self-perception profile for adolescents: Reliability, validity, and evaluation of the question format. *Journal of Personality Assessment* 65(1): 100–16.
- Wichstrøm L (2000) Psychological and behavioral factors unproductive of disordered eating: A prospective study of the general adolescent population in Norway. *International Journal of Eating Disorders* 28(1): 33–42.

APPENDIX



Source: Young in Norway study.

Figure 6A.1 Flow chart showing sampling design and participation rates in Young in Norway study

*Table 6A.1 Young in Norway longitudinal study – descriptive summary of study participants (N=2123)*

Variables	N / M	% / sd
Age – M (sd)		
T1 (1992)	15.2	1.9
T2 (1994)	16.6	1.9
T3 (1999)	22.1	1.8
T4 (2005)	28.6	1.9
Gender – N (%)		
Male	949	44.7
Female	1174	55.3
Level of education – N (%)		
Junior/Secondary	954	44.9
College/University	1168	55
Parental level of education at age 16 – N (%)		
Junior/Secondary	909	43.1
College/University	1201	56.9
Parental relationships – M (sd)		
Overprotective at T1	2.1	0.5
Overprotective at T1	2.0	0.5
Caring at T1	3.2	0.5
Caring at T2	3.1	0.5
More often alcohol intoxication at T1 – N (%)	213	10.9
More often alcohol intoxication at T2 – N (%)	370	17.7
Use of cannabis at T1 – N (%)	58	2.9
Use of cannabis at T2 – N (%)	114	5.5
Conduct problems at T1 – M (sd)	1.3	0.4
Conduct problems at T2 – M (sd)	1.4	0.4
Mental distress at T1 – M (sd)	1.5	0.4
Mental distress at T2 – M (sd)	1.6	0.5
Scholastic competence at T1 – M (sd)	2.8	0.5
Scholastic competence at T2 – M (sd)	2.9	0.5
Self-esteem at T1 – M (sd)	2.9	0.5
Self-esteem at T2 – M (sd)	3.0	0.5
Impulsivity at T3 – M (sd)	2.5	0.4

*Notes:* T1–T4 represent survey time points; N = number; M = Mean; % = percentage; sd = standard deviation.

*Source:* Young in Norway longitudinal study.

*Table 6A.2 Average effect on treated (early unemployed) group for unemployment and wage scarring amongst females and males over time*

Matching methods	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000 NOK)
Females			
Kernel	0.01	0.095 (0.031)**	−41.584 (9.918)***
	0.001	0.094 (0.022)**	−41.584 (8.939)***
Radius	0.01	0.086 (0.033)**	−41.449 (12.709)**
	0.001	0.083 (0.037)*	−42.519 (14.823)*
Males			
Kernel	0.01	0.061 (0.028)*	−51.409 (47.093)
	0.001	0.061 (0.033)	−51.409 (48.572)
Radius	0.01	0.058 (0.025)*	−57.100 (41.782)
	0.001	0.055 (0.029)	−48.516 (46.591)

Notes: B = observed regression coefficients with bootstrap standard errors in parentheses; \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

Source: Young in Norway longitudinal study.

*Table 6A.3 Average effect on treated (early unemployed) group for unemployment and wage scarring amongst those with low and high levels of education over time*

Matching methods	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000 NOK)
Low level of education			
Kernel	0.01	0.111 (0.029)***	–55.694 (17.830)**
	0.001	0.101 (0.043)*	–55.694 (21.361)**
Radius	0.01	0.095 (0.037)**	–54.631 (22.810)*
	0.001	0.107 (0.046)*	–36.615 (33.554)
High level of education			
Kernel	0.01	0.059 (0.023)*	–34.0255 (26.990)
	0.001	0.059 (0.033)	–34.025 (26.060)
Radius	0.01	0.059 (0.030)	–40.593 (30.704)
	0.001	0.039 (0.032)	–46.397 (37.730)

*Notes:* B = observed regression coefficients with bootstrap standard errors in parentheses; \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

*Source:* Young in Norway longitudinal study.

*Table 6A.4 Average effect on treated (early unemployed) group for unemployment and wage scarring amongst those with low and high levels of parental education over time*

Matching methods	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000NOK)
Low levels of parental education			
Kernel	0.01	0.083 (0.032)*	−71.072 (32.984)*
	0.001	0.083 (0.031)**	−71.072 (26.141)**
Radius	0.01	0.081 (0.034)*	−69.798 (48.680)
	0.001	0.091 (0.045)*	−55.378 (34.236)
High levels of parental education			
Kernel	0.01	0.083 (0.031)*	−29.324 (26.709)
	0.001	0.083 (0.034)*	−29.324 (17.946)
Radius	0.01	0.082 (0.030)**	−30.326 (33.629)
	0.001	0.087 (0.029)**	−43.719 (28.211)

Notes: B = observed regression coefficients with bootstrap standard errors in parentheses;

\*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

Source: Young in Norway longitudinal study.

*Table 6A.5 Average effect on treated (early unemployed) group for unemployment and wage scarring amongst those with low and high levels of mental distress over time*

Matching methods	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000 NOK)
Low levels of mental distress			
Kernel	0.01	0.081 (0.028)**	–34.215 (18.286)
	0.001	0.082 (0.025)**	–34.215 (20.194)
Radius	0.01	0.082 (0.023)***	–34.690 (17.512)*
	0.001	0.063 (0.032)*	–37.345 (24.854)
High levels of mental distress			
Kernel	0.01	0.089 (0.047)	–87.050 (60.537)
	0.001	0.089 (0.055)	–87.050 (49.791)
Radius	0.01	0.104 (0.074)	–73.154 (76.847)
	0.001	0.095 (0.075)	–52.976 (53.101)

*Notes:* B = observed regression coefficients with bootstrap standard errors in parentheses; \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

*Source:* Young in Norway longitudinal study.

*Table 6A.6 Average effect on treated (early unemployed) group for unemployment and wage scarring amongst those with and without problematic substance-use behaviours over time*

Matching methods	Caliper	Outcomes – B(SE)	
		Unemployment scarring	Wage scarring (income in 1000 NOK)
Without problematic substance use			
Kernel	0.01	0.068 (0.028)*	–51.963 (13.753)***
	0.001	0.068 (0.028)*	51.963 (14.327)***
Radius	0.01	0.069 (0.023)*	–48.063 (17.822)**
	0.001	0.048 (0.031)	–40.789 (23.416)
With problematic substance use			
Kernel	0.01	0.154 (0.060)*	–20.666 (46.142)
	0.001	0.153 (0.049)**	–20.666 (40.845)
Radius	0.01	0.154 (0.058)**	–16.795 (57.362)
	0.001	0.158 (0.071)*	–44.202 (70.510)

Notes: B = observed regression coefficients with bootstrap standard errors in parentheses; \*\*\* p<0.001, \*\* p<0.01, \* p<0.05.

Source: Young in Norway longitudinal study.



## 7. Social resilience in facing precarity: young people ‘rising to the occasion’

**Margherita Bussi, Mi Ah Schoyen,  
Janikke Solstad Vedeler, Jacqueline O’Reilly,  
Ann McDonnell and Christine Lewis**

---

### 1 INTRODUCTION

How some people successfully cope with and adapt to precarious employment experiences in their youth, and whether or not these efforts result in transformative outcomes, lies at the heart of discussions around social resilience (Keck and Sakdapolrak, 2013) and capabilities (Nussbaum and Sen, 1993). This chapter provides an empirical investigation of these concepts in Norway and the United Kingdom – two countries with distinctive youth transition regimes in terms of supporting institutions and cultural norms around young adulthood (Walther, 2006). Through qualitative interviews we identify similarities and differences in the support provided through formal institutions, such as education and public employment services (PES), and through social networks facilitated by family, friends and volunteering experiences. We argue that drawing on the two concepts of social resilience and capabilities provides a powerful lens for identifying how young people negotiate their pathways out of precarious employment in the short to long term. Situating this qualitative evidence in the context of two very different institutional contexts allows us to identify similarities and differences in the interactions between institutional structures and individual agency that enable functioning in the capabilities sense, and at the same time highlights different types of social resilience.

Our analysis is presented in three sections. First, we provide a short review of the literature on social resilience and the capability approach. We argue that linking the two perspectives provides analytical leverage for better understanding the dynamics underlying apparently positive outcomes. Second, we draw on data from life-course interviews conducted in the United Kingdom and Norway to examine the role of some key conversion factors. These include formal institutions

such as education and PES, alongside social networks facilitated by the voluntary sector and informal social networks with strong and weak ties (Granovetter, 1973). Our conclusions revisit the questions as to what makes young people resilient in different contexts and how young people might use formal institutional resources and/or informal networks to initiate a process of transformation – the strongest form of social resilience.

## 2 SOCIAL RESILIENCE, CAPABILITY AND YOUNG PEOPLE'S EMPLOYMENT TRANSITIONS

The concept of resilience has been applied to a number of fields: from psychology, anthropology and ecology to the analysis of human and physical responses to geographical disasters (Keck and Sakdapolrak, 2013). In recent years it has been used as an analytical lens through which to examine a spectrum of issues ranging from the financial crisis (Walker and Cooper, 2011) and regional economic development (Christopherson et al., 2010) to practitioner and cross-cultural comparisons of interventions for youth at risk (Ungar, 2008). However, the concept has also become more prevalent in research on young people in the labour market.

Narratives of resilience as a unique individual response to adversity may overemphasize personal characteristics and neglect the social context in which they emerge. Such literature indicates that while most young people find periods of unemployment difficult, their reactions to it differ. Bottrell (2007) suggests that for some the experience of unemployment might become a period of 'resistance' and 'reinvention' on the way to finding better jobs, while others find that the experience confirms their status as 'failures' and 'losers'.

Recent debates on the concept of resilience have moved beyond this individualistic perspective. Hart et al. (2016) identify four waves in the development of the concept in youth-focused research. The first wave focuses on the individual young person who manages to overcome difficulty, largely through personal qualities (Masten, 2007). The second wave moves from the micro to the meso level, including the role of families, schools and local communities as mediating pathways for young people towards more positive outcomes. The third wave emphasizes the importance of cultural meaning in how outcomes are defined and provides a more dynamic process analysis of intervention and innovation effects (Ungar, 2004). The fourth wave uses Bronfenbrenner's (1977) human ecology theory to provide a more dynamic, multi-levelled and contextualized interpretation of resilience.

This latter definition comes closer to the concept of ‘social resilience’ (Hall and Lamont, 2013), which contextualizes individual experiences and actions in relation to social institutions that mediate their options and behaviour. This view situates both the individual person and the adversity they face in relation to socioeconomic and cultural dimensions, examining how policy interventions can best be directed so as to reduce the effects of adversity (Cassen et al., 2009).

The capability approach provides a complementary perspective, focusing on individuals’ capabilities in a broader societal and institutional context and the extent to which they achieve a life that they value (Böhler et al., Chapter 3 this volume; Bussi and Dahmen, 2012). The capability approach builds on two core normative claims. First, giving individuals the possibility to achieve well-being should be of primary moral importance to societies. Second, the freedom to achieve well-being should be understood in terms of capabilities, that is, the set of possible ‘beings’ and ‘doings’ that the person values. A person is able to achieve one of the possible valued outcomes if they are empowered with the material and non-material resources necessary for that purpose (Robeyns, 2016).

Conversion factors play a central role in this approach: they equip individuals with tools to make use of the available resources. Conversion factors can be broadly grouped into micro-, meso- and macro-level factors (Dingeldey et al., 2015). The micro level refers to personal characteristics and knowledge; the meso level includes institutions (e.g., school, welfare agencies, voluntary organizations) and informal networks and resources (e.g., family, friends, acquaintances); and the macro level consists, for example, of macroeconomic conditions, and national and cultural norms.

Here our analysis links conversion factors from the capabilities literature with the concepts of navigation and negotiation from the resilience approach. Ungar’s (2008: 225) conception of ‘social resilience’ as a process situating outcomes within a dynamic life-course approach is particularly relevant. We draw on the three defining aspects of social resilience proposed by Keck and Sakdapolrak (2013): *coping*, *adaptation* and *transformation*. Coping capacities refer to the ability of social actors to cope and overcome immediate adversities. Adaptive capacities point to the ability to learn from past challenges and to adjust to future challenges. Transformative capacities result in a substantial and sustainable change for both individuals’ and institutions’ robustness in the face of future crises.

Two aspects in Keck and Sakdapolrak’s discussion of social resilience are of particular relevance in expanding the concept and applying it to the context of youth resilience around labour market transitions. First, they recognize the relevance of temporality when relating social resilience not

only to present but also to future risks. The long-term perspective suggests that empirically we should be interested in the role of learning and adjustments based on past positive and negative experiences. Second, involving the role of institutions clarifies that social resilience and attaining valuable 'beings' and 'doings' is a political as well as a personal matter. Keck and Sakdapolrak (2013: 14) argue that 'social resilience, especially in the livelihoods of the poor and marginalized, is not only a technical, but a political issue'. This suggests that analysing the drivers of social resilience and the mechanisms of young people's integration into the labour market means taking into account processes of governance and policies and institutions designed to help youth transitions (see contributions to Volume 1). Analytically, this requires capturing how the complex power relations between the macro and micro levels of a society interact with the 'meso level of society' (Hertzman and Siddiqi, 2013).

In short, we adopt a conceptualization of social resilience that includes the normatively important aspiration in European societies that young people should have '*effective freedom to act and govern themselves*' (Johansson and Hvinden, 2007: 39–40). This ambition goes hand in hand with the idea that, empirically, resilient individuals are those who have the tools (or freedom) to act in such a way as to achieve outcomes they value. Moreover, our approach is in line with Keck and Sakdapolrak's (2013: 10) in incorporating an extended time horizon, rather than a single point in time. We consider the capacity to draw lessons from the past and from others as relevant for informing individual actions. Such processes of reflexivity and learning require a dynamic analytical framework to capture how young people's lives develop over time and the factors that influence their life courses. Against this background, social resilience and the capability approach are complementary insofar as social resilience can have a positive impact on future capabilities, promoting what Nussbaum (2011: 43) refers to as 'capability security', meaning that a given capability can be counted on for the future.

### 3 THE CONSTRUCTION OF SOCIAL RESILIENCE IN DIFFERENT YOUTH TRANSITION REGIMES: COMPARING NORWAY AND THE UNITED KINGDOM

Norway and the United Kingdom illustrate two very different kinds of youth transition regimes (Hora et al., Chapters 7 and 8 Volume 1; Walther, 2006: 136). The Norwegian regime is characterized by a universalistic and developmental approach to supporting youth, while the United Kingdom

is categorized as a liberal transition regime that is more punitive and individualistic (Wallace and Bendit, 2009).

Norway and the United Kingdom share a strong emphasis on education; however, while investment in education is similar, Norway has a higher degree of participation in lifelong learning and vocational training than is the case in the United Kingdom. Moreover, while higher education is mainly public and almost free of charge in Norway, higher education institutions in the United Kingdom are allowed to charge considerable tuition fees, which are generally funded through loans. In terms of employment protection, the Norwegian labour market tends to be more regulated than that of the United Kingdom, with the use of temporary contracts introduced in 2015 (Bussi and O'Reilly, 2016; Hora et al., 2016; Schoyen and Vedeler, 2016). Norway invests a high share of GDP in labour market activation policies that mostly support sheltered employment and training, with specific measures targeting young people. The United Kingdom adopts a 'work-first' activation approach with a strong emphasis on job search and benefits conditionality, while recent reforms introduced stronger sanctions and focused on promoting vocational training. In Norway unemployment benefits are tied to a previous record of paid employment, which means that young people are not eligible and are therefore reliant on basic social assistance. However, the duration of entitlement tends to be longer than in the United Kingdom, where replacement rates are lower than in Norway.

Our main hypothesis is that in Norway young individuals can count on the support of a broad set of public institutions to help them overcome the adversity of early job insecurity. These institutions represent important 'conversion factors' supporting adaptive or transformative capacities and forms of social resilience. These adaptive and transformative capacities imply an incremental and radical long-term change in people's lives, including an enhancement of present and future well-being. In contrast, institutions in the United Kingdom – which mostly advocate a quick entry into the labour market with limited and short-term financial support – are expected to foster short-term 'coping capacities'. Young people may receive help to resolve an immediate crisis but, in most cases, public support does not include the necessary tools to achieve a sustainable improvement.

However, we cannot exclude a priori that, in spite of differences in context and quality of resources in Norway and the United Kingdom, we might find – perhaps surprisingly – similarities in the way young people are able to develop strategies of coping, adapting and transforming adversity into opportunities.

## 4 METHODOLOGY

The life-course interviews used in this chapter were conducted in Norway and the United Kingdom between May and November 2016. We targeted individuals from three cohorts (1950–55, 1970–75, 1990–95) who had experienced a prolonged period of unemployment or employment insecurity in their teens or 20s. The life-course interviews sought to uncover how young people negotiated their insecurity, that is, what resources they had access to and how they had used these to overcome adversity and try to accomplish what they valued in terms of employment and life satisfaction (for details of the method, see Hvinden et al., Chapter 1 this volume). We focus here on resilient respondents (Ayllón et al., Chapter 9 this volume, and Böhler et al., Chapter 3 this volume, present a number of cases where the outcomes were not as successful).

We were interested in understanding what tools and resources our interviewees had deployed to build and sustain social resilience. Based on our analysis of these interviews, we focus on four conversion factors: education, PES, volunteering and social networks. Further details of this methodology are outlined in the introductory chapter to this volume.

All of the anonymized interviewees from Norway and the United Kingdom that we identified as being resilient are listed in Table 7.1 (13 out of 30 persons in Norway and 18 out of 30 in the United Kingdom). Although they had not all secured stable employment, they felt they had overcome their initial difficulties in entering the world of work, and they were confident that they were (or were on the way to) achieving a degree of self-fulfilment and a life they valued.

In addition, we list the key conversion factors that supported their development of a degree of social resilience. This summary indicates some interesting patterns. In Norway older cohorts named the PES as the sole most important support factor; for younger cohorts, education has become increasingly more relevant. By contrast, in the United Kingdom only two respondents credited the PES as a major supportive factor. Education was more frequently cited, especially for older respondents, although in many cases this was because they had returned to studying when they were older. UK respondents were also more likely to cite the importance of voluntary work or social networks that had enabled them to overcome their experience of early job insecurity; the Norwegian interviewees did not mention these latter factors.

This preliminary summary analysis interestingly reinforces some of the characteristics of the Norwegian and UK youth transition regimes: where social institutions are stronger, as in Norway, these were more

Table 7.1 *Resilient individuals in our sample*

Relevant conversion factors						
Interviewee	Gender	Cohort	Education	PES	Volunteering	Network
Norwegian sample	Mai	f	1950	(x)	<b>X</b>	(x)
	Jarle	m	1950		<b>X</b>	
	Inga	f	1950	<b>X</b>		
	Elin	f	1950		<b>X</b>	(x)
	Jan	m	1970		<b>X</b>	
	Gerhard	m	1970		<b>X</b>	
	Nidar	m	1970			<b>X</b>
	Thor	m	1970	<b>X</b>		(x)
	Johanna	f	1970	(x)	(x)	<b>X</b>
	Grete	f	1970	<b>X</b>		
	Kristina	f	1970	<b>X</b>	(x)	
	Anne Karin	f	1990	<b>X</b>	(x)	(x)
	Toril	f	1990	<b>X</b>		
			Education	PES	Volunteering	Network
UK sample	Joseph	m	1950	(x)	<b>X</b>	
	Mo	f	1950		<b>X</b>	
	Tina	f	1950	<b>X</b>		
	Angie	f	1970	<b>X</b>		(x)
	Danny	m	1970	<b>X</b>		
	Yvonne	f	1970	<b>X</b>		
	Nina	f	1970	<b>X</b>	(x)	(x)
	Terri	f	1970		<b>X</b>	
	Jimmy	m	1970			<b>X</b>
	Kay	f	1970			<b>X</b>
	Sadiq	m	1990	<b>X</b>	(x)	(x)
	Simon	m	1990	<b>X</b>		(x)
	Jesse	m	1990		<b>X</b>	(x)
	John	m	1990			<b>X</b>
	Kylie	f	1990	(x)	<b>X</b>	
	Lulu	f	1990	(x)	<b>X</b>	(x)
	Samuel	m	1990	<b>X</b>		(x)
	Sienna	f	1990			<b>X</b>

Notes: **X** = main conversion factor, i.e., the primary driver of social resilience; (x) = supporting conversion factors, i.e., secondary factors supporting social resilience.

evident in respondents' accounts of supporting factors; in the United Kingdom, where these institutions are comparatively weaker, informal and voluntary networks were more often cited. We now examine each of these four conversion factors, drawing on evidence from the individuals we interviewed.

## 5 CONVERSION FACTORS IN COPING, ADAPTIVE AND TRANSFORMATIVE FORMS OF SOCIAL RESILIENCE

### 5.1 Education

Scholars of the capability approach have focused on education because of its central role in the enhancement of opportunities for individuals (Nussbaum, 2011) and on the potential social justice of higher education arrangements (Walker and Unterhalter, 2007). Sen (1997) argues that education and skill formation are at the heart of human capabilities in conducting a meaningful life. The impact of education and training goes beyond the wage premium or increased quality of production. Education is expected to be one of the main factors equipping young people for the world of work and potentially supporting transformative agency. We present two narratives illustrating how education contributes to different forms of social resilience.

Born in the early 1970s in a working-class family, **Angie** was interested in staying on at school to do A-levels (the British school-leaving qualification required for admission to university), but she left a comprehensive secondary school at age 16. The cultural norm for girls like her, from a working-class family, was to work for a few years, then marry and have children. When she suggested staying on at school, she recalls her father saying: ‘What would you want to stay on for? You’re a girl, you’ll get married and have children, there’s no reason for you to stay on at school.’

Angie worked in a variety of office jobs that she describes as boring. In her early 20s, in 1983 and 1984, she had two spells of unemployment, which she found distressful and difficult to overcome. She describes signing on at the employment office as a ‘terrible thing to do’. None of her family had ever been out of work. She felt devastated and lost her self-confidence. She soon realized that she needed to gain some qualifications if she was going to be able to get a decent job. Angie had always had ambitions to become a teacher, but when she was younger she had no idea how to achieve this. As her self-confidence had been undermined, she found it difficult to imagine how she could realize this dream, until in her early 20s she received the support of her future husband.

After giving birth to her first child, she returned to education to gain her GCSE (a secondary-school qualification below A-level) in mathematics:

I said to myself, ‘I am at home with the children and I am not working. This is the time to try and do something about my education to give us a better quality of life. . . I felt then that if I had a degree, if I had gone on and got the teaching qualification, that I would have security and I would always be able to get a job.’



Following the birth of her second child, Angie enrolled in an Access Course at the local college. This was part of a government programme during the 1980s to improve the educational attainment up to degree level of those who had left school at 16 with no qualifications. Fees were negligible at this time and Angie went on to complete a degree at the local university, where she received a grant that covered the cost of day care for her second child. On completion of her degree, Angie had her third child whilst working at a local college teaching adult students. She completed two Master's degrees and found a job that gave her great satisfaction: teaching parents and children together to improve their maths skills. She encouraged all her own children to go to university and felt that her own education had helped her secure a better future for herself and her family that was supported throughout by her husband who had worked flexible shifts as a postman.

Angie's trajectory illustrates the most long-term and powerful form of social resilience – the transformative kind (Keck and Sakdapolrak, 2013: 10) – and the role of participative capacities. It illustrates how institutional structures impact on choices and opportunities. Angie was aware of the risks of long-term unemployment and precariousness while she lacked any qualifications. Her ability to go back to education was made possible from the late 1980s onwards by government policy supporting 'mature' students, that is, helping those who had left school with few or no qualifications to return to education. Part of this policy also recognized that mature students required supportive childcare to be able to gain these qualifications. Alongside these factors, the significant support from her husband, who was willing to share in domestic work and childcare, made it possible for Angie to sustain this transformative path. Her vision of successfully completing higher education, at a time when less than 20 per cent of the population were graduates, and becoming a qualified teacher challenged societal stereotypes about the paths open to working-class women like herself. As a teacher, Angie was also able to participate in the shaping of an institution that made a positive and long-lasting contribution to the lives of others.

The importance of educational support can also be seen in the case of **Anne Karin**, born in the early 1990s to a working-class family in a small Norwegian town. Like Angie, Anne Karin also encountered traditional prejudices about appropriate jobs for young women like her. Initially, she had wanted to pursue the vocational track, focusing on mechanical work, but her father refused: 'You can't go to mechanical school. That's not women's work.' The school counsellor provided similar advice, so Anne Karin ended up following a programme on health and social work.

She dropped out of vocational upper-secondary education after two years, and her mother took her to the public employment agency. They found her work in shops and nurseries, before she decided to move to one of the biggest cities in Norway to live with her boyfriend and his parents. She managed economically with some help from her mother, but she struggled with mental health issues and experienced periods of social isolation. At the age of 19, she received a mental health diagnosis and started long-term psychological therapy.

After a few months in the big city, and with the support of her boyfriend, Anne Karin was able to convince the Norwegian Labour and Welfare Administration (NAV) – the one-stop institution that manages the national social insurance system as well as the PES – to grant her the minimum social benefit. The active labour market policies in place in Norway from the late 1990s onwards required her to participate in a labour market measure to receive this benefit, and she found a place supporting sports in primary schools. The local NAV office encouraged her to intensify her job search by going in person into shops and asking for a job. Eventually she found a very small part-time job for the summer. The job was important because it provided an income, but also a supportive and friendly social environment. Her supervisor was caring and understood her mental health condition; if she was unwell he would always ask if she wanted to come into work only for a few hours whenever she felt able. This supportive attitude instilled self-confidence in Anne Karin: ‘You become really very happy when you show up at work.’

After a couple of years, Anne Karin was ready to go to a special upper-secondary school for pupils with mental health issues. Class sizes were small, and the staff was trained to help with professional and private issues. At the time of the interview, Anne Karin was about to complete a school-leaving qualification that would qualify her to pursue one of her long-standing aspirations – higher education in digital design and computer programming.

Anne Karin’s story illustrates how both her family and the local school were unsupportive of her aspiration to pursue what they considered to be men’s work. The emotional and material support from her boyfriend (and his family) and the basic public social benefit played a significant role in improving her coping capacities and helped her turn her situation around. Motivated by public labour market programmes, an important conversion factor, Anne Karin got a job with a supervisor who was very accommodating. Acknowledging her mental health problems, he adopted a highly inclusive working-life approach. The focus was on encouraging her presence at work rather than counting the hours and days that she was absent. The job and the psychological treatment improved her mental health.

In capability terms, we identify the special upper-secondary school as the main conversion factor leading to a positive change in Anne Karin's trajectory. Interacting with the support she received from the public welfare administration and from her boyfriend and his family, education promoted Anne Karin's adaptive capacities. Since she was still in education at the time of the interview, it was too early to say whether she would eventually develop transformative capacities – the most encompassing form of social resilience. These two cases illustrate the importance of education and support mechanisms from significant others in enabling transformative social resilience in both countries.

## 5.2 Employment Services

Activation policies have been widely investigated from a capability perspective (Bonvin and Orton, 2009; Bonvin et al., 2013; Bussi, 2016; Bussi and Dahmen, 2012). Most of these contributions assess the role of material resources and the framework used by caseworkers to assess young recipients. The information used to judge a young person's needs, as well as the margin of manoeuvre of caseworkers, are crucial for determining the type of help provided. Bonvin and Orton (2009) claim that recent developments in public policies strongly based on quantitative performance leave aside complex issues of social justice and overlook individuals' well-being and freedom. However, our two examples show how PES in the United Kingdom and Norway were able to provide young people with adequate conversion factors that empowered interviewees.

**Kylie** was born in the UK in the early 1990s. She attended a comprehensive school and left school at 18 with four A-levels. The school was very keen for Kylie to go to university, but several members of her family had successful careers without higher education, and the costs of going to university were unappealing. She was frustrated that there was no help for those who wanted to work at 18 rather than go on to university. Kylie came onto the UK labour market just as the financial crisis was starting. Because she lived at home, her entitlement to benefits was minimal. After being unemployed for six months, she was offered a paid workplace experience under a government 'New Deal' for young people scheme. The job involved administration work at a charity for 25 hours a week at minimum wage. This work experience helped Kylie focus and gave her practical skills that helped her find a job in an area of work that interested her. After six months, the charity was unable to extend Kylie's contract, however they did help her compile a new CV and she managed to secure a job with a financial spread-betting firm trading in derivatives:

Not having a degree and trying to find entry-level jobs was quite hard without having experience, but having the Futures role [a PES educational training scheme] had given me stuff to put on my CV, which then in turn helped getting my next job.

Kylie has been able to successfully move up in the financial spread-betting company, securing 'graduate entry' jobs, although she realizes that it might not be easy for her to move to a different company without a degree. Nevertheless, at the time of the interview she was 26, had recently bought a flat with her partner and was earning over 30 000 sterling per annum, which is just above the annual mean income in the United Kingdom.

Kylie's story represents a good example of how PES could contribute to providing material and immaterial conversion factors. Her work experience from the scheme did not change her life radically, but it gave her experience and laid the foundations for a professional career, even without formal, higher-level qualifications.

In Keck and Sakdapolrak's terms, one could say that the opportunity of working at the charity helped Kylie mobilize her 'coping capacities' by not getting trapped into long-term inactivity. This first 'reaction' to unemployment can be seen as acting in the short term and overcoming the immediate threat of inactivity. In this case what was initially a 'coping strategy' developed into 'adaptive capacities'. The time dimension is crucial here. From a capability perspective, a resource – such as skills – can become a conversion factor when the skills are used, enabling incremental change and securing an individual's well-being in the face of future risks.

The impact of the Norwegian PES can also be seen in the case of **Elin**, who was born in the 1950s to a middle-class Norwegian family. Her father died when she was 12 years old and her mother died when she was 20. She finished upper-secondary school but did not have any concrete plans for what she wanted to do next. With her inheritance she bought a flat and did not have to worry about housing. She chose to have short-term jobs, working for a few months in a store, travelling abroad and hanging out with musicians and artists.

In her mid-20s Elin married and had a daughter after finishing a Bachelor of Arts degree. She sold her flat and the family moved to Southern Europe, which she said was the worst decision she ever made. Her husband became an alcoholic living off a disability benefit as a result of an accident; any inheritance money Elin had left dwindled away. She remained abroad and in this abusive relationship for many years. Eventually returning to Norway, Elin had no economic security and very few friends or social networks.

As a single mother, Elin received housing and social benefits from NAV. After undergoing psychological treatment, she was ready to start rebuilding her life. Because of her mental health condition, she was granted further support from NAV through a work assessment allowance and participation in a labour market programme. The programme helped her get a partly subsidized job, with the employer receiving a 60 per cent wage subsidy to employ Elin. She held this job for two years until the company had to downsize. Then she was unemployed for another four years before getting her current job. This was a temporary and again partly subsidized contract. Both her first and her current job are in the field of welfare; she uses her qualifications and personal experiences to improve the life situation of fellow citizens. Volunteer work was an important source of social interaction in the period in between her two jobs.

In Elin's story the NAV emerges as a provider of both benefits and services she needs when in her thirties she returns to Norway with little economic security, a poor social network and low employability because of lack of work experience. The NAV enhanced Elin's coping capacity in the short term by providing housing and social assistance. Moreover, with a wage subsidy and a proper job the NAV also facilitated adaptation, as Elin was able to acquire on-the-job experience, increasing her employability. But it was also owing to her own active agency that she could secure her second job contract. Elin told her caseworker about using a wage-subsidy scheme to convince the employer to offer her the job. In Elin's story the NAV appears as the main conversion factor – in active collaboration with her own agency – that enabled her to overcome almost two decades of job insecurity. At the time of the interview, Elin was on the way to becoming what she valued, but she was anxious about managing to hold on to her temporary job.

### 5.3 Volunteering Pathways

Unsuccessful transitions in the labour market can be a source of frustration and can lower self-esteem. Volunteering has been recognized as having positive effects on young people who are at a loss, lack self-confidence and struggle to find their place in society. In the overall sample, several respondents reported that volunteering experiences in not-for-profit organizations had provided a 'safe place' where young people could nourish their aspirations, acquire soft skills and rebuild their self-confidence in a less competitive and punitive environment. In capability terms, volunteering nourishes a feeling of self-worth and empowers young people with a feeling of belonging. Nussbaum would define it as capability of affiliation, one of the central human capabilities (Nussbaum, 2007).

**Joseph**, born in the 1950s in the United Kingdom, considered himself working class. He left grammar school at age 16 to take up an apprenticeship in engineering, because that was what his father wanted for him; in reality, Joseph had hoped to go to university. He dropped out of the apprenticeship at age 19, met a girl whom he married, and they had a child straight away. They lived with his father-in-law for 18 months before eventually getting a council flat in the early 1970s.

From age 19 until 27, Joseph had many periods of unemployment and precarious work. He often had two jobs, including driving a taxi, to support his family. In his mid-20s he and a friend ran a football club, and he started to volunteer at the youth centre, where he encountered many young men with addictions.

Voluntary work supporting young people led to a new career direction that for the first time gave Joseph a 'buzz' from his work. Six years later, alongside this volunteering, he started to work through an agency as a residential social worker with young people in care. The agency he worked for helped him apply for a job as a social worker when he was 38. This was the first job he really enjoyed doing. Along the way, he gained qualifications that enabled him to manage sports teams.

Joseph reckoned that, in a way, precarious working had a positive effect because he realized that you can change, but he still has feelings of insecurity: working for the voluntary sector brought its own insecurity because of dependence on annual funding. He believes that when he was young he did not have enough experience of the world of work to know what kind of job he would like, and he felt that the time spent going from job to job, and more importantly doing volunteer work, enabled him to discover his strengths and interests.

Joseph made the transition from being a youth to being a parent, being married, and moving to and supporting his own household all without secure employment; something that he feels many young people struggle to do now. Volunteering, although it does not provide any income security, turned out to be a major conversion factor for Joseph. Volunteering fostered what Keck and Sakdapolrak (2013) call 'adaptive capacities'. From a longitudinal perspective, one could say that being a volunteer brought about substantial change in Joseph's life and even put him on the path to making a positive contribution to the welfare of others as a volunteer and as a social worker. This turn in Joseph's life points to transformative capacities, as defined by Keck and Sakdapolrak (2013). Change in Joseph's life course was incremental: he recounted that every step he made in the labour market helped him define and take specific steps towards what he wanted to be and do in his life. This had long-term consequences insofar as he was able to get what he valued. In his words: 'I

feel lucky. I spent 25 years doing a job I quite enjoyed, which most people can't say.'

None of the Norwegian interviewees mentioned volunteering as a pathway to employment. Nonetheless, in some of the interviewees' stories, volunteer work seemed to enhance individual capabilities. For instance, Elin emphasized how she had used volunteering as a means to practice her social skills and reaffirm her value to other people while being unemployed:

I would recommend that to everyone who does not have job. Because. . . it is the social part and not least the feeling you get of contributing to something. . . The feeling you get from doing something useful, something for your community.

#### 5.4 Informal Networks

Studying the role of networks provides a fruitful macro–micro bridge between political and personal forces (Granovetter, 1973: 1360). Interviewees reported the importance of interpersonal connections as a coping mechanism and sometimes as a source of work. Family was the strongest tie that featured in our interviewees' stories, providing financial support, housing, emotional support and temporary employment.

**John** was born in the early 1990s. He moved from a mainstream comprehensive school to a vocational college when he was aged 14, as part of a policy to help children potentially at risk of dropping out of school early. At age 16 he left the training organization with some entry-level vocational qualifications in vehicle fitting, although he really wanted to become a fireman: 'People put a downer on this, saying it was hard to get into.'

John spent seven years in precarious work or unemployment. His first job after school was in a garage, but he was dissatisfied with the job and the pay. He preferred to work on building sites as a labourer, where he could earn more money and the hours of work were more acceptable. At age 19 he became a father, which was unplanned and an initial shock. He carried on working intermittently on building sites for the next four years: sometimes he would have work for a few days, sometimes for longer. During this period it was hard for him to afford even basic needs. He did intermittently claim benefits, but these claims took time to process and in between he occasionally picked up a few days' work.

Initially, he lived with his partner and their child at her mother's house, and then at his mother's home. Now John is living at his parents' house and his partner and children live with her parents. Both his and her partner's parents have supported John, his partner and their children financially and emotionally throughout. He would borrow money from his parents and then try and pay them back when he was working, but this

was difficult as he was never in work long enough to pay off his debts and become self-sufficient. This economic instability affected his relationship. They were constantly arguing about John's inability to provide for his family without his parents' support.

All his work has come through friends and acquaintances. A family friend helped him start a bricklaying course at college, but when he was offered his current job he stopped going to college. He is now 'trained' by the men at the sites and occasionally goes to the college for practical exams. He feels more settled and really enjoys the job. Yet, despite working and earning more than the national average, he is still unable to move in with his girlfriend and children. This is in part due to high rents and housing costs in the southeast of England. John's story is in stark contrast to Joseph's, who shared some of these experiences, except that in 1970 Joseph could afford to make the transition to independent adulthood and establish his own household.

In sum, early parenthood and the lack of a stable and decent job exacerbated John's early period of insecurity. His social networks through his friends and family have been the main factor helping him cope with adverse circumstances. They have helped him restore his previous level of well-being and have played a major role in allowing him find work he enjoys, but he still cannot afford to live with his children and girlfriend and he has not fulfilled his dream of becoming a fireman. John's social resilience is about 'coping' capacities based on support from his social networks, but he does not yet seem to have gone beyond that.

**Johanna** was born in the early 1970s to a working-class family in Norway. Her father had a strong work ethic, expecting that you should turn up to work unless you were 'running a temperature of 40 degrees Celsius'. But Johanna was fed up with school by the time she completed her vocational upper-secondary education. She had no motivation to carry on studying and she did not know what she wanted to do. She spent almost a year unemployed, 'hanging around' at home with minimal responsibilities and receiving some financial support from public social assistance. She spent a lot of time sleeping and relaxing, and at the weekends partying with her friends and boyfriend (all of whom were studying or working).

As far as Johanna could recall, the public system did not require her to show that she had been applying for jobs or attending job application courses in return for the monetary help she was given. All she needed to do was fill in a short form every two weeks, stating that she was still without a job.

In the end it was her mother who pushed her into the labour market. She persuaded Johanna to apply for a job in a kindergarten in her neighbour-



hood. The position was as a ‘junior assistant’ – a special trainee position for young employees. Johanna enjoyed working with children. The position paid very little, but it provided useful job experience.

Johanna ended up staying there for seven years (eventually in a better-paid position), until she decided to quit her full-time job and go on to higher education to do a Bachelor’s degree in child welfare. Her boyfriend at the time and a friend supported her, but she did not discuss this with her parents because she knew her father would not have approved. Higher education was not something he valued compared to having a permanent, full-time job. However, by the time Johanna started her education, she was divorced, a mother of two and she owned her own flat. Her transition to education was facilitated by a governmental benefit for single parents who participate in work-related activity such as pursuing post-secondary education. Johanna is the first in her family to have gone to university.

In her story, Johanna emphasized the significance of her mother in her first transition from unemployment to employment. Back then she experienced her mother as nagging her to start working:

But it was my mother who pushed me into employment. She had seen the [junior assistant] job listed. . . If I recall correctly, she had also called the kindergarten and then told me, ‘This is something for you. . . Send in an application now. You must send in that application now.’

Johanna’s story shows how different social actors and institutions supported and facilitated her transitions into employment. Her mother was the triggering conversion factor in Johanna’s first transition to work. This first transition represents a coping dimension of social resilience. Johanna demonstrates adaptive capacities and strategic agency in moving into higher education. In this second transition, her informal network of friends and the transitional governmental benefit are supporting conversion factors. From a societal perspective, one may argue that the second transition also included the use of transformative capacities because Johanna as a child welfare counsellor took part in shaping institutions – the child welfare agency – that aimed to ‘foster social robustness’ (Keck and Sakdapolrak, 2013: 11) for disadvantaged social groups such as children in care. Moreover, Johanna’s story about the second transition renders evident how a combination of social networks provided by her boyfriend and friends along with education and governmental benefits on a meso level acted as supporting conversion factors in her process of becoming what she values – a child welfare counsellor.

## 6 CONCLUSIONS

This chapter set out to examine the concept of social resilience through the lens of the capabilities approach and an empirical examination of narratives from those who have experienced early job insecurity. We distinguished between coping, adaptive and transformative types of social resilience and explored various types of conversion factors associated with these transitions. While we could identify some cross-national differences between Norway and the United Kingdom in the importance of particular formal or informal conversion factors, we could also see where there were some comparable experiences in the two countries.

Comparable experiences related to gender stereotyping, class-inhibiting aspirations and the effects of and on mental well-being. While Norway is a country at the forefront of gender equality, experiences of occupational gender stereotyping were recounted both here and in the United Kingdom, especially by the older cohorts. Those coming from working-class backgrounds spoke of their aspirational achievements being dampened in both countries. Family expectations were either lower or inhibiting. For those who dreamed of unconventional pathways, their families were unsupportive of going to university or of aiming for occupations their families thought would be too difficult for them to attain. In both countries difficult transitions to the labour market were the reason for, or strongly contributed to, a decline in mental health that had detrimental effects on these interviewees' relationships and social inclusion.

We also identified similarities and differences in how conversion factors affect individuals' social resilience in light of the institutional context in which they are embedded. We expected the Norwegian youth transition regime to provide stronger institutional conversion factors to foster adaptive and transformative capacities. In the United Kingdom, where these forms of institutional support have been weaker, we expected to find more coping capacities rather than adaption or transformative forms of social resilience.

While we found evidence in both countries of short-term coping strategies leading to adaptive resilience (Kylie, Joseph and Anne Karin) and in some cases transformational resilience (Johanna, Elin and Angie), there were also some notable differences in the conversion factors and mechanisms that resulted in these outcomes. Table 7.2 provides a summary of the key formal and informal conversion factors identified in the six narratives, alongside the type of social resilience each case illustrates.

In both countries, but especially in the United Kingdom, education played an important role. This confirms the relevance of gaining skills in both labour markets. However, a diverse range of educational provisions

*Table 7.2 Resilient individuals, main and secondary conversion factors, and type of social resilience capacities*

	Interviewee	Education	Public Employment Service (PES)	Volunteering	Network	Type of social resilience capacities
NO	Anne Karin	<b>X</b>	(x)		(x)	Adaptive
	Johanna	(x)	(x)		<b>X</b>	Transformative
	Elin		<b>X</b>	(x)		Transformative
UK	Angie	<b>X</b>			(x)	Coping/ transformative
	Kylie	(x)	<b>X</b>			Coping/adaptive
	Joseph	(x)		<b>X</b>		Coping/adaptive
	John				<b>X</b>	Coping

*Notes:* **X** = main conversion factor, i.e., the primary driver of social resilience; (x) = supporting conversion factors, i.e., secondary factors supporting social resilience.

in Norway was more often coupled with institutional support from PES. The PES was identified in Norway as a more prominent conversion factor than in the United Kingdom, although support from the PES was a significant factor for Kylie in the United Kingdom. The importance of PES as a conversion factor in Norway supports the characteristics of their youth transition regime, where activation programmes via PES are intended to empower young people through individually tailored measures promoting further education or job training. Johanna's story shows how these transition policies 'interpret youth as a potential resource for the future of society' and represent an approach centred on 'individual choice as being of central importance in order to allow for a maximization of individual motivation' (Walther, 2006: 127).

The UK interviewees were more likely to point to informal social networks, volunteering experiences and education as helpful routes to a more satisfactory employment situation. Informal networks acted as conversion factors that mainly provided coping capacities: the cases of John and Johanna illustrate the importance of their families in providing financial and emotional support and guidance. Several interviewees in the United Kingdom explained how stringent conditionality and job-search requirements, as well as administrative slowness, made signing on for benefits cumbersome or useless in the context of precarious and instable trajectories. According to interviewees from the United Kingdom, informal networks and the family fill in the gap when these systems fail to provide a safety net.

A complex interaction of factors facilitates or hinders individual thriving. For instance, Angie was able to become a teacher because of

affordable and flexible learning institutions, but also because she received great support from her husband. Similarly, for Johanna, the support of her mother was crucial in getting a job that she found valuable and eventually led to her going back to education, even if her father would not have supported her. A flexible and individualized approach to education as is practised in Norway acted as a secondary, yet important, conversion factor. Support for mature students returning to education has been significant in the United Kingdom, too.

In sum, the evidence presented in this chapter illustrates the richness provided by integrating the differentiated concept of social resilience with that of identifying conversion factors from the capabilities approach. It allowed us to identify some surprising similarities and differences between Norway and the United Kingdom in the factors that were identified as having more pertinence in facilitating long-term transformative social resilience where respondents were eventually capable of sustaining a life they valued. Educational attainment was important in both countries. Social networks had relatively more prominence in the United Kingdom, and the PES clearly had a more important role in Norway. The value of advice and guidance provided by formal and personal social networks that emerges from the narrative presented here could also be translated into policy, as discussed in the chapter by Lewis and Tolgensbakk (Chapter 10 this volume).

## REFERENCES

- Bonvin J-M, Dif-Pradalier M and Rosenstein E (2013) Trajectoires de jeunes bénéficiaires de l'aide sociale en Suisse: Une analyse en termes de capacités [Trajectories of young people on welfare in Switzerland. An analysis in terms of skills]. *Agora débats/jeunesses* 65(3): 61–75. DOI: 10.3917/agora.065.0061.
- Bonvin J-M and Orton M (2009) Activation policies and organisational innovation: The added value of the capability approach. *International Journal of Sociology and Social Policy* 29(11/12): 565–74. DOI: 10.1108/01443330910999014.
- Bottrell D (2007) Resistance, resilience and social identities: Reframing 'problem youth' and the problem of schooling. *Journal of Youth Studies* 10(5): 597–616. DOI: 10.1080/13676260701602662.
- Bronfenbrenner U (1977) Toward an experimental ecology of human development. *American Psychologist* 32(7): 513–531. DOI: 10.1037/0003-066X.32.7.513.
- Bussi M (2016) *Strait-jackets or stepping stones? Exploring institutional ability to develop employability of young people*. PhD Thesis, University of Geneva, Switzerland. <https://archive-ouverte.unige.ch/unige:86386> (accessed 15 August 2017).
- Bussi M and Dahmen S (2012) When ideas circulate. A walk across disciplines and different uses of the 'capability approach'. *Transfer: European Review of Labour and Research* 18(1): 91–5.

- Bussi M and O'Reilly J (2016) *Institutional determinants of early job insecurity in nine European countries*. National Report United Kingdom for NEGOTIATE Working Paper no. 3.4. [https://negotiate-research.eu/files/2015/04/WP3\\_4\\_Country\\_report\\_UK.pdf](https://negotiate-research.eu/files/2015/04/WP3_4_Country_report_UK.pdf) (accessed 2 June 2018).
- Cassen R, Feinstein L and Graham P (2009) Educational outcomes: Adversity and resilience. *Social Policy and Society* 8(1): 73–85. DOI: 10.1017/S1474746408004600.
- Christopherson S, Michie J and Tyler P (2010) Regional resilience: Theoretical and empirical perspectives. *Cambridge Journal of Regions, Economy and Society* 3: 3–10.
- Dingeldey I, Hvinden B, Hyggen C, O'Reilly J and Schoyen MA (2015) *Understanding the consequences of early job insecurity and labour market exclusion: The interaction of structural conditions, institutions, active agency and capability*. NEGOTIATE Working Paper no. 2.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D2.1-1.pdf> (accessed 15 February 2018).
- Granovetter M (1973) The strength of weak ties. *American Journal of Sociology* 78(6): 1360–80.
- Hall PA and Lamont M (2013) *Social Resilience in the Neoliberal Era*. Cambridge, UK: Cambridge University Press.
- Hart A, Gagnon E, Eryigit-Madzwamuse S, Cameron J, Aranda K, Rathbone A and Heaver B (2016) Uniting resilience research and practice with an inequalities approach. *SAGE Open* 6(4). DOI: 2158244016682477.
- Hertzman C and Siddiqi A (2013) Can communities succeed when states fail them? In: Hall PA and Lamont M (eds) *Social Resilience in the Neoliberal Era*. Cambridge, MA: Cambridge University Press, pp. 293–318.
- Hora O, Horáková M. and Sirovátka T (2016) Institutional determinants of early job insecurity in nine European countries: NEGOTIATE Working Paper no.3.4. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-D3.4.pdf> (accessed 1 June 2018).
- Johansson H and Hvinden B (2007) What do we mean by active citizenship? In: Hvinden B and Johansson H (eds) *Citizenship in Nordic Welfare States. Dynamics of Choice, Duties and Participation in a Changing Europe*. Abingdon, UK: Routledge, pp. 32–49.
- Keck M and Sakdapolrak P (2013) What is social resilience? Lessons learned and ways forward. *Erdkunde* 67(1): 5–19. DOI: 10.3112/erdkunde.2013.01.02.
- Masten AS (2007) Resilience in developing systems: Progress and promise as the fourth wave rises. *Development and Psychopathology* 19(3): 921–30. DOI: 10.1017/S0954579407000442.
- Nussbaum MC (2007) Human rights and human capabilities. *Harvard Human Rights Journal* 20: 21–4.
- Nussbaum MC (2011) *Creating Capabilities*. Cambridge, MA: Harvard University Press.
- Nussbaum MC and Sen A (1993) *The Quality of Life*. Oxford, UK: Oxford University Press.
- Robeyns I (2016) The capability approach. In: Zalta EN (ed.) *The Stanford Encyclopedia of Philosophy* (Winter 2016 edition). <https://plato.stanford.edu/archives/win2016/entries/capability-approach/> (accessed 15 August 2017).
- Schoyen MA and Vedeler JS (2016) Institutional determinants of early job insecurity in nine European countries. Country report NORWAY for NEGOTIATE Working Paper no. 3.4. [https://negotiate-research.eu/files/2015/03/WP-3.4\\_Country-report-Norway.pdf](https://negotiate-research.eu/files/2015/03/WP-3.4_Country-report-Norway.pdf) (accessed 2 June 2018).

- Sen A (1997) From income inequality to economic inequality. *Southern Economic Journal* 64(2): 384–401.
- Ungar M (2004) A constructionist discourse on resilience: Multiple contexts, multiple realities among at-risk children and youth. *Youth & Society* 35(3): 341–65. DOI: 10.1177/0044118X03257030.
- Ungar M (2008) Resilience across cultures. *British Journal of Social Work* 38(2): 218–35.
- Walker J and Cooper M (2011) Genealogies of resilience: From systems ecology to the political economy of crisis adaptation. *Security Dialogue* 42(2): 143–60.
- Walker M and Unterhalter E (eds) (2007) *Amartya Sen's Capability Approach and Social Justice in Education*. New York: Palgrave Macmillan.
- Wallace C and Bendit R (2009) Youth policies in Europe: Towards a classification of different tendencies in youth policies in the European Union. *Perspectives on European Politics and Society* 10(3): 441–58. DOI: 10.1080/15705850903105868.
- Walther A (2006) Regimes of youth transitions: Choice, flexibility and security in young people's experiences across different European contexts. *Young* 14: 119–39. DOI: 10.1177/1103308806062737.

## 8. Mobile young individuals: subjective experiences of migration and return

**Veneta Krasteva, Ann McDonnell and  
Ida Tolgensbakk**

---

### 1 INTRODUCTION

Migration has been one of the distinctive features of the recent phase of youth employment in Europe (O'Reilly et al., 2015). Exacerbated levels of youth unemployment have led to greater attention being paid to the movement of young people within the EU (Burrell, 2011; Glorius et al., 2013; Holtslag et al., 2013) as significant numbers of young people living in countries that are severely affected by the economic crisis have moved abroad to find work. Freedom of movement and residence have been a cornerstone of the EU from the very beginning; indeed, they are enshrined in law: most recently in 2004 in what is known as the Free Movement or the Citizens' Rights Directive 2004/38/EC. Since the EU's Eastern enlargements of 2004 and 2007, several hundred thousand workers have moved from Central and Eastern Europe to Western European countries (Engbersen et al., 2013).

When Europeans move from one place to another, we are typically speaking about short distances within their own nation state or home region. Eurostat figures on geographic mobility show that although 6.4 per cent of the EU-28 population changed their place of residency in the year prior to the census of 2011, only 0.6 per cent crossed borders in doing so (Eurostat, 2017a). For many Europeans, the move is only temporary; that is, an episode early in adult life and not a permanent condition.

To understand the experiences and consequences of migration amongst young adults in Europe, it is not enough to ask: 'how many?' and 'where?'. We also need to unravel the 'why(s)?', as well as what follows after a period of migration. Researchers often focus on objective factors like the difference in availability of jobs in the country left behind and the country to which the young person has migrated. This chapter considers instead how the migrating person thought and felt about taking this step and what

the subjective consequences of doing so were. We address two research questions:

- Why do young Europeans faced with early career insecurity decide to migrate and why do they decide to return?
- What are the subjective consequences of migration and return in the specific context of European youth unemployment?

When young Europeans choose to seek their fortunes elsewhere, there is no guarantee that they will succeed in their goals of finding employment, new friends or experiences, language proficiency or whatever else they envision. Even when they do succeed, it is not a given that they will stay permanently in their new country of residence.

Young people migrate in response to their desire for a better life and so as to escape poverty, unemployment or violence. Some move in order to obtain higher education, to find better-paid work or to get married (Cortina et al., 2014: 10). Push and pull factors interact with each person's particular resources, needs and experiences. The decision to migrate is a complex compromise between the incentive to go, the capacity to go and the perceived costs and benefits. Previous research (e.g., Dustmann and Weiss, 2007; Mitchell et al., 2011) shows the importance of economic variables in migration decisions. These economic variables not only relate to the young person's own financial means, but also to the socioeconomic standing of their family, and the degree to which they are able and willing to support them.

An extensive literature has focused on the role of social networks in relation to migration experiences (Boyd, 1989; Haug, 2008; Portes and Sensenbrenner, 1993). Social connections can provide important financial, emotional or practical support when a person decides to migrate. Family networks may provide so much help with initial accommodation, social contacts and even job opportunities for young migrating individuals that we can call it chain migration. Whilst personality type and individual resources shape much of the way young migrants exercise agency, social contexts like intermediaries, supporters, friends, family and the acquaintances made in the course of migrating are also, in complex ways, important in the often life-changing decision to migrate or not to migrate, to stay or to return (De Bock, 2017).

We must also pay attention to the historical time and place in which the young people live, because every period or era is characterized by different opportunities and constraints. These factors constitute the context in which young people make decisions and exert agency over their life courses (Elder et al., 2003). Thus, we can tie subjective outcomes



of migration to the complex workings of how the individual agency of young people navigates between their own desires and capabilities, their networks and economic and cultural resources, and the context of the boundaries and socioeconomic conditions of states and national regulations. Particular features of the intra-European migration context are relative geographical proximity and the freedom to take up residency and work in other European countries. Thus, two notions that are used in the literature to describe this relatively barrier-free intra-European movement – especially with regard to young people – are ‘easy transnationalism’ and ‘liquid migration’ (Engbersen et al., 2013; King et al., 2017).

Following Wingens et al. (2011: 1), we believe that analysing the interrelations between structurally embedded factors and active agency is a fruitful way to connect the micro, meso and macro levels that are involved when young adults decide to migrate to another country. The environment in which individuals live provides opportunities and resources for action, but also obstacles and constraints. The interaction between human agency and environmental structure creates unique biographies (Crockett, 2002: 8). In this regard, we can interpret the individual action (of migration) as a mechanism mediating between the initial conditions (structure) and the person’s further life course (Dingeldey et al., 2015: 11–12). In this chapter we analyse the narratives of three individuals to illustrate the diverse ways in which individual agency and structural conditions can interact to shape a person’s subsequent life (Wingens et al., 2011: 6). The overview we obtain through statistics on youth migration is rich and extensive (Akgüç and Beblavý, forthcoming; Eurostat, 2017b; Kahanec and Fabo, 2013; Van Mol, 2016). However, these statistics tell us little about the motivations and subjective experiences of the young migrants (Hyggen et al., 2017). As a backdrop for the analysis, we draw on the NEGOTIATE project’s more than 200 semi-structured, in-depth interviews. The major advantage of such qualitative data is that they allow a nuanced picture to be drawn of the multiple motives and relative importance of different factors from the (subjective) perspective of the young migrant (King et al., 2017).

We have chosen three life-course narratives that address migration experiences. These young adults were born in Bulgaria, Norway and the United Kingdom, and they have only a few basic things in common: they were all born in the 1970s, they migrated to another European country and they did not stay abroad. Only one of these three migration experiences took place within a regulated labour migration system. By focusing on the narratives of lived experience, we investigate how people themselves assess the consequences of migration at a young age. Analysing migration within the framework of a life-course approach allows us to explore the complex

interplay of societal structuring forces and the agency of individuals over time (Wingens et al., 2011: 6), revealing the consequences of actions by young people who are seeking to convert their available resources into a better life.

## 2 DATA AND METHODOLOGY

Our analysis uses semi-structured, qualitative life-course data featuring episodes of migration and collected within the framework of the NEGOTIATE project (for a more detailed description of the method, see Hvinden et al., Chapter 1 this volume). In the first instance, we made a sweep of all the interview summaries so as to highlight which could illustrate the diverse ways in which a person's agency and environmental structures can interact in shaping a migrant's further life course. One might describe the interviews we chose as a convenience sample (Bryman, 2008: 201). We selected three particularly interesting cases from three countries: United Kingdom, Norway and Bulgaria. All three cases were born in the 1970s and had been unemployed in their 20s, living in quite diverse economic, societal and institutional contexts in which they exercised agency and made decisions about their own lives. The three interviewees had recounted three quite diverse experiences of migration and reasons for returning to their homeland, and all three were available for re-interview. After the authors had discussed the selection of these three respondents, we prepared a common guideline for the second interviews. We believed re-interviewing to be necessary to allow us to focus specifically on their story of migration; why and how it happened, what it was like, why they returned, and the subjective short- and long-term consequences. We interviewed all three in their first language in their country of origin and asked a series of questions in a semi-structured format.

We transcribed the interviews in full and then scripted summaries in English using citations from the transcripts. This process is a layered approach to narrative analysis. Narrative analysis is a balance between the interviewee and the researcher in that we as researchers assist in the creation of the narrative from the stories the interviewees tell us (Holstein and Gubrium, 2012). When summarizing, we strove to maintain the essence of the participants' narrated experience. In this chapter we have retold this experience in a shortened but true format, presented below with additional comments. All three researchers analysed the summaries further to examine if common themes and threads were present, especially with regard to the key turning points in the migration experience: deciding to go and

deciding to return. This extended the narrative analysis across the cases and countries, and it allowed us to go beyond the boundaries of individual cases and countries. The cases and the stories they convey cannot claim to be representative, but they are nonetheless valid and reliable narratives.

In the following pages, we will delve into the three stories one after the other. We will first contextualize the story and then focus on decision-making, subjectively felt well-being and the reasons for return. In conclusion, we will discuss the aspects that these young returned migrants share, how they differ, and what lessons researchers and policymakers can draw from their stories.

### 3 KALINA'S STORY: FROM BULGARIA TO GREECE

Before 1989 Bulgarians were not free to travel abroad. After the collapse of the communist regime, Bulgaria became a country of migration (Guentcheva et al., 2004). The main push factors were economic: high levels of unemployment, low income and poverty (Petrinov, 2014). Higher wages and more work opportunities abroad were the main pull factors. A recent study (Stoilova and Dimitrova, 2017) shows that low-qualified Bulgarians earn higher wages for the same work in Western Europe. Thus, they have little incentive to enhance their education and qualifications and improve their labour market chances in Bulgaria. Instead, in the case of seasonal workers, on returning to Bulgaria, they look for the next work opportunity abroad.

This is the case of Kalina, who has been employed as a seasonal worker in Greece since she was 16. Unofficial data from the Greek police for 2015 suggest that approximately 200 000 Bulgarians live in Greece, consisting of 120 000 permanent residents and 50 000 to 80 000 seasonal workers (Dimitrova, 2015).

Kalina was born at the beginning of the 1970s in a large city in south-eastern Bulgaria. She belongs to the Greek-speaking ethnic community of the Sarakatsani. The Sarakatsani were originally a nomadic people, and one may argue that this tradition lives on in their modern seasonal migrations southwards to Greece. Kalina started taking summer jobs abroad in the beginning of the 1990s while she was still in high school, when she would accompany her parents going to Greece to seek work. At the start of her migration, Kalina and her family received financial aid from the Sarakatsani Association. Her family's decision to work abroad did not provoke any comment from her social circle. Kalina made it clear that this was something normal for many Bulgarians and therefore not worthy of comment.

At first, Kalina and her parents worked in agriculture, in the fields. They would go from village to village and stay where they happened to find work:

We did all sorts of things, I've picked tomatoes, I've also worked in a factory, without insurance of course, nobody considers your rights, at minimum wage, and all sorts of work. . .

The work was not easy:

Because of the temperatures in Greece, you get up very early in the morning. At times we would get up at five to go to the fields. You work at least until noon. After that, there is a rest period. And after that. . .in the evening, if there happens to be some work to finish up.

Despite this, she has no complaints, because the pay was good, unlike in Bulgaria, and she points out that one day's wage in Greece is as much as half a month's salary in Bulgaria. This made it possible for Kalina, even in the initial years, to save far more money than her peers who remained in Bulgaria.

After graduating with a secondary degree from a foreign-language high school, she spoke both German and English, in addition to her family language – (a version of) Greek. She started work as a waitress in a seaside resort at the Bulgarian Black Sea coast, but she only worked there for ten days and then quit because the pay was lower than what she had earned in Greece.

Kalina's greatest motivation for going abroad to look for a job was financial – to seek better employment and a higher income in a country with a higher standard of living. This corresponds to the findings of several other studies (Markova, 2004) that point to the importance of economic factors (not only higher wages but also the lower costs of migration to a neighbouring country) in the decision-making process of migrants.

Kalina spent many summers working in Greece and, because of her origin and her knowledge of Greek, she was very well accepted and felt at home: 'They looked on me as one of their girls.' This was one reason why she considered remaining there. However, she did not stay because during one of her returns to Bulgaria, she met the man who would become her husband. The only time she did not work in Greece in the summer was when she stayed in Bulgaria to care for her young daughter. Her entire work experience in Greece consisted of jobs without a signed work contract.

Regarding the short-term effects of her experience abroad, Kalina recalls that it gave her the possibility to buy things she could not buy in

Bulgaria – first, because during the years of transition those items were not to be found in Bulgarian stores and, second, because she had more money than her peers. Her working abroad led to reduced social contacts in Bulgaria. As for the long-term effect of migration, Kalina points out that she has not been able to acquire the work habits of a permanent job:

...in my case, what happens is that I work temporarily somewhere, you know, and after a few months of work in Greece, I can live carefree. I don't have the habit, you know, the work habits of working at a steady job. This is what has influenced my way of life and ultimately my way of work.

In fact, Kalina has never held on to a full-time job with fixed working hours and rest days on Saturday and Sunday. She perceives this as rather negative; she admits she has received offers for well-paid jobs in Bulgaria, but she has not accepted them because she would have to get up in the morning, go to work and go home – every day: 'I have some kind of fear of this, almost'.

Another effect of her working abroad, and mostly in the grey sector, is that she has no social insurance – no health or retirement insurance. However, she does not perceive this as a negative result of her work, because she believes everyone can insure himself/herself through a private pension plan in Bulgaria, if he or she wants to. But she does not do this because she believes the amount she would pay for insurance would greatly exceed what she would eventually receive back as a pension. This indicates that she does not rely on the state, neither now nor for her future:

Although, if I open an account [in a bank], after a while, there would be more money accumulated than if I were to wait for a pension (laughs).

Another result of her working abroad is that Kalina now has higher demands regarding salary – demands that she cannot fulfil in Bulgaria with her education and qualification level. Her whole work experience relates to foreign countries, and she is not considering work in Bulgaria:

...given that the money I get there in a week, here I would have to work a month to earn it.

Another salient point in Kalina's story is that long periods of working at different temporary jobs have formed a spirit of adventure in the respondent. As she says:

With me, the aspect of nostalgia for the native land is missing. I quickly adapt to any environment.

Temporary employment in grey-sector jobs had been, at the start of her professional career, a source of income and a chance to meet new and interesting people. However, at this point, these jobs have led to de-qualification and forced her to look for work that is below her education and skill level:

Yes, that's the nasty thing, that there is no contract. I suppose there are jobs with a contract, but very few jobs have both a contract and social security. . . At the moment, I have no real orientation about what I could work at with the knowledge I have. In looking for a job at the moment, I turn to professions like chambermaid at the seaside. . . which would hardly give me moral satisfaction, not to mention financial gain, in comparison with Greece. But some kind of occupation for me now, to earn pay. . . just so I don't stay idle now that the child is grown. Chances for a higher education, now, at this age. . . I repeat, it is hardly the most appropriate period.

It is not possible to define Kalina's story as only positive or only negative. On the one hand, Kalina is very satisfied with the pay she receives at the low-skilled jobs she finds in Greece, and she has positive feelings about her experience abroad. She is well received by the local people, visits various places, meets interesting people, and she even applies her language skills, which gives her satisfaction:

Because these are awesome emotions – you find yourself in a situation with English speakers, German speakers and Greeks, and so I can speak all three languages at the same time and I create a sensation.

Moreover, she sees herself working abroad in the future as well. On the other hand, Kalina has no formal work experience at all and has no social insurance. She does not seem to be able to find a place for herself in Bulgaria – she has not been able to acquire work habits for a permanent job and always has to look for a low-skilled job.

#### 4 JIMMY'S STORY: FROM THE UNITED KINGDOM TO GERMANY

In 1991–92, approximately 155 000 British citizens emigrated. Australia was the top destination for British long-term migrants leaving the United Kingdom (approximately 48 000), followed by the United States as second-most popular destination. Other attractive destinations for British citizens during this period were Germany, Canada and New Zealand (Murray et al., 2012). As mentioned above, economic variables are significant factors for migration decisions. However, informal connections can

also play an important role. One usually calls migration that arises from a social contact who has already migrated and who arranges employment, accommodation and transport, chain migration. We can regard Jimmy's migration as such. He counts as a migrant because his story corresponds with the official definitions: he moved to a country other than his usual residence for a period of one year. However, his journey began with far more uncertainty than this would imply.

Jimmy was born in the early 1970s in the United Kingdom. At age 16, he went to a vocational college and gained qualifications in bricklaying. Up until 1993, he was continuously working. The UK recession began in 1991, and unemployment rose from 7 per cent in 1990 to 10.6 per cent in 1993 (Pettinger, 2013). Recessions often affect the construction industry and the UK recession was no different: house prices fell and there was less demand for building homes. Interest rates rose, and mortgages became less affordable.

In 1993 unemployment in construction began to rise and Jimmy was unable to find a job in this industry or in any other. He was claiming benefits in the form of Jobseekers' Allowance. As Jimmy recalls:

There was no work in England at all. In the recession, construction was completely gone. Unless you were very lucky, most construction just died. . . I remember applying for a cleaning job at a hospital because I just had to get some money.

A chance meeting with an old school friend resulted in Jimmy being offered the chance to join a gang (a group of workers who may have different skills but who work together on a construction site) travelling to Germany, initially for six months. Construction workers have often gone to work in other countries when the alternative is recession at home. In the UK recession of the 1990s, construction workers found many opportunities to work in Germany following its reunification (Green, 2015).

Jimmy went to Germany to work as a ceiling fitter and drywall lining operative, initially for six months. Whilst Jimmy was enthusiastic, his parents were a little concerned about him going abroad. As Jimmy recalls: 'Mum was like, "Oh, are you going to be okay?" I was like, "Yes of course, I'll be fine. I'm with my mates, aren't I? Don't worry about it".' He left in January and he recounts how cold it was:

I remember it was a very cold 3rd, 4th, 5th of January. My mate's Golf GTI Mark 2, all crammed in. Imagine all winter clothes on, ski coats and all the winter clothes you're going to need. We looked at the weather and we're talking minus 20 down there in the winter.

Jimmy relied on the gang master to secure work for them. The gang master was the intermediary between the contractor and the workers. As such, he dealt with pay negotiations, hours of work, time off and other official paperwork, including taxes. (For some migrant workers in Germany at the time, this was an unsatisfactory arrangement, and some were exploited, but Jimmy had no such problems.) Jimmy worked long hours, 12 to 14 hours a day, six days a week and half a day on Sundays, and sometimes in hard conditions. He recalls that he wore many layers of clothes at work to combat the extreme cold.

Jimmy and his friends had some difficulty finding accommodation because there was some prejudice towards English workers:

You'd turn up to book in and they'd go, 'Oh you're English? Oh sorry, we made a mistake. We're very full up.' Which you got quite often because of the reputation of English being idiots and smashing up the places.

This lack of accommodation may have helped strengthen ties with the friends Jimmy travelled with and other English workers he met:

When I first went it was... me, my best mate and another chippy. Then we met another gang when we got out there that we sort of knew. We were all from the same town. So we recognized people out there, got to know them and became good friends.

This camaraderie or family-like arrangement is a recurring theme in Jimmy's account; for example, he explains how he and 14 other English migrants rented a bungalow and devised a routine and rota to ensure they had food and beer and were not late for work. Jimmy also relays a tale of enjoying spending time with the locals:

... having a laugh, running up huge bar bills. Friends, we had good buddies all over. We had one guy who owned a bowling alley that had pool tables, a bar and places you could eat food. Johann his name was. He was a good mate of ours.

In the summer months Jimmy and his friends would go to the lakes and swim and fish and so forth. He spent a lot of time in bars, but also visited nearby cultural sites, although some of his places of work were very isolated. He says that he learnt the language to get by, especially in some parts of East Germany where English was not spoken as widely.

On visits back home, he spent money conspicuously, and he and his friends tried to 'outdo each other'. He spent money on champagne and designer clothes. Jimmy worked in Germany for three years, often on



three- or six-month contracts. In between contracts he would travel to holiday destinations. He did not have any family responsibilities at the time, so unlike many people he worked alongside he did not have to go home to the United Kingdom or send money home whilst in Germany. According to him, he enjoyed a 'millionaire' lifestyle.

Jimmy does not appear to have seriously considered a permanent move to Germany; he explains that as the majority of people he knew started to return to England, he decided to come back as well:

Once they got money they went back to their families because work was picking up back in England. So, when that started happening, people were going back, your circumstances change with the groups you're working with and travelling around Germany with. That was my point of deciding to come back to England.

However, he travelled to Asia and worked in Australia and considered applying to Australia to emigrate, but his long-term partner was less keen.

Jimmy's experience was very positive; in the short term, he had a job earning good money; in the longer term, he learned a new trade and travelled widely. His new skills set him up for the future and when he returned, he called on the contacts he had made for introductions to site managers and work. He was never out of work again. Jimmy's recollections and reflections reveal that working abroad and travelling broadened his outlook on life and gave him an insight into other cultures. It changed his life and he has encouraged his children to travel and work abroad.

## 5 KRISTINA'S STORY: FROM NORWAY TO THE UNITED KINGDOM

The au pair as an institution and social phenomenon has been little investigated until the last decade (Cox, 2015: 1). And yet we know that being an au pair was a life experience for thousands of post-war European women. Most recent research into the au pair has focused on its role as a modern migratory regulation loophole. Hence, it allows the European and US middle class to exploit poor women for cheap domestic labour (Bowman and Bair, 2017) – a part of the modern 'global care chain' (Bikova, 2017; Hochschild, 2000).

It is almost impossible to find reliable numbers for how many have spent time abroad as au pairs, and the phenomenon as it existed in Europe during the mid- to late twentieth century has not been investigated in any comprehensive way. We know – from business statistics – that the number

has diminished. According to Atlantis, one of the big Norwegian firms placing au pairs, they now send a two-digit number of Norwegian girls abroad every year, whereas in the 1990s they were sending 1000 au pairs each year (Lohne, 2014). One of these was the interviewee we have named Kristina. She was not the only one in her circle of friends and acquaintances. She remembers at least three girls from her school doing the same thing – some to the United Kingdom, and one to Spain. Although she cannot remember exactly how she found out about the au pair opportunity, there were stories circulating of young women having the time of their life abroad, some of which featured in magazines, while others were the shared experiences of older friends and family members.

Kristina was born in a relatively big city in Norway in the 1970s. Her childhood years saw her home country become a truly strong economy and welfare state. Then the recession of the early 1990s hit Norway severely, coinciding with Kristina's graduation from secondary school. The labour market Kristina encountered had not been as tough since the 1930s (Aaberge et al., 2000: 79). However, this did not worry her unduly at the time. Kristina describes herself as a person who was eager to see the world, and her priorities coming out of school were not to enter employment or further education, but to get out in the world and quench her wanderlust:

I got wanderlust from both my parents, they both travelled a lot in their youth. I got it from both of them, while my brother didn't get it at all. The furthest he ever moved was from one Norwegian town to another.

For a Norwegian girl in the early 1990s, with no independent means or family fortune, the opportunities to travel far or long term were limited. The au pair institution was one of the few options available. An au pair is a live-in help with limited responsibilities. The idea is that, as the Merriam-Webster dictionary definition states, the au pair 'cares for children and does domestic work for a family in return for room and board and the opportunity to learn the family's language'. The history of the au pair as an institution dates to the nineteenth century and evolved into a full-fledged industry in the decades following World War Two. In 1969, when the European Agreement on Au Pair Placement was signed, there were about 50 000 au pairs in Europe; this number then quickly multiplied (Hemsing, 2003: 4; Lundberg, 1999). After an initial delay because of family illness, Kristina went to England to live with and work as an au pair for a family with two children. Kristina had done extra credits in English at school and was quite fluent already, but one of her motivations for choosing England was to improve her language skills. As an au pair she would have some independence, but with the security of living with a family.

Kristina's parents were not particularly fond of the idea of their daughter being so far away from home. But Kristina stresses that, first, her parents had themselves been adventurous in their youth; and, second, as she herself puts it 'I was an adult; they did not really have a say in it'. We have already mentioned the role of networks in migration, and the concept of chain migration partly captures what made Kristina choose to be an au pair (MacDonald and MacDonald, 1964). It appeared to her as an option because her parents had travelled, and her friends had made similar choices. However, Kristina is an independent person. She did not rely on family or friends to arrange the practicalities – she went alone, and she went to a place where she knew no one.

Kristina initially enjoyed her stay in the United Kingdom. Her chores were not too demanding, and although the salary was not high, she managed to have a social life – mainly through getting to know the other au pairs she met in her language classes. Later, everything changed. She changed host family when the first family no longer needed her, and she fell out with the father of the new family. In a flurry of events, she quit suddenly and mobilized her local network of peers:

I had a French friend who lived not too far away. She had a car, so I called her and she came to pick me up. And my Lebanese friend, he lived in a dormitory, so I stayed with him that night. And then, just the week before, I had met some new friends – I went to them and asked if I could crash on their couch. At their place, I met the boy who would become my boyfriend. I moved in with him after two days.

In a way, Kristina makes her move seem easy. But it is obvious that it was not painless:

The only thing was that I was so hungry. I was hungry 'cause I had no food. I didn't want to ask for help. So that was the only thing, that was bad.

From there, it went downhill. The relationship with her boyfriend was spontaneous, and Kristina explains that she had been quite convinced from the start that it would not last. But it did, and, in the end, he even joined her back in Norway. Throughout the two interviews, Kristina drops hints as to the relationship being borderline abusive, in the sense that her boyfriend was controlling and jealous. For instance, amongst the few jobs she managed to secure, one of them ended because her boyfriend became jealous when she had to stay late one night. Since Kristina was a foreigner with no legal status in the United Kingdom, finding a job was not easy, and she had no social rights. This was in the middle of the 1990s recession, and times were tough. In essence, the couple lived off the

boyfriend's meagre unemployment benefits. In the first interview Kristina states that they rarely had enough to eat:

I remember, that year, we were so badly off, I lost 13 kilos in half a year, simply from not having enough to eat.

Kristina recounts feeling that her boyfriend had 'the power in the relationship', an experience reminiscent of the stories told by female migrants globally. Finding a partner in the host country may ease the way to integrating into a local community, but it may also leave women vulnerable to exploitation (Heyse, 2011: 210). Returning to Norway changed that – in her home country, Kristina had the network and the resources to make her own decisions. Still, the relationship lasted for more than a year after she returned, before she kicked her boyfriend out.

Summing up, Kristina has mixed feelings about her time in England. Speaking of her youth, she hesitates when asked about whether she initially thought about the possibility of staying permanently in the United Kingdom:

I took it a little day by day. I did think about staying, perhaps to study. . . But, in reality, it was really difficult to get a job in England back then. I didn't have any education.

However, whilst in the United Kingdom she passed some language exams and learned a lot. She still has her wanderlust and – despite later periods of unemployment and low finances – has managed to travel further. Kristina states that she enjoys trying to blend in in a new country, learning the social codes in a new place – 'being a chameleon', understanding the culture – as the attraction of travel and migration. On the other hand, the relationship with her boyfriend was very destructive and difficult to separate from the overall experience.

## 6 DISCUSSION

In this chapter we presented three cases of migration, each of which recounts a different life story affected by the interplay of distinct structural conditions and active agency. Still, we see in them many common characteristics, which allow us to understand the subjective aspect of the decision to look for work abroad, to live in migration and to return to one's native country.

Regarding the first part of our first research question – why young people faced with a difficult transition to the labour market decide to migrate – we find two basic motives in the three cases. Foremost is the

economic motive – the desire to find work, to earn better pay than what one's native land can offer. This is especially important in the cases of Kalina and Jimmy.

The second basic factor motivating the respondents to migrate is their desire to travel, to discover new cultures and to meet interesting people. Regarding internal resources, it emerges that all three interviewees are – or have become – special people, in the sense that they all mention something akin to a sense of adventure and a certain restlessness as personality traits. Perhaps this is a prerequisite for taking the kind of leap into the unknown represented by labour migration.

Another important aspect in the three cases is informal ties and networks. These relationships help to explain why these three young people made the decision to migrate and, alongside this, they explain the choice of destination country and the duration of their stay. In all the cases, we see how networks of colleagues, family, friends and acquaintances play a role in the different stages leading up to the decision to migrate, as well as in relation to the decision to return to the home country.

In the case of Kalina, her labour migration(s) were almost completely grounded in her belonging to a specific ethnic minority. As mentioned, Sarakatsani have long-standing traditions of moving for work. After the political reform of 1989, and with economic difficulties in the wake of Bulgaria's transition to a market economy, the group started looking for employment in Greece (Pimpireva, 2013: 35). Without denying Kalina's independent agency as a young migrant, it is natural to see her movements across the Bulgarian–Greek border as part of a pattern – shaped by her choice, but also by national economies, ethnic history and communal decisions. Sarakatsani associations, such as the one Kalina mentions in her interview, help members obtain visas, because membership in itself speeds up the process. In short, throughout the 1990s, seasonal migration by Sarakatsani into Greece was a mass phenomenon. It also has to be emphasized that many other Bulgarians chose this country for migration because of its closeness and/or the fact that they already had relatives, friends and acquaintances there (Stanchev, 2005: 27). This aspect reveals once more the decisive role of informal networks in migration decisions. Significant for the active agency of the young migrants in this period is the freedom to move outside the borders that Bulgarians obtained after the collapse of communism. This fact considerably increases actors' perception of what can be achieved and provides an alternative pathway for active agency.

Another aspect that was important for Kalina's experience with labour migration was that she moved with her family. Being surrounded by kin not only helps in decision-making but will of course also be a source of security for most young migrants – socially, economically and practically.

However, Kalina also mentions being sociable with strangers when abroad – in other words, she was not confined to her own migration network, rather sought out new, interesting people.

Networks were a recurring feature in Jimmy's story. Many construction workers moved to Germany and perhaps this made it easier for others to follow. Jimmy took up an opportunity offered by a family friend. He migrated with friends and knew people who were already working in Germany, then met more once he became established. The network of friends seems to be a deciding factor in Jimmy's initial decision to go and then to find a job there. He worked alongside many English people and they appear to have formed a family-like unit and thus relationships and ties – spending leisure time together, arranging trips and so forth. It was the loss of this network, as people started to return to England as work picked up, that led to Jimmy's decision to return.

Kristina cannot be said to be part of a mass phenomenon to quite the same extent as Kalina and Jimmy. Kristina went abroad on her own. However, in her decision-making process she was surrounded by friends and acquaintances who had made similar choices to her. Her parents were somewhat worried, but Norwegian youth culture at the time promoted 'going out and seeing the world' as a strong ideal. While in the United Kingdom, Kristina created her own migration network, and although she did not get to know a lot of the locals, she bonded with other foreigners who shared her life situation. This is not unusual (Sørensen, 2003: 854). She got to know other au pairs in her area and made friends in her language classes. We might take note of the fact that, although Kristina got along with her first au pair family, they do not seem to have been relevant to her as a support system when she fell out with her second employer. This is consistent with other research on the au pair institution, as it seems to be characterized by 'fragile or absent residence permits' (Stenum, 2015: 107) and a lack of security. Although relatively privileged compared to modern au pairs, Kristina was a marginalized and vulnerable young migrant. In crisis, Kristina turned to her peers in migration – the friends she had made 'on the road' – even before contacting her own family in Norway.

All three respondents indicate that building informal ties and making new friends in a foreign country are positive aspects of their lives in migration. This achievement greatly contributes to their positive subjective assessment of the consequences of migration for their personal well-being – which answers our second research question. Despite the difficulties Kristina had, mostly involving her problematic relationship with her boyfriend, she too mentioned having interesting experiences with friends, and experiences related to travel, learning a foreign language and meeting new people. In Kalina's case, migration gave her a positive feeling in new

places and amongst interesting people, in addition to the opportunity of earning better pay. Though her work in agriculture was hard, her life abroad has raised her self-confidence and made her feel happy. Jimmy was also satisfied with his experience abroad, despite the hard work it involved – 12–14 hours a day. The fact that he built good relations with other migrants in the same situation as him also contributes to his positive assessment. He talked with pleasure about amusing experiences with migrant friends, his travels, and how he had managed to learn the local language. All three respondents gained a feeling of independence as adults making decisions by themselves and managing their lives.

So why did they return? Once again, we see that relationships and family ties influenced the decisions of these young people. Kalina intended to remain abroad in Greece but did not do so because of her partner. She returned and stayed in Bulgaria to be with her husband and to take care of her child. Jimmy came back, following his friends who had returned; then later, he chose not to migrate to Australia because of his girlfriend. Family ties seem to be more important than the motivation to live abroad for economic reasons – a finding in tune with other recent research into return migrants (Yehuda-Sternfeld and Mirsky, 2015: 54).

The consequences of migration are not all positive, of course. Jimmy was the only one of the three who did not mention any negative sides to his experience abroad. Kalina shared with a degree of sadness that, because she had constantly been working abroad, she had no social contacts in Bulgaria and could not find a job that met her salary expectations. She was also concerned that she had worked without contracts, and therefore had no length of service or insurance. For Kristina, the time spent abroad included memories of extreme situations and severe personal problems. In those difficult moments, she missed her family and the support of her friends at home. All three stories point to the increasingly transnational nature of the professional and personal lives of young Europeans.

## 7 CONCLUSION

The open borders of Europe are – perhaps rightfully – hailed as an incredible opportunity for its citizens to find livelihoods outside their countries of origin. Many, but far from all, avail of this opportunity. Kalina, Jimmy and Kristina did, and it has shaped not only their lives while abroad, but also their outlooks on life, their economic situation and their future trajectories.

Despite each of the three narratives being unique life stories, they have more similarities than differences. None of these interviewees regrets the

decision to migrate, and all look at it as a decisive part of her/his life course. In the beginning of their professional careers, they experienced job insecurity and made the leap to look for better opportunities abroad. Regardless of whether these choices ultimately produced more negative or positive consequences, all three interviewees should be considered highly active authors of their own life projects. They are constructed as 'autonomous, active, free' and hence mobile individuals, who are building their own lives by taking a course of action.

The task for policymakers is to create safe and secure conditions for these kinds of active/mobile lives. Work without a contract is a significant problem for many young migrants, especially for those working in seasonal or short-term jobs. There is a need for more severe penalties and sanctions against employers who do not sign contracts with their employees. In addition, for all three interviewees, transferability of social insurance rights would have eased the burden of moving between national systems and made it more attractive to seek legal work. In some cases migrants accept work beneath their education and qualification levels because of long and slow procedures for recognition of qualifications acquired in their homeland (Akgüç and Beblavý, forthcoming). Less bureaucracy concerning the recognition of education and professional qualifications can benefit both the employers in the destination country and the young migrants. Furthermore, employees across Europe would benefit from recognizing the value and skills with which these young people return. The knowledge and the skills learned abroad can be used for further development. In this regard, support from a career guidance counsellor (from the employment offices or from NGOs) can be very important in achieving transition to the labour market and transforming the migration experience into a stepping stone for a better life at home, as discussed by Lewis and Tolgensbakk (Chapter 10 this volume). Living and working abroad is a significant episode in the biographies of young people that affects their subsequent life trajectory. It is the result of active agency by young people seeking to improve their job prospects.

In view of the idea that migration is not a problem but an opportunity from which one can benefit, decision makers could learn from these three stories that one cannot restrict the desire of people to travel, to seek a better life abroad, or to learn new knowledge and skills from other nations. We see that economic factors are especially important for the decision to migrate and/or return, but they are not the only motives: the three cases point both to the importance of ties to family and friends and to the power of wanderlust. All this indicates that political decision-making on migration should not aim at restricting it or stopping it, rather at better management. The goal should be to ensure that migrants comply with



national laws, but also that these laws protect the rights, health and life of the people who have decided to follow their urge to seek new experiences and a life abroad.

## REFERENCES

- Aaberge R, Wennemo T, Björklund A, Jäntti M, Pedersen PJ and Smith N (2000) Unemployment shocks and income distribution: How did the Nordic countries fare during their crises? *Scandinavian Journal of Economics* 102(1): 77–99.
- Akgüç M and Beblavý M (forthcoming) What happens to young people who move country to find work? In: O'Reilly J, Leschke J, Ortlieb R, Seeleib-Kaiser M and Villa P (eds) *Youth Labor in Transition: Inequalities, Mobility, and Policies in Europe*. New York: Oxford University Press.
- Bikova M (2017) *The egalitarian heart. Glocal care chains in the Filipino au pair migration to Norway*. PhD Thesis, University of Bergen, Norway.
- Bowman C and Bair J (2017) From cultural sojourner to guestworker? The historical transformation and contemporary significance of the J-1 visa Summer Work Travel Program. *Labour History* 58(1): 1–25.
- Boyd M (1989) Family and personal networks in international migration: Recent developments and new agendas. *International Migration Review* 23(3): 638–70.
- Bryman A (2008) *Social Research Methods*. 3rd ed. Oxford, UK: Oxford University Press.
- Burrell, K. (2011) Opportunity and uncertainty: Young people's narratives of 'double transition' in post - socialist Poland. *Area* 43(4): 413–19.
- Cortina C, Taran T, Elie J and Raphael A (eds) (2014) *Migration and Youth: Challenges and Opportunities*. New York: Global Migration Group, UNICEF.
- Cox R (2015) *Au Pairs' Lives in Global Context. Sisters or Servants?* Basingstoke, UK: Palgrave Macmillan.
- Crockett LJ (2002) *Agency in the Life Course: Concepts and Processes*. Faculty Publications no. 361. Lincoln, NE: Department of Psychology, University of Nebraska.
- De Bock, J (2017) Of employers, uncles and interpreters: the diverse trajectories of guest workers to the Belgian city of Ghent, 1960–1975. *Journal of Ethnic and Migration Studies* 44(7): 1233–49. DOI: 10.1080/1369183X.2017.1311205.
- Dimitrova E (2015) *Bulgarian migration in Germany and Greece*. Available in Bulgarian language at: <https://www.mlsp.government.bg/index.php?section=CONTENT&I=648> (accessed 13 November 2017).
- Dingeldey I, Hvinden B, Hyggen C, O'Reilly J and Schoyen MA (2015) *Understanding the consequences of early job insecurity and labour market exclusion: The interaction of structural conditions, institutions, active agency and capability*. NEGOTIATE Working Paper no. 2.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D2.1-1.pdf> (accessed 11 February 2018).
- Dustmann C and Weiss Y (2007) Return migration: Theory and empirical evidence from the UK. *British Journal of Industrial Relations* 45(2): 236–56.
- Elder G, Johnson M and Crosnoe R (2003) The emergence and development of life course theory. In: Mortimer J and Shanahan M (eds) *Handbook of the Life Course*. New York: Kluwer, pp. 3–19.

- Engbersen G, Leerkes A, Grabowska-Lusinska I, Snel E and Burgers J (2013) On the differential attachments of migrants from central and eastern Europe: A typology of labour migration. *Journal of Ethnic and Migration Studies* 39(6): 959–81. DOI: 10.1080/1369183X.2013.765663.
- Eurostat (2017a) *People in the EU – Statistics on geographic mobility*. [http://ec.europa.eu/eurostat/statistics-explained/index.php?title=People\\_in\\_the\\_EU\\_-\\_statistics\\_on\\_geographic\\_mobility](http://ec.europa.eu/eurostat/statistics-explained/index.php?title=People_in_the_EU_-_statistics_on_geographic_mobility) (accessed 25 June 2018).
- Eurostat (2017b) *Young people – Migration and socioeconomic situation*. [http://ec.europa.eu/eurostat/statistics-explained/index.php/Young\\_people\\_-\\_migration\\_and\\_socioeconomic\\_situation](http://ec.europa.eu/eurostat/statistics-explained/index.php/Young_people_-_migration_and_socioeconomic_situation) (accessed 25 June 2018).
- Glorius B, Grabowska-Lusinska I and Kuvik A (eds) (2013) *Mobility in Transition: Migration Patterns after EU Enlargement*. Amsterdam: Amsterdam University Press.
- Green B (2015) *CIOB Perspectives: An Analysis on Migration in the Construction Sector*. Bracknell, UK: Chartered Institute of Building.
- Guentcheva R, Kabakchieva P and Kolarski P (2004) *Migration Trends in Selected Applicant Countries. Volume I: Bulgaria. The Social Impact of Seasonal Migration*. Vienna: International Organization for Migration.
- Haug S (2008) Migration networks and migration decision-making. *Journal of Ethnic and Migration Studies* 34(4): 585–605.
- Hemsing GA (2003) *Fra au pair til under pari. Norske au pairer – mellom roller og stereotyper* [From au pair to below par. Norwegian au pairs – between roles and stereotypes]. Master's Thesis, Institute for Cultural Studies, University of Oslo, Norway.
- Heyse P (2011) A life course perspective in the analysis of self-experiences of female migrants in Belgium: The case of Ukrainian and Russian women in Belgium. *Migracijiske i etnicke teme* 27(2): 199–225.
- Hochschild AR (2000) Global care chains and emotional surplus value. In: Hutton W and Giddens A (eds) *On the Edge: Living with Global Capitalism*. London, UK: Jonathan Cape, pp. 130–46.
- Holstein JA and Gubrium JF (eds) (2012) *Varieties of Narrative Analysis*. Los Angeles: Sage.
- Holtslag JW, Kremer M and Schrijvers E (eds) (2013) *Making Migration Work: The Future of Labour Migration in the European Union*. Amsterdam: Amsterdam University Press.
- Hyggen C, Örtlieb R, Sandlie HC and Weiss S (2017) Four stories of migration. In: O'Reilly J, Moyart C, Nazio T and Smith M (eds) *Youth Employment: STYLE Handbook*. Brighton, UK: CROME, University of Brighton. Ebook: <http://style-handbook.eu/> (accessed 31 May 2018).
- Kahanec M and Fabo B (2013) *Migration strategies of the crisis-stricken youth in an enlarged European Union*. IZA Discussion Paper no. 7285. Bonn: Institute for the Study of Labor.
- King R, Lulle A, Parutis V and Saar M (2017) From peripheral region to escalator region in Europe: Young Baltic graduates in London. *European Urban and Regional Studies* 19(1): 42–61. DOI: 10.1177/0969776417702690.
- Lohne L (2014) Få vil være barnevakt i utlandet [Few want to babysit abroad]. *Dagens Næringsliv*, 13 November. <https://www.dn.no/talent/2014/11/13/2159/Utdannelse/f-vil-vre-barnevakt-i-utlandet> (accessed 14 November 2017).
- Lundberg RH (1999) *Modern maids: A study of au pairs as 'gap year' domestic workers for families*. PhD Thesis, Institute of Education, University of London, UK.

- MacDonald JS and MacDonald LD (1964) Chain migration ethnic neighborhood formation and social networks. *Milbank Memorial Fund Quarterly* 42(1): 82–97.
- Markova EM (2004) Recent phenomena – employment initiatives towards immigrants in Greece. In: Blaschke J and Vollmer B (eds) *Employment Strategies for Immigrants in the European Union*. Berlin: Parabolis, pp. 201–38.
- Mitchell J, Pain N and Riley R (2011) The drivers of international migration to the UK: A panel-based Bayesian model averaging approach. *Economic Journal* 121(557): 1398–444.
- Murray R, Harding D, Angus T, Gillespie R and Arora H (2012) *Emigration from the UK*. Research Report no. 68. London, UK: Home Office. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/116025/horr68-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/116025/horr68-report.pdf) (accessed 13 November 2017).
- O'Reilly J, Eichhorst W, Gábos A, Hadjivassiliou K, Lain D, Leschke J, McGuinness S, Mýtna Kureková L, Nazio T, Ortlieb R, Russell H and Villa P (2015) Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacies, and EU Policy. *SAGE Open* 5(1): 1–19. DOI:10.1177/2158244015574962.
- Pettinger T (2013) Cause of falling house prices. In: Economics Help Blog. <http://www.economicshelp.org/blog/7564/housing/cause-of-falling-house-prices/> (accessed 13 November 2017).
- Petrunov, G (2014) Human trafficking in Eastern Europe: The Case of Bulgaria. *The ANNALS of the American Academy of Political and Social Science* 653(1): 162–82.
- Pimpireva Z (2013) Ethnicity in transition: The Karakachans in Bulgaria. *Our Europe. Ethnography – Ethnology – Anthropology of Culture* 2: 21–36.
- Portes A and Sensenbrenner J (1993) Embeddedness and immigration: Notes on the social determinants of economic action. *American Journal of Sociology* 98(6): 1320–50.
- Sørensen A (2003) Backpacker ethnography. *Annals of Tourism Research* 30(4): 847–67.
- Stanchev K (ed.) (2005) *Bulgarian Migration: Incentives and Constellations*. Sofia: Open Society Institute.
- Stenum H (2015) Bane and boon; gains and pains; dos and don'ts. Moral economy and female bodies in au pair migration. In: Cox R (ed.) *Au Pairs' Lives in Global Context. Sisters or Servants?* Migration, Diasporas and Citizenship Series. Basingstoke, UK: Palgrave Macmillan, pp. 104–20.
- Stoilova R and Dimitrova E (2017) Emigration from the perspective of school to work transition in Bulgaria. *Sociologický časopis/Czech Sociological Review* 53(6): 903–33. DOI: 10.13060/00380288.2017.53.6.380.
- Van Mol C (2016) Migration aspirations of European youth in times of crisis. *Journal of Youth Studies* 18(10): 1303–20.
- Wingens M, Windzio M, De Valk H and Aybek C (2011) The sociological life course approach and research on migration and integration. In: Wingens M, Windzio M, De Valk H and Aybek C (eds) *A Life Course Perspective on Migration and Integration*. Dordrecht: Springer, pp. 1–26.
- Yehuda-Sternfeld SB and Mirsky J (2015) Return migration of Americans: Personal narratives and psychological perspectives. *International Journal of Intercultural Relations* 42: 53–64.

## 9. Drug use and early job insecurity

**Sara Ayllón, Margherita Bussi,  
Jacqueline O'Reilly, Mi Ah Schoyen,  
Ida Tolgensbakk and Ann McDonnell**

---

### 1 INTRODUCTION

This chapter explores the association between drug use, early job insecurity and periods of high youth unemployment using quantitative and qualitative data. The quantitative analysis shows how young people's behaviour and attitudes towards drugs have changed as youth unemployment rates have increased over the past decade. The qualitative analysis, drawing on data referring to a lengthier period, explores how drug use and early job insecurity have affected young people's life courses and labour market transitions. Our contribution provides insights that can inform policy towards young people at risk of social exclusion as a result of their involvement with drugs. Conceptually, we focus on the significance of critical moments understood at both the societal and individual levels, looking at how the environment and the role of 'significant others' in the lives of these vulnerable young people affect their trajectories in positive and negative ways.

The 2008 international economic crisis hit young people particularly hard (Bell and Blanchflower, 2011; O'Reilly et al., 2017). In general, unemployment and increased job insecurity disproportionately affected youth (McQuaid, 2017; O'Reilly et al., 2018). However, the impact of the economic crisis varied greatly across Europe in terms of young people's probability of making a successful transition from school to employment (Karamessini et al., 2016).

The transition to adulthood is difficult for many young people. Moreover, the nature of this transition has changed profoundly. Changing demands for skills and the growth of precarious and flexible forms of employment have contributed to making transitions to adulthood more complex and individualized (Blossfeld et al., 2006). Shildrick and MacDonald (2007) argue that to understand how these transitions from school to work have become increasingly uncertain and unstructured requires a broader and

longer view of young people's experiences that captures the complexity and societal context of individual biographies.

Societal norms, institutions and the economic environment all shape a range of transitions for different groups of young people in different ways (Böhler et al., Chapter 3 this volume). Societal norms establish expectations and practices as to how individuals should structure their lives, for instance via implicit norms about the ideal timing of important life events. Even though the acceptance of traditional societal norms has changed considerably in recent decades and the stigma attached to those who do not follow established conventions has diminished in certain areas, there are still societally approved times as to when young people are expected to begin working, start a family and get married (O'Reilly et al., 2014). Many of these important transitions follow a life script of events that are supposed to happen in young adulthood (Habermas, 2007), and many are connected to being able to support oneself financially.

Key events in this life script become increasingly more difficult to attain in an inhospitable socioeconomic and labour market context. Job insecurity has a range of repercussions for young people's lives that go beyond the lack of a stable source of income at a level that can sustain a young person. The difficulties facing young people affect several important choices linked to education and training (Ayllón and Nollenberger, 2016), career paths, family formation (Ayllón, 2017; Schneider, 2015; Sobotka et al., 2011) and living arrangements (Becker et al., 2010; Matsudaira, 2016). These difficulties may also affect health, subjective well-being (Buttler et al., 2016) and (anti-)social behaviour related, for example, to the use of drugs or excessive alcohol consumption (Ayllón and Ferreira-Batista, 2018; Claussen, 1999; Vijayasiri et al., 2012).

Following Shildrick and MacDonald (2007), who call for a broad and holistic approach to understanding youth transitions, we examine the effects of unconventional youth transitions. In this context, 'unconventional' means deviating from what cultural norms and institutional frameworks expect of young people in their transitions from youth to adulthood. Unconventional transitions pertain to many different aspects of life, including early parenthood, poor health or abusive upbringings associated with the 'Messy Life' narratives discussed by Böhler et al. (Chapter 3 this volume). Here we focus on the link between drug use, unemployment and early job insecurity to identify how young people have coped with unstable personal situations and what role drugs played in these transitions.

The first part of this chapter presents findings from an original quantitative analysis carried out by Ayllón and Ferreira-Batista (2018). The quantitative analysis provides an aggregate picture of young people's

substance-use behaviour and attitudes towards drug use across Europe during the recent crisis. Ayllón and Ferreira-Batista (2018) find that the increase in joblessness amongst youth is associated with an increase in the use of cannabis and ‘new substances’ such as powders, tablets/pills or herbs imitating the effect of illicit drugs. In several countries they are sold legally and are often known as ‘legal highs’ (Ayllón and Ferreira-Batista, 2018).

To complement this quantitative analysis, we draw on qualitative interviews conducted in seven European countries as part of the NEGOTIATE project (for details of the qualitative data collection, see Hvinden et al., Chapter 1 this volume). We have selected five cameos from Germany, Poland and the United Kingdom to illustrate how the use of drugs may affect young people’s labour market transitions and shape experiences of early job insecurity. These interviews reveal the impact of significant and critical moments that included both individual and societal experiences, such as major recessions or political transformations. In these interviews we probe the reactions of the interviewees to these disruptive periods, seeking to elicit how the role of significant others and welfare support affected their trajectories in positive and negative ways.

The contribution of this chapter is twofold. First, it presents a quantitative analysis describing young people’s drug behaviour and attitudes towards drug use during the Great Recession. Second, it provides original, qualitative life-course data on the negotiation of strategies in situations of precarious employment from a young person’s perspective. This chapter opens new research avenues on the relationship between normative trajectories and lived experiences in times of employment uncertainty for young people. Summarizing the findings of this analysis, we indicate how it might inform policy.

## 2 CONVENTIONAL AND UNCONVENTIONAL PATHWAYS OF YOUTH TRANSITIONS

Long-term changes in society mean that young people nowadays face stronger expectations than previously about being each responsible for constructing their own trajectories (Woodman, 2009). It is commonly assumed that contemporary youth trajectories are less likely to follow the biographies of the ‘baby boomer’ generation, with a linear transition from school to work and family formation. However, as some of the interviews with older cohorts from our qualitative study reveal, this assumed societal norm was not ubiquitous, even for the baby boomer generation.

Bottrell (2007) argues that the education system tends to conceal existing social differences by attributing individual success or failure

to individual deficiencies. When the system identifies these deficiencies within a defined social group, it labels these young people as being 'at risk'. This label can carry with it strong normative assumptions about the unsuitability of behaviours and the need to correct and prevent unwanted trajectories, for example school dropouts. Policies to reduce the numbers of early school-leavers have had some success in bringing young people back onto standardized and recognized pathways (Ross and Leathwood, 2013; Tomaszewska-Pękała et al., 2017). Nevertheless, some young people's trajectories are still more fragile, as we explore here.

When confronted with welfare institutions providing activating measures, young people are expected not only to respond to an exogenous economic need, but also to develop an idea of an 'entrepreneurial self' where they are the 'masters' of their own life and work trajectories (Périlleux, 2005). Programmes helping the unemployed integrate into the labour market are intended to foster both an active attitude towards job search and a focus on their saleable qualities on the labour market (Bussi, 2016). Serrano Pascual (2004) argues that activation policies build upon three main ideas: (1) young people lack technical skills that are needed in the labour market; (2) young people lack competencies and attitudinal competences for developing a sense of independence and for setting personal targets; and (3) young people lack motivation and work ethic, which hampers their inclusion in the labour market. These assumptions serve as the basis for some of the recent reforms to welfare benefits for young people.

Although institutions try to modify individual behaviours in order to favour upward and linear trajectories, some young people do not respond positively to these injunctions. Their resistance to imposed pathways is often seen as them challenging social, cultural and economic norms (Bottrell, 2007). Based on qualitative longitudinal studies of 'hard-to-reach' young people in Teesside in the United Kingdom, Shildrick and MacDonald (2007) examined youth transitions that went against the assumed societal norms. They argue that one cannot understand young people's experience of education, training and employment in isolation, looking only at the individual; we also need to pay attention to the broader socioeconomic environment in which these transitions are embedded. The socioeconomic context can shape the 'critical moments' affecting young people's transitions and their ability to respond to different levels of adversity (MacDonald and Marsh, 2002). Some of these unconventional transitions relate to what Shildrick and MacDonald (2007) call '*independent careers*', including leisure, drug use and criminal acts that combine to create mechanisms of exclusion.

In this contribution we focus on the relationship between drug use and critical moments of the life course, such as becoming unemployed

(MacDonald and Marsh, 2002). We investigate the experiences of young people's involvement with drug use and their trajectories between unemployment and precarious and more stable forms of employment. We examine how they 'fell out' of the system or 'reconnected' with it, and what strategies they adopted in these periods of adversity and adjustment.

In their economic literature review, Ayllón and Ferreira-Batista (2018) identify three mechanisms that come into play in relation to changes in unemployment rates and drug consumption: an 'income effect', an 'opportunity cost' (also called a 'substitution effect') and an 'economic stress' effect. The 'income effect' assumes that drugs are normal goods – i.e., a good whose consumption follows budget constraints – so that consumers faced with limited economic resources will reduce their consumption because of cost considerations. In contrast, in similar circumstances the inability to progress in the labour market might reduce the 'opportunity cost' of drug consumption, resulting in increased consumption. The 'economic stress' mechanism is based on the assumption that the consumption of substances is caused by psychological strain: reduced certainty about future outcomes, increased probability of being unemployed or a lack of labour market opportunities might push young people to find relief by increasing their use of substances or by engaging in drug dealing to earn money.

More than 30 years ago, Peck and Plant (1986) found – after controlling for social class background and educational qualifications – that there was still a significant association between unemployment and the use of illicit drugs in the United Kingdom. More recently, in a sample of French young people, Redonnet et al. (2012) tested the role of pre-existing familial and individual characteristics that can increase the risk of addiction. They found that young people with a low socioeconomic position, including those who were unemployed, had higher rates of substance use. Hyggen (2012) also found that the use of illicit substances is associated with a reduction in work commitment amongst young adults.

However, some young people do not have a problem using recreational drugs and still continuing with their education and/or employment; some choose this pathway as an alternative way of living. For others, by contrast, participating in a drug culture results in a failure to meet societal norms around expected stable youth trajectories, where reliance on drugs becomes a way of coping in 'a cruel world'. Here our focus is on cases where the use of drugs results in unconventional pathways that reinforce exclusionary transitions.

Relying only on quantitative data can overlook the agency and 'bounded agency' that young people exert in their lives. The bounded agency of young people depends on their experiences, while the institutional and



social landscape they find themselves in at a particular historical moment shapes their perception of future possibilities. Our aim here is to contribute to this literature by carrying out an original quantitative analysis of the relationship between drug use and unemployment during the recent economic context shaped by the Great Recession and then illustrating this evidence with qualitative insights from a selected body of life-course interviews conducted in different European countries.

We are interested in answering the following question: Do young people change their behaviour and attitudes towards drug use in times of economic crisis and, if so, how? How do young people using drugs manage to (re)connect with mainstream pathways when they are experiencing unstable work trajectories and/or are living in unstable family relationships and deprived neighbourhoods?

### 3 A QUANTITATIVE ANALYSIS OF YOUNG PEOPLE, DRUG USE AND UNEMPLOYMENT

Early job insecurity and labour market exclusion might have a range of consequences that go beyond limited personal income. Such experiences may also affect attitudes and actual behaviour related to drugs. Knowledge about the relationship between the business cycle and drug use is important because excessive drug consumption is likely to make a bad situation even worse. Especially in the case of young people, the use of drugs can have highly negative individual consequences if the consumption progressively turns into an addiction. To gain further knowledge about the impact of soaring European youth unemployment rates on drugs consumption, Ayllón and Ferreira-Batista (2018) used data from four Eurobarometer surveys on the topic of 'Young people and drugs'. Conducted before, during and after the Great Recession, these surveys were aimed at studying patterns of drugs consumption and potential changes in attitudes towards drugs amongst young people in Europe (Open Data, 2018). The sample includes 28 countries and is representative of the population between 15 and 24 years of age.

Ayllón and Ferreira-Batista's (2018) results are derived from logit regressions with fixed effects by country (or region) and year, where the main explanatory variable is the overall unemployment rate, or the youth unemployment rate obtained from Eurostat. Thus, they exploit the variability of unemployment rates over time resulting from the different impact of the crisis in the countries and regions of Europe on the outcomes of interest in their study. While it is true that the use of the unemployment rate, especially the youth unemployment rate, could introduce a certain

degree of endogeneity if drugs consumption affects the supply of labour, the effect should be small in the sample analysed.

First, the authors show that, in 2011, 24 per cent of young Europeans admitted having tried cannabis at some point in their lives, whereas only 5 per cent had done so in the past 30 days. In 2014 these figures increased to 28.5 per cent and 5.7 per cent, respectively. The Eurobarometer data that Ayllón and Ferreira-Batista (2018) analyse also include information on the use of 'new substances', which refers to powders, pills and herbs of the kind that imitate the effects of illicit drugs. Such substances are often known as 'legal highs', and while their level of consumption of such substances is lower than that of cannabis, the survey results suggest a worrying trend represented by a sharp increase in young people's consumption of new substances between 2011 and 2014. More specifically, the share of persons aged 15–24 who had ever tried such substances amounted to 4.7 per cent in 2011, whereas the proportion had increased to 7.2 per cent only three years later.

Importantly, the authors confirm a positive relationship between increases in the unemployment rate and increases in the consumption of cannabis and 'new substances'. Thus, an increase of 1 per cent in the unemployment rate at the regional level can be associated with an increase of 0.7 percentage points in the probability that young people will say they have used cannabis. The corresponding figure for 'new substances' is 0.5 percentage points. The marginal effects are smaller when one uses the youth unemployment rate instead of the unemployment rate relative to the population as a whole. However, these are not insignificant changes if one thinks, for example, of the increase in unemployment rates during the crisis in countries such as Greece or Spain. These results serve as further confirmation that, for young people, the negative consequences of the turbulent economic environment experienced since the onset of the Great Recession go far beyond the difficult labour market situation. As similarly noted by other authors in the literature, Ayllón and Ferreira-Batista (2018) argue that behind their findings there is likely an 'economic stress' mechanism: some young people resort to self-medication through increased substance use to deal with uncertainty about the future, discouragement brought about by the recession and the lack of opportunities in the labour market, precariousness and tough working conditions (Arkes, 2011, 2012; Bradford and Lastrapes, 2014; Currie and Tekin, 2015; Dee, 2001).

Second, Ayllón and Ferreira-Batista (2018) examined whether changes in the possibility of finding a job were related to changes in the perceptions of young people regarding the health risks associated with drug use. In this case, the authors found no relationship between the business cycle and a change in the opinion that drugs consumption is risky health behaviour. The only exception the authors found was for ecstasy, for which increases

in the unemployment rate are associated with a greater number of young people who believe that consuming this drug is not harmful for their health. These findings fit with the results presented in the recent European Drug Report (EMCDDA, 2016), according to which ecstasy is gaining ground amongst users. As explained in the report, ‘... amongst the countries that have produced new surveys since 2013, results point to an overall increase in Europe, with nine countries reporting higher estimates and three reporting lower estimates than in the previous comparable survey’ (EMCDDA, 2016: 42–3).

Third, Ayllón and Ferreira-Batista (2018) analysed whether changes in macroeconomic conditions are related to changes in the perception that young people have of the difficulty (or ease) of access to certain substances. (Here, the authors used the standard procedure to measure respondents’ *perceived* availability and not *actual* availability.) As indicated by Bachman et al. (1990), explanations of drug use need to account for drug-specific factors such as perceived availability or perceived risk because these factors help to understand the different patterns of trends. A certain degree of availability (as well as a certain degree of proneness to use) is necessary for actual consumption to happen (Smart, 1980). Nonetheless, according to the *availability-proneness theory*, if ease of access is high, the level of proneness required for consumption to take place can be lower than if availability is low.

In this case, the authors found that increases in the unemployment rate are related to a greater number of young people agreeing that obtaining substances became more difficult during the period, and particularly so for ecstasy, cocaine and heroin. However, when they focused the analysis on young people who admitted consuming, the results changed: the higher the unemployment rate, the easier young users perceived access to be. Unfortunately, the lack of data did not allow the authors to go further and study the consequences of the recent economic crisis for the informal economy or for the sale of drugs on the Dark Web (see Bhaskar et al., 2017).

To complement this analysis, we use qualitative interviews to explore the consequences of drug use for those people who experienced significant levels of early job insecurity when they were young, drawing on a sample of interviewees over a longer time period than the recent decade of recession.

#### 4 A QUALITATIVE EXAMINATION OF EARLY JOB INSECURITY AND DRUG USE

When analysing the qualitative data available from the NEGOTIATE project, it was immediately obvious that causal relationships are very hard

to establish on a micro level. Many of the NEGOTIATE interviewees mentioned drugs and drug use as part of their stories of transitioning from education to work, but very few made a straightforward connection between the two, neither in terms of blaming drug use on unemployment or vice versa. What these life-course interviews gave us is a unique window into the multiple and complex individual coping strategies of young people living with marginal, insecure or precarious relationships to the labour market.

We examined five cameos of unemployed young people who used drugs at some point in time and here we discuss what (un)successful steps they took to overcome their difficulties. The examples come from different cohorts and countries. We are aware that the socioeconomic contexts are different. However, it is striking to see that these individuals all shared important features in their stories: the relevance of critical moments in life, living in hostile neighbourhoods and the role played by supportive and unsupportive families or ‘significant others’.

#### **4.1 Growing Up and Out of a Delinquent Neighbourhood**

Born in the 1970s, Markus grew up in the 1980s in a socially deprived urban neighbourhood. He never had a permanent job and experienced several periods of unemployment. He was active in a delinquent neighbourhood gang from an early age. By the time he was 16, due to repeated offences, the court and youth welfare office placed him in an institution for young people with behavioural problems in another town. Here he entered vocational training to qualify as a painter. However, he had problems settling into the institution and frequently got into fights with his housemates. He also suffered from bullying and discrimination from his work colleagues in the firm where he was completing his training. As a result, he dropped out of his vocational training, left the town he had been placed in, and went to live with his sister. For a while he took part in training measures that he accessed with the help of the youth welfare office. One day he decided he had had enough of the welfare services:

I live far better from the drug business than if I apply for social assistance. So then at some point I thought, why should I take social assistance and give up my flat when I earn ten times as much each month [dealing drugs]? My cousin said, if you had been clever with the money and did as I did, you would have been able to afford a house by now.

One day, high on LSD, Markus got in a fight at a techno party and almost beat a person to death. Although he was convicted for attempted manslaughter, the judge sent him to a small residence for offenders with

difficult backgrounds rather than sending him to prison. While living in the residence, and encouraged by his caseworker, Markus qualified as a carpenter. He also entered a relationship that led to the birth of his daughter when he was in his mid-20s.

Engaging in vocational training brought some stability to Markus's life, but when he moved he saw that the regional qualification he had obtained was not recognized, which meant he was unable to take jobs officially as a carpenter. For a while, he worked on one-year contracts with a transport company. The company wanted to offer him a permanent contract but was unable to do so because Markus lacked the formal qualifications:

I was forced to continue with temporary employment. . . While I was temporarily employed, I always went to the unemployment agency and told them to give me a chance. But they always said 'no, you are a drug addict, and if you start vocational training now you will fail at it'.

The failure to get a permanent contract was a great disappointment, followed by years of great instability characterized by short-term jobs and periods of unemployment. Markus kept using and dealing drugs:

On the one hand, I thought I would manage it somehow with an occupation. And, on the other hand, I thought I would carry on with criminal stuff and try to be successful with a drug business.

However, there were signs during the interview that Markus had by now reached a turning point. Over the past ten years or so, he had undergone several rounds of psychotherapy. He had gradually withdrawn from criminal activities and tried to make a permanent move away from the drug scene. A combination of factors had contributed to these positive developments. First, his daughter motivated him to change his lifestyle:

With my daughter, she is 16, she also says 'So dad, if you keep going like this, nothing good will come of you.' And when my daughter says this to me, then it touches me the most. . . she has really concrete ideas. If my daughter can pull it off at 16, why can't I do it at almost 40?

Second, Markus had made contact again with old friends, who for years had kept their distance and considered him bad company; now they saw he was making an effort to change his life. Markus was motivated by these contacts and by seeing how his friends lived:

I look at my friends, they have obtained a vocational qualification, they can support their families, one has a son, one has a daughter. . . then I say to myself, why can't I do that too?

Third, after passing a psychometric test at the job centre, he finally managed to obtain permission to apply for another vocational training programme:

I had insisted for years, but the employment office had always said no, you should rather take part in another scheme where you will also have access to therapists, where you will be able to deal with your private situation.

In sum, Markus's experience reflected a Messy Life narrative of intermittent employment, inability to obtain recognized qualifications and drug dealing (Böhler et al., Chapter 3 this volume). The importance of 'significant others' had helped pull him back on a number of occasions: his mother, who had provided him with financial support and regular telephone contact, then his sister, and more recently his daughter and his friends. Support from social institutions only really kicked in once he had been through the criminal justice system repeatedly, and with his caseworker supporting his education. He attributed his situation to his own culpability and growing up in a neighbourhood where he could earn a lot of money selling drugs as an alternative to employment or drawing welfare benefits:

I had chances, as I said the doors were all open. But I messed it up because of the drugs and criminality.

#### **4.2 Working Illegally for an Alternative Lifestyle under Communism**

We found a similar opportunistic approach to the benefits of illegal work and drug dealing in the story of Czesław, who was born in a small town in Poland during the 1960s. Despite growing up under communism, where he received formal vocational training as a tinsmith roofer and was obliged to work, his dalliance with the informal economy, drug dealing and prison left him homeless, disabled and in poverty today:

I could have had a better life, but I wasted it. I could have developed in one profession – today I would be a champion and make money!

He recounted a Messy Life, but this was the one he chose:

The idea was to earn money and then go have fun without a care!

Working in the informal economy during communism was more lucrative than having a legal job. It was a way of escaping relative poverty and conformity to communism. When he was young, being without formal work

in Poland was punishable by fines, but Czesław had no problem paying those fines with the high income he earned from his illegal work in construction or unloading coal or cement from the railways. He could afford a motorcycle, a car and go on holidays – luxuries that were unimaginable for those on a normal salary.

However, an accident he caused while working on an illegal building site resulted in him going to prison. This was a critical moment in his life. Later he had many periods of unemployment, alcoholism and drug addiction. In contrast to many other interviewees, Czesław explicitly connected his addiction problems to working in the informal economy. His ability to survive adversity he attributed to his own personality:

Throughout all my life, I've had a very strong psyche. It's hard to break me.

Like Markus from Germany, Czesław accepted his responsibility for his current situation, but he also stressed that the systemic transformation in Poland, through the privatization of large state-owned enterprises, left limited opportunities for people like him to gain employment.

Asked what could have helped him, Czesław stressed the need for guidance in youth. At the time, all he thought about was earning money for the lifestyle he wanted – he did not consider, for instance, how hard it would be to be without health insurance later in life:

If someone had come to me and guided me, I could have acted differently in those days.

Although Czesław himself emphasized that it would have been hard to mentor him at that time in his life when he did not care much about his future, this is probably what he needed – a 'significant other'.

In sum, for Czesław, taking and dealing in drugs was part of his choice to work in the illegal economy to achieve a better-quality lifestyle and more wealth. A series of critical moments at a personal level – his accident, ending up in prison, his addiction and disability – had culminated in his current situation in a hostel for the homeless. He seemed to be very much alone without any significant other in his life. He never wanted to contact his family for help because of his 'honour and ambition', despite them being economically comfortable. Alongside the wider political transformation marking the end of the communist system, Czesław's illegal activities made it harder to find stability and connections: 'If you have money, you have friends'; at the time he was interviewed he had neither.

### 4.3 ‘Overwhelmed by Responsibility, I Just Got a Bit Lost’

Born in the late 1960s, Brian from the United Kingdom had left home to live with friends at the age of 14. He was cleaning cars and ‘*doing a lot of drugs and stuff*’, which also involved dealing. He left school at 16 with one O-level in Art. He felt overwhelmed by the number of decisions he had to make:

Unlike school where you’re in a routine all the time, you then come out into the real world. You’ve got to get your own money and grow up a little bit. . . I just wanted an easy life when I left school.

He felt that he had been too young at 16 to have aspirations or to know what he wanted to do. ‘Just bumming around’, earning money in the informal economy and ‘doing dodgy deals was just the in thing to do. Everyone was on the dole back then in the 1980s’. Dealing drugs became an easy way to earn money, but it got him into trouble and made relations with his parents difficult.

His father intervened and employed him in his garage business, where Brian said that he struggled to take orders and adapt to the discipline of working time. He learnt car valeting, which enabled him to take various jobs and to set up his own business for five years. His father helped him with the accounting, but the business required long hours of work, worry and struggle, so he returned to work for his father.

He then spent four years caring full time for his grandfather, who had dementia, with his family paying him £300 a week. This was a new responsibility, which he said meant that he had to ‘step up to the mark’. After his grandfather’s death, he was unemployed for a year – ‘I couldn’t find any work at all, it was a real struggle.’ He did some van driving and then found a new car-valeting job, which he held for two years. He did not receive any concrete support from mentors or career advisers, but he recognized that his family ‘*have always been there for me*’.

Brian claimed to have been without aspirations, although he said he also had wanted to go to Australia, but this was unrealistic as he had no qualifications. He still felt limited, saying ‘I’m useless’ and that the only thing he could imagine looking forward to was ‘getting married, maybe’. Like Markus and Czesław, Brian blamed himself for his situation: ‘I was just lazy, if I’m honest. I’m a bit dyslexic, so that as well’. Hyggen (2012) has shown that smoking cannabis might have a serious long-term effect on work commitment, and Brian’s story would appear to illustrate this: he said that he was ‘drained’ and ‘didn’t have any confidence at all. . . I just got a bit lost, that’s all’.



#### 4.4 Turning Points and Stumbling

To shed light on how some young people involved in drugs managed to turn their lives around, we examined the two cases of Jesse and Nina from the United Kingdom. These cases showed how significant critical moments and significant others could mitigate the effects of leading Messy Lives associated with drug use for young people overcoming early job insecurity.

Born in the late 1980s, Jesse left school at the age of 16. He went to a further education college to study for a National Vocational Qualification (NVQ) to become a chef. After achieving NVQ Level 1 in seven months, he left to work in a tile shop warehouse to earn some money. After ten months, he returned to college to study for an NVQ Level 1 in motor mechanics. His college education was marked by indecision and difficulty finding a stable path towards employment.

Jesse described how he entered a downward spiral at age 19, when he lost a motor mechanic job after two months. He developed a marijuana drug habit that, after four years, drove his parents to exclude him from the family home. He was depressed, with mood swings and fatigue, and was diagnosed and medicated for a chemical imbalance. This evolved into a four-year period when he was on and off medication and was registered as unemployed intermittently, claiming Jobseekers' Allowance three or four times during this period. Jesse explained that he came off his prescribed medication and was 'self-medicating' by smoking marijuana heavily. He was in and out of about ten casual jobs to pay for his habit during this time:

I was essentially working to pay for a habit, so I was getting into a job and then, say, taking on full-time work, but going in three days a week, earning a bit of money and then not going in the other two days of the week because I wanted to smoke. It was not a good life. [None of Jesse's jobs lasted for more than three months.] Sometimes I was asked to leave. . . but I would say most of the time it was me leaving.

After leaving home and working for a van company for nearly a year, Jesse decided he wanted to turn his life around. He found a scheme online that supported young people in voluntary work overseas, provided he fundraised £800. It captured his attention. He baked and sold cakes at a primary school, held a car-boot sale and received donations from the van company he worked for and from friends to the tune of £1,500. Jesse said that the two and half months he spent working at a HIV clinic abroad changed him completely:

I decided I needed to show people that I'd changed. That is what everybody will tell you that mostly changed me, really, really changed me. Big time. It was a

proper shock to the system – I can't remember a day out there that I didn't start crying at some point. It was really quite shocking.

I was working in a testing clinic for mainly women that had been raped, mostly by their own family, and contracted HIV/AIDS. It wasn't nice. There was a woman there that was actually 45 that contracted it when she was 12 and she'd lived her whole life. She wasn't skinny or anything, she was – she didn't say suffering – she said she likes to say, 'I live positively with it'. Because she has, she's made a real life out of it. But listening to her story, I could have listened to her talk for hours. It was really emotional.

You would live in a host family house, so I was living with a Muslim family which, you know, going out there at 24 years old and you're kind of growing up on all the terrorist stuff – I wasn't being racist, I was trying to keep an open mind. But they completely changed my perspective. Probably the nicest family I've ever met, and it just does go to show there's Muslims and extremists, they are completely different people. Which is why I don't like people when they take the piss essentially out of Muslims, because they're not all like that.

This 'critical moment' turned his life around: 'I only ever really cared about myself, if that made sense. But going there, I actually really don't care about myself anymore at all and I actually care far too much about other people.' Jesse said that there had never really been anything he wanted to do, except driving. Now, he wanted 'to do something that would make my parents proud'. He took a positive attitude from his experience, saying:

... now I look back and it's made me more of a stronger person, because I know that if I could change, most people could.

Jesse wants to have a family like his brother and sister and thinks about running a pub or having his own business. He wants his own home and a career:

I need to have a career to actually make it look to other people that I've actually done something with my life.

The second key point to come out of this case was the role of significant others. Jesse's main support was:

... always my parents, always they have stood by me, that's why I'm really quite thankful for them. I was not a very nice person, but they've seen that I've changed. They finally even said it last year, they said they can finally let me back in. They kind of shut me out for a while, which was hard.

He felt that a support network had been lacking and that

... it would have helped a lot more if I had had decent friends, not people that were taking drugs all the time.

In retrospect, Jesse realized that ‘I always felt bad, because everybody around me was doing so well’. His mental health issues and drug use impeded his search for steady employment, and he said that, *‘doing what I was doing isn’t really a normal life’*. A combination of his environment with access to drugs and his own poor psychological health reinforced a precarious employment trajectory. It was the critical moment of volunteering and deciding to change his life, reinforced by his family support, that enabled him to turn his life around.

He recently started working in a pub. The manager suggested he become a licensee so that he can eventually run his own pub, which at the time he was interviewed he found very motivating. Although things were improving for him, recent news from local contacts in the area where we interviewed him suggested that he is still struggling with his addiction. Jesse clearly illustrates the importance of ‘significant others’ and critical moments; however, his trajectory also shows how easy it is to stumble despite the desire to change.

#### 4.5 Disruptive Families and Inspirational Others

The last case we examined was that of Nina, who was born in the early 1970s. She was 15 when her parents divorced, leaving her feeling unsettled with changing schools and truanting. She left school at 16 with no qualifications. During the 1980s she worked in different factory and shop jobs that she enjoyed. However, when she was 19 her mother died, and she struggled with this grief for a long time. She lived in different places, sometimes with friends, sometimes in squats. She went through with an unplanned pregnancy when she was 22, but it left her feeling very lonely and isolated, even though she had many friends. To compensate for being severely depressed, she started drinking and partying heavily:

It was just party after party, club after club, doing other things I shouldn’t have been doing – that kind of thing – because I felt I’d missed out because my friends were living a certain lifestyle and I kind of couldn’t obtain that. So I decided if I can’t do it, I’m going to do it anyway. And to be fair, I didn’t really put my son’s needs first really, looking back. I know that. And it’s just everybody around me at that age was able to do the things they wanted to do, it seemed. But I was. . . I felt really isolated, really alone. Very troubled, because of my mum’s death, I lost my faith, everything. My family were just sort of, ‘Well, have a drink and you’ll be all right, you’ll be all right. Have a drink.’ Which was exactly what I shouldn’t have been doing and that’s what the problem was. And every time I sort of said, ‘I think I’m drinking too much,’ or whatever, ‘Oh, you’re all right, you just need to cut down, that’s all. You’re all right, we all get pissed.’ And so this came from all my family and it was the

norm. And I knew deep down within my heart this is not something that was right. I felt it.

Nina relied on welfare benefits to survive and supplemented her income with some illegal cash-in-hand jobs. She lived in a council block where the lifts did not work, and people were using drugs in the stairwells. This environment made her want to change the way she was living:

I just wanted – you know, wanted a life for my son. I wanted, you know, to live comfortably, not have to scrimp and scrape, being on the dole. Wanted a career, just wanted to, you know – I was living in council flats, high-rise, didn't want to live in a place where people urinate in the lift all the time and take drugs everywhere and get off their heads. I just wanted to come home and experience what it's like to walk home and feel peace, a place of comfort and peace, serenity.

She wanted to work because she wanted to have a normal life; however, she found it too difficult to change:

A lot of young people at that time in the eighties were coming from up north, there was a lot from Liverpool, Scotland, Ireland, Birmingham, Manchester, Sheffield, there were loads of us all hanging out. And the common theme there seemed to be there's no work. There's no work. There's no work. There's no work. And so this seemed to be where people get housing and the bedsits and the dole and, you know, UB40. ['UB40' referred to the official unemployment benefit form number 40; the band UB40 were all unemployed when they started out, hence their name.]

When her son started getting into trouble at school, she was assigned a social worker to help her out with after-school clubs and play centres and this marked the beginning of a change for Nina. In addition, a turning point at the age of 27 was when she met a new boyfriend; he inspired her to do more:

He was in a really good job, was very stable, who was basically, you know, a bit of a driving force for me, looking back. Basically, an angel in disguise. And basically just came into my life and kind of pushed me in the right direction, I guess. And it took a lot for him to do that, because I was pushing against it. Because, you know, I guess the, you know, the anger I had within myself. And eventually he just asked me, you know, 'What do you really want to do? Because you need to sort yourself out.' And I had no idea. And I looked back at what I thought I was good at and that took several years of being with him. And I got to 30 and that's when I made a change.

He helped her with her drinking and smoking and encouraged her to go to back to college. She obtained some beauty course qualifications on a

government-funded course while retaining her benefits. She went on to get a job in a health club for about a year until she had to leave because of problems with her back. She then got job as a beautician that lasted four years. She took more courses to learn massage with some inspirational teachers and later moved out of the big city. Reflecting on these experiences, Nina summed up as follows:

It was horrendous being in a council flat, mother dying so young, family, you know, on the booze all the time, smoking stuff and having a young child. That is not the ideal. But, however, if you can pull out of that, you can pull out of anything. I think it gave me strength. You know, strength from within that I didn't know I had. If you have negative thoughts or self-doubt, that's what you're going to see in your reality. And if you don't have those or you can find a way to overcome that, then I think that's the first step.

Nina's story shows how an initial and prolonged period of adversity in her youth made it difficult for her to find a stable path. Her environment did not help, as others who were reliant on drinking, smoking and partying heavily surrounded her. Her new partner, and some inspirational teachers, exemplified the importance of a significant other. They enabled her to move out of the messy life she had been leading and to gain a more secure foothold that helped her improve her own mental well-being. Nina is now self-employed and has her own business. She is also starting to do voluntary work with young people: 'I feel like I've got something from it all and I'm hoping that I can hopefully give some of that back.'

## 5 DISCUSSION

Drawing on two different sources of data to inform our understanding of the role of drug use in youth trajectories characterized by troubled work transitions provides important and diverse perspectives mapping both trends and individual experiences of how young people negotiate their trajectories in challenging situations. The quantitative analysis provided us with a picture of how recent higher drug use is associated with higher rates of unemployment and how this has increased in recent years. The qualitative interviews drew on the experience of a wider age group who had been involved in drugs when they were young and how this had contributed to their difficult and messy lives as they progressed to later adulthood and parenting. Many factors mediate the relationship between unemployment and drug use. The quantitative analysis captures how this has changed over the past decade of the Great Recession; the qualitative data provide a longer-term approach to show how early involvement with drugs affected

lives over a lengthier period. These cases illustrate how a combination of critical moments and environments in the lives of vulnerable young people can act as triggers into a downward spiral of negative trajectories.

We have identified critical moments at the individual level, for example in the divorce of Nina's parents and the death of her mother. The social context of a family of heavy drinkers, not able to help her emotionally, marked her own transition into early motherhood.

Critical moments might be diverse in nature. In our cameos they related to family breakdowns or unsuccessful work transitions that put a strain on young people's capacity to find their own way. However, as the quantitative analysis indicates, critical moments such as the Great Recession also play a role on a larger scale.

In some cases 'significant others' played a fundamental part in helping lift young people out of these trajectories. For Markus it was his daughter; for Nina it was her new partner and inspirational teachers; for Brian it was his father; for Jesse it was a combination of positive critical moments in volunteering abroad and the people he met there along with the desire to prove himself to his family. Czesław seemed the most isolated, and Brian remained drained and lacking in self-esteem and motivation.

## 6 CONCLUSION

Economic recessions lead to unstable labour markets, especially for young people whose rates of unemployment are more sensitive to the business cycle. As a response, most of the policy attention tends to be directed towards strengthened linkages between labour market and education or expanding active labour market policies to enhance or restore linear youth transitions. However, we need a broader perspective on transitions to understand the wide range of challenges young people face when they are unemployed in hard times.

One of the most interesting questions examined by Ayllón and Ferreira-Batista (2018) asked young people what they saw as the most effective ways to combat the problems associated with drugs. There was widespread support for 'more severe measures against traffickers', 'information campaigns' or 'treatment and rehabilitation'.

Their micro-econometric analysis revealed that changes in macroeconomic conditions affected attitudes: there was more support for reducing drug use through policies to 'reduce poverty and unemployment' in regions with increased rates of unemployment. There was also a less punitive attitude towards drug users in areas where it was harder to find work.

In terms of policy implications, it emerged that drug use was not so

much about criminalizing or blaming young people for their behaviour but about offering them more opportunities and support. The qualitative interviews showed that drug users often blamed themselves for the difficulties they faced or had faced. Thus, strengthening societal expectations and putting further pressures on people using drugs would probably enhance their sense of guilt. Such strict expectations might also aggravate existing psychological strains linked to following an unconventional trajectory. In the opinion of the young Europeans interviewed in the Eurobarometer surveys, when the economy weakens, the authorities should put the emphasis on reducing the demand for drugs by providing sufficient alternatives to joblessness and precariousness.

In this perspective, policies that strengthen the position of young people in the labour market would have benefits in multiple domains, including in terms of health. Moreover, it is apparent that it is in those countries where youth unemployment increased the most that the need for investing in anti-drugs policies is greatest. Unfortunately, policymakers in many countries still need to acknowledge fully the consequences of the austerity measures they have imposed, including the cuts in budgets for drug-related policies (Costa Storti et al., 2011).

## REFERENCES

- Arkes J (2011) Recessions and the participation of youth in the selling and use of illicit drugs. *International Journal of Drug Policy* 22(5): 335–40.
- Arkes J (2012) How does youth cigarette use respond to weak economic periods? Implications for the current economic crisis. *Substance Use & Misuse* 47(4): 375–82.
- Ayllón S (2017) *Negotiating private life: Consequences of early job insecurity and labour market exclusion for household and family formation*. NEGOTIATE Working Paper no. 5.2. [https://negotiate-research.eu/files/2015/04/NEGOTIATE\\_Working\\_Paper\\_5.2.pdf](https://negotiate-research.eu/files/2015/04/NEGOTIATE_Working_Paper_5.2.pdf) (accessed 6 August 2017).
- Ayllón S and Ferreira-Batista N (2018) Unemployment, drugs and attitudes among European youth. *Journal of Health Economics* 57: 236–48. DOI: 10.1016/j.jhealeco.2017.08.005.
- Ayllón S and Nollenberger N (2016) *Are recessions good for human capital accumulation?* NEGOTIATE Working Paper no. 5.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D5.1.pdf> (accessed 1 June 2018).
- Bachman JG, Johnston LD and O'Malley PM (1990) Explaining the recent decline in cocaine use among young adults: Further evidence that perceived risks and disapproval lead to reduced drug use. *Journal of Health and Social Behavior* 31(2): 173–84.
- Becker SO, Bentolila S, Fernandes A and Ichino A (2010) Youth emancipation and perceived job insecurity of parents and children. *Journal of Population Economics* 23(3): 1047–71.

- Bell DN and Blanchflower DG (2011) Young people and the Great Recession. *Oxford Review of Economic Policy* 27(2): 241–67.
- Bhaskar V, Linacre R and Machin S (2017) *The economic functioning of online drug markets*. CEP Discussion Paper no. 1490. London, UK: London School of Economics, Centre for Economic Performance.
- Blossfeld H-P, Klijzing E, Mills M and Kurz K (eds) (2006) *Globalization, Uncertainty and Youth in Society: The Losers in a Globalizing World*. Abingdon, UK: Routledge.
- Bottrell D (2007) Resistance, resilience and social identities: Reframing ‘problem youth’ and the problem of schooling. *Journal of Youth Studies* 10(5): 597–616.
- Bradford WD and Lastrapes WD (2014) A prescription for unemployment? Recessions and the demand for mental health drugs. *Health Economics* 23(11): 1301–25.
- Bussi M (2016) *Straightjacket and stepping stones. Exploring institutional ability to develop employability of young people*. PhD thesis. University of Geneva, Switzerland.
- Buttler D, Michoń P, Ayllón S and Zuccotti C (2016) *Understanding the subjective consequences of early job insecurity in Europe*. NEGOTIATE Working Paper no. 4.3. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-D4.3.pdf> (accessed 10 August 2017).
- Claussen B (1999) Alcohol disorders and re-employment in a 5-year follow-up of long-term unemployed. *Addiction* 94(1): 133–8.
- Costa Storti C, De Grauwe P and Reuter P (2011) Economic recession, drug use and public health. *International Journal of Drug Policy* 22(5): 321–5.
- Currie J and Tekin E (2015) Is there a link between foreclosure and health? *American Economic Journal: Economic Policy* 7(1): 63–94.
- Dee TS (2001) Alcohol abuse and economic conditions: Evidence from repeated cross-sections of individual-level data. *Health Economics* 10(3): 257–70.
- EMCDDA (2016) *European Drug Report 2016: Trends and developments*. Lisbon: European Monitoring Centre for Drugs and Drug Addiction. <http://www.emcdda.europa.eu/edr2016> (accessed 28 May 2018).
- Habermas T (2007) How to tell a life: The development of the cultural concept of biography. *Journal of Cognition and Development* 8: 1–31.
- Hygen C (2012) Does smoking cannabis affect work commitment? *Addiction* 107: 1309–15.
- Karamessini M, Symeonaki M and Stamatopoulou G (2016) *The role of the economic crisis in determining the degree of early job insecurity in Europe*. NEGOTIATE Working Paper no. 3.3. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-D3.3.pdf> (accessed 6 August 2017).
- MacDonald R, and Marsh J (2002) Crossing the Rubicon: Youth transitions, poverty, drugs and social exclusion. *International Journal of Drug Policy* 13(1): 27–38.
- Matsudaira JD (2016) Economic conditions and the living arrangements of young adults: 1960 to 2011. *Journal of Population Economics* 29(1): 167–95.
- McQuaid R (2017) Youth unemployment produces multiple scarring effects. LSE Blog. <http://blogs.lse.ac.uk/euoppblog/2017/02/18/youth-unemployment-scarring-effects/> (accessed 28 May 2018).
- Open Data (2018) EU Open Data Portal. <http://open-data.europa.eu/data/dataset> (accessed 18 May 2018).
- O’Reilly J, Leschke J, Ortlieb R, Seeleib-Kaiser M and Villa P (eds) (2018) *Youth*



- Labor in Transition: Inequalities, Mobility, and Policies in Europe*. New York: Oxford University Press.
- O'Reilly J, Moyart C, Nazio T and Smith M (eds) (2017) *Youth Employment: STYLE Handbook*. Brighton, UK: CROME, University of Brighton. Ebook: <http://style-handbook.eu/> (accessed 31 May 2018).
- O'Reilly J, Roche J and Nazio T (2014) Compromising conventions: Attitudes of dissonance and indifference to families and maternal employment in Denmark, Poland, Spain and the UK. *Work, Employment and Society* 28(2): 168–88.
- Peck DF and Plant MA (1986) Unemployment and illegal drug use: Concordant evidence from a prospective study and national trends. *British Medical Journal (Clinical Research Edition)* 293(6552): 929–32.
- Périlleux T (2005) Se rendre désirable. L'employabilité dans l'Etat social actif et l'idéologie managériale [Make yourself desirable. Employability in the active welfare state and managerial ideology]. In: Vielle P, Pochet P and Cassiers I (eds) *L'Etat social actif: vers un changement de paradigme* [The active welfare state: Towards a change of paradigm], pp. 303–22. Brussels: PIE-Peter Lang.
- Redonnet B, Chollet A, Fombonne E, Bowes L and Melchior M (2012) Tobacco, alcohol, cannabis and other illegal drug use among young adults: The socioeconomic context. *Drug and Alcohol Dependence* 121(3): 231–9.
- Ross A and Leathwood C (2013) Problematising early school leaving. *European Journal of Education* 48(3): 405–18.
- Schneider D (2015) The great recession, fertility, and uncertainty: Evidence from the United States. *Journal of Marriage and Family* 77(5): 1144–56.
- Serrano Pascual A (ed.) (2004) *Are activation policies converging in Europe?: The European Employment Strategy for Young People*. Brussels: European Trade Union Institute.
- Shildrick T and MacDonald R (2007) Biographies of exclusion: Poor work and poor transitions. *International Journal of Lifelong Education* 26(5): 589–604.
- Smart R (1980) An availability-proneness theory of illicit drug abuse. In: Lettieri D, Sayers M and Wallenstein Pearson H (eds) *Theories on Drug Abuse*. NIDA Research Monograph no. 30. Rockville, MD: National Institute on Drug Abuse, pp. 46–50.
- Sobotka T, Skirbekk V and Philipov D (2011) Economic recession and fertility in the developed world. *Population and Development Review* 37(2): 267–306.
- Tomaszewska-Pękała H, Marchlik P and Wrona A (2017) *Finding inspiring practices on how to prevent ESL and school disengagement. Lessons from the educational trajectories of youth at risk from nine EU countries*. RESL.eu Working Paper no. 5.1. [https://www.uantwerpen.be/images/uantwerpen/container23160/files/Deliverable%205\\_1\\_Publication%206\\_final\\_final\\_15\\_12\\_2017.pdf](https://www.uantwerpen.be/images/uantwerpen/container23160/files/Deliverable%205_1_Publication%206_final_final_15_12_2017.pdf) (accessed 28 May 2018).
- Vijayasiri G, Richman JA and Rospenda KM (2012) The Great Recession, somatic symptomatology and alcohol use and abuse. *Addictive Behaviors* 37(9): 1019–24.
- Woodman D (2009) The mysterious case of the pervasive choice biography: Ulrich Beck, structure/agency, and the middling state of theory in the sociology of youth. *Journal of Youth Studies* 12(3): 243–56.

# 10. Public policy on career education, information, advice and guidance: developments in the United Kingdom and Norway

**Christine Lewis and Ida Tolgensbakk**

---

## 1 INTRODUCTION

This chapter considers the role of career education, information, advice and guidance (CEIAG) services. On the one hand, it looks at public policy in England, where such services have a 20-year record of instability; on the other, the chapter considers Norway, where CEIAG services are beginning a new era in supporting young people's entry into employment. As well as examining how effectively CEIAG policy and practice are framed in the two countries, we identify barriers to delivery and explore whether Norway can learn lessons from England in a process of policy transfer. The chapter is informed by NEGOTIATE research findings<sup>1</sup> and by the voices of informants who experienced unemployment in their youth.

## 2 CAREER GUIDANCE

Career guidance has been defined as 'services and activities intended to assist individuals, of any age and at any point throughout their lives, to make educational, training and occupational choices and to manage their careers' (OECD, 2004: 19). Three key purposes of the function have been identified: supporting informed choices about work and learning; effective management of transitions; and helping people with career management skills to 'develop resilience in the face of constant change' (Higginbotham and Hughes, 2006: 1).

---

<sup>1</sup> NEGOTIATE: Overcoming early job insecurity in Europe. See <https://negotiate-research.eu>.

Career guidance has its roots in the early 1900s and is often described as concomitant with industrialization (Savickas, 2003). Part of this legacy is that services have been oriented towards vocational training and young people not entering higher education. Economic transformations, such as deindustrialization and the shift of manufacturing to Asia, have changed the labour market in many Western countries and have reduced job supply based on local industry. Now economic hopes are pinned on the 'knowledge-based economy' (Drucker, 1969) – an expression coined to describe trends in advanced economies towards greater dependence on knowledge, information and high skill levels.

The move towards a knowledge economy and high levels of participation in higher education engenders new questions about the link between education and training and future employment. The more dynamic the labour market, the greater the challenge in ensuring that job demand and supply match, which is a key function of career guidance. As well as imparting information and career skills, services are increasingly focused on groups with particular needs and on the provision of individualized support. Policies focused on young people who are not in employment, education or training (NEETs) have moved up the agenda globally.

CEIAG services and their role in helping individuals to find a place in the labour market are of international concern, as demonstrated in a coordinated review of reports from the Organisation for Economic Co-operation and Development (OECD), the European Commission and the World Bank (Watts and Sultana, 2004). Covering 37 countries, the review authors assert that in all of them career guidance is regarded as a public good for learning, the labour market and social equity (Watts and Sultana, 2004: 105). There have been annual international symposia concerned with CEIAG since 1999, and 2004 saw the establishment of the International Centre for Career Development and Public Policy (ICCDPP), which is committed to sharing examples of effective national career development strategies, legislation and policy evaluation. The European Lifelong Guidance Policy Network (ELGPN) followed in 2007, founded to assist European countries and the European Commission in policy development and cooperation (ELGPN, 2017).

Although the need for support from outside agencies for young people transitioning to employment was echoed across countries in the NEGOTIATE research, we chose to focus on CEIAG services in England and Norway for a number of reasons. Both countries acknowledge the pressing need to develop policy for the career development and guidance sector. Reporting to the ICCDPP on behalf of Norway, Bakke et al. (2017: 2) suggest that 'we are now at a crucial crossroads where decisions must be made'. Meanwhile, in the United Kingdom a study of career guidance

policy has asserted that ‘the need to take sustained action to improve career guidance is more pressing than ever’ (Holman, 2014: 3). This statement sits on a 20-year policy effort aimed at establishing effective CEIAG services, which, we argue, have yet to take root successfully. We attempt to identify why this is the case, given that CEIAG policy is developed in the wake of economic change. In particular, we ask:

- How are good CEIAG policy and practice framed in the United Kingdom and Norway?
- What barriers do CEIAG services face?
- Are there CEIAG policy lessons that can be transferred from the United Kingdom to Norway?

### 3 THE IMPORTANCE OF CEIAG

The underlying assumption in our study is that CEIAG services have a critical role to play in the avoidance of early job insecurity. The proposition that CEIAG is linked to health, education and welfare agendas, as well as to economic success, provokes little controversy. Its central role in social inclusion and social mobility agendas is widely acknowledged (Bridge Group, 2011; Hughes, 2011; Social Mobility and Child Poverty Commission, 2013). Poor CEIAG has often been blamed when these agendas are threatened (Hooley et al., 2014). ELGPN (2015: 40) emphasizes the strong link between career guidance policy and the Europe 2020 strategy goals of full employment, reduced early school-leaving, increased higher qualification attainment, and helping people out of poverty and social exclusion.

The ELGPN commissioned Concept Notes that address: (1) Flexicurity; (2) Youth unemployment; (3) Career management skills; (4) Youth Guarantee; (5) Work-based learning; and (6) Early school-leaving (ELGPN, 2015). In these notes the key role of CEIAG policy is identified. Note 1 focuses on the relationship between flexibility and security at work and identifies the need to ‘insert’ career guidance into this policy discourse (Sultana, 2012: 9). It recommends that job flexibility should be concomitant with the employability of the individual, guaranteed through employer and state investment in education, training and CEIAG, which it says is ‘inextricable from the notion of security’ (Sultana, 2012: 10).

After a comprehensive review of EU member-state guidance policies, it is concluded in Concept Note no. 4 that ‘without lifelong guidance, the Youth Guarantee could merely provide a temporary diversion to keep young people off the streets; with lifelong guidance, it could become a

springboard to a better future' (Borbély-Pecze and Hutchinson, 2013). In Concept Note no. 6 a comprehensive career education programme through school is described as 'the backbone' of preventing early school-leaving (Oomen and Plant, 2014: 14), reiterating the importance of CEIAG policy.

## 4 METHOD

Although career guidance is a lifelong requirement that national policies must address, our focus is on services for young people who are in transition from school to higher or further education, or to employment or training, who might be facing unemployment, underemployment or a lifetime of precarious working. For the present discussion, we draw on data from NEGOTIATE life-course interviews from the United Kingdom and Norway (for details of the qualitative data collection, see Hvinden et al., Chapter 1 this volume). This information comes from a limited number of informants in only two countries in the NEGOTIATE project. It is also the case that the interviewees were selected on the basis of their experience of unemployment and subsequent underemployment. That does not invalidate the details of their personal experience or the flavour that they provide of the barriers that young people may face and the related support that is required. A strength of these data is that they span three age-related cohorts (born 1950–55, 1970–75 and 1990–95), providing some longitudinal comparison and insight into how the changing policy regimes have given support during the vulnerable transition between education and employment. Individual life-course interviews are referenced by pseudonym and decade of birth. The interview data show quite clearly that there is an unmet need for support, with many interviewees across Europe stating that some sort of career guidance would have eased their transition from education to employment. We suggest that CEIAG services and their delivery through effective national policy and practice would go towards meeting this need.

There was no specific question in the NEGOTIATE life-course interviews about CEIAG services, rather a more general question about help and support during transition from school into a 'meaningful job', defined in terms of financial reward, personal development and fulfilment. All interviewees were asked questions about how they were helped, for instance, by governmental institutions, non-governmental bodies or social circles. They were then asked whether they had recommendations for future policy changes that they believed would help young unemployed individuals experiencing similar hardships to themselves. Some of our interviewees spoke directly of CEIAG measures, but most

did so indirectly, recounting that they should have had a better plan but that they had no idea what they wanted to do after school. Importantly, when trying to convey what they believed would have been helpful for themselves and others, a recurring statement across our qualitative data was that good career guidance would make a significant difference. In the following pages we will outline CEIAG policies in England and Norway and their development over time in the context of how good practice has been framed. We consider England's chequered history of CEIAG policy formation and also the situation in Norway, where there have been recent initiatives to develop these services. Beforehand, however, we present our qualitative findings and describe the inspiration for this chapter.

## 5 IN THE WORDS OF UK AND NORWEGIAN INTERVIEWEES

The interviewee from the United Kingdom we have named Joseph (UK 02 M 1950) said that in his youth there were jobs about, but not necessarily those of one's choice. As a working-class young man, he said that thoughts of pursuing a professional career, as he did later in life, 'were a million miles away'. The quality of available advice was also called into question by a Norwegian interviewee in the same cohort: Paulus (NO 06 M 1950) reported an unstable work history, referring to early exam failure and his lack of awareness at the time that he could have accessed higher education through a prior-learning scheme. Another older Norwegian interviewee, Elin (NO 13 F 1950), described her drift into marriage and motherhood in her mid-20s and life-scarring decisions that she had made. When trying to find work later, Elin's only support had come from the employment service, where she encountered various caseworkers, some of whom were ill-informed about or unaware of major measures such as subsidized jobs. She recalled a positive experience with a caseworker who was 'into seeing people as a resource and not a problem, she had just finished her education, really energetic and nice, and she asked me questions to really get to know me, we really clicked'. Summing up, Elin stressed that the most important factor in gaining good employment was having a career plan as a young adult. Elin's experience was echoed by Tina from the oldest UK cohort (UK 04 F 1950), who expressed frustration at protracted routes into meaningful work. Tina's experience led her to assert that careers advice was the most important element in supporting young people's transitions:

If I had the opportunity now in this country, I would teach career lessons in schools, because I think it's so important to give kids that focus of like, 'What do you want to do? Let's look at it now, not when you're 25 or 30.'

Those in the oldest cohort were also aware of later CEIAG services, in some cases through their children. Mo (UK 01 F 1950) contrasted her son's experience to her own:

Careers advice I think is huge because my son would never have got the job he has got now and qualified, because he is dyslexic. He would never have become a carpenter/joiner [without] the career adviser. I think careers advice is huge. I would probably have gone into nursing, because somebody along that line would have given me the confidence to do it.

The middle cohort of interviewees – born in the 1970s – does not reflect any particular improvement in CEIAG services. There were several comments in the UK group about the rise in unemployment at the time and migration to London or other big cities in the hope of finding work that did not exist. Jade (UK 10 F 1970) described feeling lost:

I had a lot of little jobs – literally from credit control to a flower shop to an engineering company. I was just tumbling into different jobs. . . I think counselling in schools would be amazing, because kids are lost sometimes. . . I haven't got a career. I built up that legal secretary side, but it's done me no favours really. I'm still floating around.

A Norwegian interviewee in this cohort, Rigmor (NO 15 F 1970), described dropping out of school and later joining a job club which referred her to a course where she could finish her school-leaving diploma: 'It was a really intensive six months with learning directed towards the final exam. It was a really good measure! I just wish it had come a couple of years earlier for me.' Rigmor recounted how she had asked the employment service for advice on what were her best choices, but that there was no advice available. As jobs got fewer, she felt that her broken work record was a problem: 'It matters, of course, because when there's a lot to choose from, you don't choose the one with holes in her CV.' Rigmor expressed sympathy with the overworked caseworkers at the local labour and welfare office, who were doing their best trying to accommodate the needs of everyone from all walks of life. However, she also firmly stressed that the help given to her had been inadequate. Another Norwegian interviewee in this cohort, Kristina (NO 18 F 1970), was less generous in describing the employment office, saying:

... they just sit there, managing people and hosting classes. They don't help people into employment. That's my experience anyway.

Even interviewees in the youngest cohort – born in the 1990s – said that they had experienced inadequate career guidance. Anne (NO 08 F 1990), a Norwegian interviewee who was still trying to find her niche, described discouragement from parents and the school counsellor, who had said that pursuing her interest in mechanics would be gender inappropriate, so she was directed into health and social care. In the United Kingdom's youngest cohort there was some experience of a now defunct service (see Section 7 on CEIAG policy in the United Kingdom), where young people could go for advice and guidance. Sadiqi (UK 22 M 1990) demonstrated this when he recounted:

I went to the Connexions a few times and the Citizens Advice Bureau to ask what stuff to do. Because that was the only place that I knew of.

There were comments in the youngest cohort about the problem of jobseeking with no work experience. Jarle (NO 19 M 1990), a Norwegian interviewee, said that:

Experience should be more available, you need experience to get a job, it's a vicious circle, those without experience don't get a job.

He had not been able to get any help from public agencies, but he managed to find fixed-term positions on his own. Kylie (UK 23 F 1990), a UK interviewee, complained of having little support because she had rejected the academic route, despite gaining four A-levels (ISCED level 3). The only advice Kylie claims to have been given was to apply to university, but she did not want a career in the subjects that she had studied. She now felt that having a degree had become a 'staple in a job', regardless of the subject, and found the subsequent six months of unemployment after school to be demoralizing and depressing. Kylie also emphasized the need for work-ready skills: 'without any (employability) skills as well, trying to find a job was quite hard'. It is evident that the young jobseekers we interviewed wanted better CEIAG from public agencies. For instance, UK interviewee Josh (UK 25 M 1990) repeated several times that he felt unsupported in trying to increase his employability. When asked how public policy should change, his message to government was, 'just give a bit more effort in helping people'.

Across ages in both countries, interviewees with physical and mental illness or disability appeared to receive little helpful intervention, although this was not always the case. Lulu (UK 28 F 1990) suffered mental health problems and between the ages of 20 and 23 was supported by a personal careers adviser. She stated that she could not have progressed without the



adviser, who helped her into voluntary work and also with welfare and benefit claims. Amongst the Norwegian interviewees there were several individuals with physical or mental disability issues, and some of them recount stories similar to Marit's (NO 10 F 1990). She described her experience on an apprenticeship that was not monitored by the employer or her school and from which she was sacked because she could not cope. She recalled:

And I was worried, what do I do now, out of school, out in working life on my own? What do I do?

Others reported inadequate support, starting at school. A Norwegian interviewee in the middle cohort, Nidar (NO 16 M 1970), said that his dyslexia had not been diagnosed until much later in life. He said that his teachers called him 'stupid' and that he was advised to take a vocational route. Another Norwegian interviewee, Martin (NO 09 M 1990), described different job training offered to him by the employment service, coaches and caseworkers, but felt that there was little available to match him to a job at his mental capability level. He said: 'I had to tell my story over and over without it making any difference'. For him, the system of different departments and services not working well together had added to his troubles. The need for coordinated services was echoed by Mai (NO 07 F 1950), who called on doctors and therapists for support, and by Astrid (NO 04 F 1990), who needed rehabilitation services to intervene with the school and employment services to explain her challenges.

CEIAG is not a stand-alone magic bullet but part of the policy complex that should be in place to help young people avoid unemployment and precarious working. We now consider what good CEIAG policy and practice might look like.

## 6 GOOD PRACTICE IN CEIAG SERVICES

CEIAG policy is sometimes characterized by disjuncture between all-age career services and those that are more focused on young people in transition from school to adult working lives. Another distinction is made between career education and advice and guidance services that take a more proactive, nurturing approach to the individual. Key factors for effective delivery have been identified (Bakke et al., 2017; Holman, 2014; Hughes, 2017) as competent stakeholder partnerships in an overarching strategy that provides clear accountabilities and generates policy ownership and consistency of provision monitored to meet quality standards

(McQuaid, 2010). In addition, the need for qualified careers staff and training for leaders and other staff is acknowledged. Moreover, it has been recommended that these services should be considered within the broader context of careers education and the wider school curriculum (McCrone et al., 2010: 31–2). Acknowledging the psychological pressure of leaving school and moving to a more adult phase of life, Hughes and Borbély-Pecze (2012: 12) call for effective preparation – accessible to all young people – for successful working. They write that ‘perceived abandonment’ should be ameliorated by visible and accessible career services, which should also meet the needs of sub-groups, comprised of those facing particular disadvantage. The challenge is to have an inclusive CEIAG service that also caters adequately for young people who require individualized support.

The search for good CEIAG practice is being carried out worldwide. The Gatsby Foundation, a UK-based charity focused on economic development, produced an international study of good career guidance practice involving a comprehensive literature review and visits to Canada, Finland, Germany, Hong Kong, the Netherlands and Ireland (Holman, 2014). The report identified positive features in national case studies, highlighting the effective and stable CEIAG services in Finland. Eight benchmarks of good practice were developed from the evidence (Holman, 2014: 7):

- Embedded, stable careers programme;
- Learning from career and labour market information (supported by informed advisers);
- Addressing the needs of every student at different stages (equality and diversity mindfulness throughout);
- Linking curriculum learning to career options;
- Encounters with employers and employees;
- Encounters with colleges and universities;
- Experience of workplaces;
- Personal, face-to-face guidance to meet individual needs (school staff member or external adviser trained to appropriate level).

These benchmarks are promoted by the United Kingdom’s Career Management Quality Alliance (consisting of four major interest groups) in their policy strategy to deliver career management and employability skills and personal guidance. The Alliance also calls for a statutory framework; national and local leadership; coordinated partnership; staff professionalism; sufficient resources; and CEIAG policy stability (Career Management Quality Alliance, 2017). The importance of CEIAG, enshrined in law and reflected in resource commitment, national and local governance, and the quality of career practitioners, emerges as a common theme in good

practice evaluation. In a report focused on career guidance reforms in Norway, Bakke et al. (2017: 9) identify what the success factors in reform will be:

- Policy: National skills strategies form the basis for regional strategies and implementation of coordinated plans in local practical collaboration, of which career services are an integral part. Resources and funding are realistic.
- Content and type of services: Framework, standards of quality and of staff competencies are agreed on nationally and regionally and followed up in all sectors.
- Delivery methods: Access to a diversity of career services being unrolled within the framework and missions of the sectors, together meeting the OECD definition of career guidance (OECD, 2004). Increased development of ICT-based career services will increase the access and utilization of career services for the majority of citizens. In the Norwegian labour and welfare administration (NAV) automating processes project, conversion of ICT support and communication channels will simplify the system of following up users, enabling dynamic guidance with enhanced user involvement.

It is envisaged that online services will increase user involvement and facilitate follow-up of individuals. The concept of user involvement is championed by Hughes and Borbély-Pecze (2012: 10), who suggest that users should help shape services through quality and impact feedback, arguing that there is an ‘urgent imperative’ to provide effective CEIAG quality assurance systems and accountability frameworks.

There are warnings about reliance on digital technologies in CEIAG services, which is a growing feature of good practice advice. Hooley et al. (2010, 2015: 65) provide 14 country case studies, concluding that the penetration of web and mobile technologies is very high in England, although there are ‘continuing issues with both digital exclusion and low levels of digital literacy amongst some elements of the population’. Polarization is recognized between online service advocates and those who argue for face-to-face services. Hooley et al. promote a ‘blended’ approach in which face-to-face and digital services are brought together in an integrated strategy (Hooley et al., 2015: 40) – an approach reflected in Norwegian CEIAG ambitions. CEIAG policies have been in place for many decades in the United Kingdom, with varying approaches and mixed results. This history provides lessons that might be learned by Norway in their policy reform efforts, which might in turn influence English CEIAG services.

## 7 CEIAG POLICY IN THE UNITED KINGDOM

The devolved nations of the United Kingdom are responsible for their own career guidance strategies, so we focus on CEIAG services in England, where the qualitative interviews in the NEGOTIATE project took place. Rachel Mulvey (2006: 14) provides a history of career guidance in England, beginning with statutory requirements in 1902 aimed at guiding young people into employment. In 1948 a Youth Employment Service was established that developed into a Careers Service, which in 1973 mandated a partnership model in which schools, colleges and local authorities were to provide youth career guidance. The CEIAG partnership model, praised by the OECD (2004), went into decline in the 1990s (Hooley et al., 2014). In 1993, privatization of statutory CEIAG provision was announced and the ‘discipline of the market’ was applied (Mulvey, 2006: 15–16).

After the 1997 general election, the incoming Labour government reorganized CEIAG services, placing greater emphasis on disadvantaged young people, particularly those in danger of becoming NEET. Following a report by the Social Exclusion Unit (1999), the Connexions service was established to provide ‘[i]nformation, advice, support and guidance services, including outreach facilities, to connect and reconnect young people with learning’ (Ashworth et al., 2001: 2). Multi-disciplinary Connexions partnerships and the personal adviser role were introduced in 2001, with a broad remit to provide advice to all young people aged between 13 and 19 (Dobson et al., 2003: 88). The balance in career guidance was said to have changed as those who had traditionally been under-supported and those who were most likely to drop out became the focus of provision (Coldwell et al., 2005: 1). Connexions partnerships were part of the strategy of advice and guidance to young people, which required major restructuring (Department for Education and Skills, 2003).

Maguire and Maguire (2004: iv) noted that ‘the ability of Connexions Services to provide the required level of support will clearly be dependent on their having adequate resources, notably in terms of sufficient Personal Advisers’. The National Audit Office (2004: 25) estimated that 15 500 personal advisers would be required, although four years into the service only 7722 were in post. Government rhetoric on the importance of CEIAG’s vital role had not averted ‘a distinct lack of cohesion and consistency of approach’ (Higginbotham and Hughes, 2006: 1). Since 2010, Connexions services have disappeared and the responsibility for CEIAG for young people has been delegated to schools, supported by a National Careers Service (primarily online) and a Careers and Enterprise Company.

Evaluation of current CEIAG policy in England has been highly critical. The inspectorate Ofsted found that only one in five schools was

fulfilling schools' career guidance statutory duties (Ofsted, 2013). A parliamentary committee stated that it was 'very disappointed that careers advice and guidance is still so poor in so many schools' (Sub-Committee on Education, Skills and the Economy, 2016a: 29). This committee recommended, amongst other things, that 'the unruly and complex web of organisations, providers and websites' be untangled. Government rejection of the report (Sub-Committee on Education, Skills and the Economy, 2016b) drew a reaction from the committee expressing regret that the government was 'burying its head in the sand' about the poor quality of career guidance (UK Parliament, 2016). In February 2017 the UK government updated its guidance to schools in England on their statutory duty to provide career guidance (Department for Education, 2017). This 'statutory guidance' is a charter for good CEIAG practice, without any indication of how schools might resource or manage it, leaving a gaping hole between rhetoric and reality. We now consider CEIAG in Norway before discussing the lessons that the country can learn from England's chequered policy history.

## 8 CEIAG POLICY IN NORWAY

CEIAG services in Norway have been based on both education and the labour market, with advice and guidance counselling provided in schools, colleges and universities as well as in regional career centres and local employment centres. Focused on vocational guidance, as enshrined in the 1947 Employment Act, partnerships between guidance counsellors at school and vocational counsellors in the employment service were stable until the 1980s, whereas there have been various policy changes in the guidance role of the latter since then. The 1998 Education Act requires CEIAG in schools, which is described as a gradual and long-term process with individual rights to career, personal and emotional support.

By 2002 the OECD was describing Norway's guidance policy as unclearly articulated with no coherent strategy (OECD, 2002: 5). It noted that 'apparent growth of pupils' personal and social problems' impacted on guidance services, subsequently leading to a trial split between career guidance and personal counselling (OECD, 2002: 13). Local follow-up services, which provided a safety net for early school leavers (aged 16–21), had been introduced in 1994 with a focus on those in the NEET group. According to NEGOTIATE research, this policy has been reviewed and updated several times, reducing the number of young people who were out of reach from 23 per cent in 2010 to 5 per cent in 2014–15 thanks to more active use of the local NAV offices, school counsellors and youth outreach

teams. Despite this progress, it has been suggested that there is great variation in the levels of support on offer and that cooperation between different services is still inadequate (NEGOTIATE, 2017: 26–7).

New challenges have increased the focus on career guidance and its integral relationship with the skills agenda and the labour market. In 2008 state-funded regional stakeholder partnerships were established in the 19 counties of Norway, mostly with career centres (Euroguidance, 2014). The Norwegian economy is facing change in the short term because of lower oil prices and in the longer term as oil stocks deplete and a greener economy is required. The labour market is also transforming as a result of technological change, and there is a need for new skills that require a review of education in order to maintain its relevance to employability. There are also projected skill shortages in areas such as nursing, care work, and technical and scientific fields, which ‘will require renewed efforts to better inform students’ educational choices and provide appropriate incentives’ (OECD, 2014: 2).

Norway has embarked on a number of initiatives to improve CEIAG. The adequacy of professional practice in career guidance in meeting new challenges has received attention. This has been particularly evident in services to pupils with migrant backgrounds (see, e.g., Spernes 2014, who found that young people from migrant families reported little or no career guidance). Since 2014 training courses for employment service staff, delivered in the Norwegian NAV system and university colleges, have been developed with the aim of strengthening staff competences in work-directed guidance. In higher education, where there is a tradition of autonomy, the government has provided targeted funding for a new master’s programme, ‘thus indicating the importance of upskilling of career guidance practitioners in Norway’ (Bakke et al., 2017: 10). The National Unit for Lifelong Guidance in Skills Norway was invited to contribute to the programme’s development phase, and dialogue with stakeholders has followed. A module on career guidance is also being added to a new Master’s degree in teacher education.

Developments in career guidance education and training are running in parallel with a National Skills Policy Strategy agreed by five government ministries in February 2017, and trials of interministerial coordination have begun. A 2016 White Paper described measures aimed at increasing access and reducing obstacles to career guidance, such as limited options for transitions between general education and vocational education and training. These include a new compulsory programme in career development in secondary schools (‘Educational Choice’), which includes elements of career learning and career management skills; career centres in almost every county in Norway; and access to free professional career

services. The plan is to strengthen contact between career practitioners and labour market sectors, with collaboration on staff training and partnerships between central stakeholders in every county. There is a focus on cross-sectoral cooperation and coordination about groups at risk at a political and administrative level, especially young people and refugees (Bakke et al., 2017: 5–7).

Norwegian government and academic advisers interviewed by the NEGOTIATE team identified further progress that needs to be made: strengthening cooperation between career guidance stakeholders; widening access to services in schools and higher education; and the professional development of career guidance practitioners and teachers involved in career learning programmes. Bakke et al. (2017: 7–8) have identified the need for higher-quality advice with better trained staff and further development of ICT-based guidance services. They argue that Norway's labour and welfare administration system needs restructuring so as to provide stronger local assessments and evidence-based improvements, as well as individualized services, adapted follow-up methodology and labour market schemes such as 'Place then Train'. Simplification of the ICT-based guidance tools and enhanced user involvement are planned so as to enable more dynamic guidance, putting the user in the 'driver's seat'. Hooley et al. (2015: 3) believe that 'the relative newness of career guidance in Norway combined with strong political support for the activity offers the country an exciting opportunity to build a world class system'.

## 9 DISCUSSION

In the NEGOTIATE research discussed here, the UK interviewees reported experiences of unemployment, temporary contracts, agency work, zero-hours contracts and low-quality jobs in their early working life, with little support from outside agencies. In the Norwegian findings, a deficit was reported in appropriate help from Norwegian NAV offices; personalized strategies and planning; and education or career supervision from parents and teachers (NEGOTIATE, 2017). A lack of help and support emerged as a common theme, whether it was described as careers advice, counselling, mentoring or coaching. There was little enthusiasm for the support provided by the employment service in either country. NEGOTIATE interviewees reflect the variability of experience of education, employment or career guidance services in providing support to young people en route to employment. Views were expressed that a poor and uncertain entry into a competitive job market may cause lifetime scarring.

CEIAG policy instability is said to have begun in the United Kingdom in the 1990s with the privatization of the service and little subsequent evaluation, leading Tony Watts (1996: 389) to conclude that ‘the notion that the public interest in guidance as a market-maker could be adequately delivered by the market in guidance began to look seriously flawed’. According to Watts (2008), the Connexions companies contributed to the decline of the partnership model of CEIAG delivery. The creation of Connexions partnerships was said to lead to confusion about what was on offer, to whom and for what reason (Mulvey, 2006: 19). Nonetheless, several of our interviewees reported positively on the service, which never received adequate resources or more than half the required number of personal advisers. The balance between universal and targeted guidance for young people was said to stretch resources, and several studies found that advice and guidance for those not in the direst need was patchy, if not non-existent (Grove and Giraud-Saunders, 2003; Hoggarth and Smith, 2004). Funding for services was drawn from multiple sources and was unstable, while there was concern about standardization and quality.

Career guidance in schools and colleges was also patchy, while the service had unprotected status and was vulnerable to neglect (Mulvey, 2006: 17). This period also saw the number of career staff in the profession decline. The question of inadequate knowledge amongst guidance advisers in education or employment services thus arises, and the importance of training and continuous professional development that keeps pace with economic and labour market change is widely recognized (Hughes and Borbély-Pecze, 2012: 9). Interviewees questioned the quality of apprenticeships and whether these were adequately monitored. This has been an issue in both countries, although a comparison of policies concluded that the future looked brighter for Norway than for the United Kingdom (Payne, 2002). There is also evidence in our findings of gender segregation and stereotyping in job choices, which good careers advice and access to role models in gender-biased industries might help tackle (CIPD, 2015: 16).

Interviewees lamented a lack of meaningful work experience and job-readiness, while some young people with higher qualifications said that they suffered from the presumption that they would go to university. Participation in higher education has risen sharply but is not necessarily a passport into well-paid, stable employment. The Chartered Institute of Personnel and Development, reporting on overqualification and skills mismatch in Europe, shows that expansion of higher education has been greater in the United Kingdom (43 per cent) and Norway (42 per cent) than in Europe as a whole (average 38 per cent; CIPD, 2015: 2). It reports that in 2010, 32 per cent of graduates were in non-graduate jobs in



Norway, compared to 58.8 per cent in the United Kingdom (CIPD, 2015: 14). These figures beg the question as to whether or not the knowledge economy is providing the anticipated job opportunities for well-qualified youth.

Of young people surveyed in the United Kingdom, only 14 per cent had based their job choice on careers advice, while responses on future job choice suggested a narrow field of jobs, a big gap between aspiration and reality, and little understanding of the labour market and progress routes (CIPD, 2015: 8–9). In another survey more than 3000 14–19-year-olds revealed career aspirations that were reportedly unrealistic in the UK jobs market. The majority of respondents (68 per cent) planned to go to university, regardless of the limited supply of graduate jobs, and also had little idea of employer expectations (City & Guilds, 2015: 100). It is likely that the drive to attend university often results from school, parent and peer pressure in the absence of viable alternatives of equal status and is pursued as an experience unrelated to employment prospects. It is also the case that with high rates of graduate entrants to the labour market some employers may now view a degree as a basic standard of education, regardless of the subject studied. This leads us to suggest that in the name of inclusivity, CEIAG should support young people at all qualification levels, providing the best labour market advice available.

We have highlighted the importance of CEIAG services to young people in transition from school to education or employment, identified good practice factors, and related these to policy in England and Norway. While Norway is found to have a better apprenticeship system than England and superior utilization of graduates in the labour market (CIPD, 2015; Payne, 2002), their new CEIAG policy initiatives indicate an awareness of room for improvement in a changing economic landscape. We advise awareness of the English experience and of the difference between identifying the necessary elements of an effective CEIAG policy and providing the infrastructure and resources to deliver it. Barriers that prevent successful implementation are now considered.

## 10 BARRIERS TO EFFECTIVE CEIAG POLICIES

An understanding of what good CEIAG services look like seems to be shared across Europe and internationally, so now we consider the barriers to their implementation in national policies. Bakke et al. (2017: 9), after describing Norway's commitment to improved CEIAG services, identify the following possible barriers:

- Changes in political priorities in different sectors, impeding the implementation of agreed goals;
- Intersectoral coordination between sector-based missions, means and regulations may be extremely demanding;
- Discrepancy between expected actions according to agreed goals and necessary funding and capacity;
- Colliding regulations between sectors, complicating the enabling of changes and solutions; and
- Lack of political engagement and willingness to increase funding of guidance services.

These barriers are familiar in UK CEIAG services and stand as a lesson for Norwegian policymakers. Of the eight good-practice benchmarks developed in England (Holman, 2014: 7), the first – an embedded stable careers programme – remains elusive. Neoliberal policies, encompassing privatization, arms-length agencies, delegation and deregulation were introduced in the 1980s and have been supported ever since, throwing many public services into a long-term state of flux. The impact on CEIAG services and staff has been described by Deirdre Hughes: ‘The career development profession has largely been left on the periphery of the careers experiment. . . There are tensions yet to be resolved when it comes to a quasi-market experiment in careers work and the role of government’ (Hughes, 2017: 1).

The need to establish a horizontal cross-departmental agenda, local partnerships and vertical multi-level governance to improve CEIAG policy faces entrenched obstacles, not least the historic distinctions between education and training and vocational and academic routes. CEIAG does not fit into one public policy silo in that it is relevant right across education, employment, health and welfare services. It also remains a candidate for chopping and changing, without the necessary public awareness and support to protect it. The Careers Alliance, a pressure group of CEIAG-friendly social partners, learning providers and other organizations, recommended the adoption of a protocol for interdepartmental collaboration on careers to avoid the present situation where three ministries and other public bodies are ‘funding overlapping initiatives and yet still leave gaps in provision’ (Herrmann and Hooley, 2015: 3).

Political commitment and resource allocation have failed to keep pace with the growing needs of individuals and the economy for professional CEIAG services. Government guidance to schools (Department for Education, 2017) reflects a sound policy that remains a challenge to implement. That 22 000 self-governing schools in England will be able to develop a robust CEIAG strategy in line with rigorous guidance with no

dedicated budget at a time of funding cuts, is doubtful. At national level, the now defunct employer-driven UK Commission for Employment and Skills produced more than 100 reports of research and studies, including some on career choice and providing career development and support through websites and new technologies. There are also the Careers and Enterprise Company, the National Careers Service for England and the Careers Development Institute providing online information, networking encouragement and training advice for career professionals. These organizations are unlikely to fill the gap left by an absence of advice and guidance at local level.

There are vocal advocates for a change in CEIAG policy in England. At European level, governments are challenged to: give higher priority to CEIAG; resource it sufficiently; create an education, careers and business knowledge triangle; embed career management skills; foster cooperation and collaboration across government departments; invest in good jobs, apprenticeships and work-related experiential learning; and transfer effective policies across European states (Hughes and Borbély-Pecze, 2012: 16). Before the United Kingdom's 2015 general election, the Careers Alliance presented a policy statement to political parties and the electorate, asserting that 'governments of all colours have failed to deliver an effective career support system for England' and identifying key elements for policy including a national strategy that connects activity in different ministerial departments and clarifies individual entitlement to career support and expected outcomes. The statement suggests that 'careers has suffered from a plethora of initiatives and too little strategy' (Herrmann and Hooley, 2015: 1–2).

## 11 CONCLUSION

We have made a case for improved CEIAG services in an effort to provide sufficient support for young people facing transition to employment and possible job insecurity. NEGOTIATE research findings have been cited that conclude that it is crucial for countries to build up their institutions to support young people, provide personal guidance, coordinate across national and local levels, and provide the necessary resources (NEGOTIATE, 2017).

The voices of interviewees have been used to illustrate perceived shortcomings in current systems, as well as some positive experiences. They provide examples of employment scarring from early decisions and broken work records; ill-informed advice and gender stereotyping; inadequate provision for those with physical and mental disability; the

importance of work experience and gaining employability skills; the need for monitored, quality apprenticeships; CEIAG services for all young people regardless of their level of qualification; and the need to coordinate agencies in a personalized service.

They have also demonstrated the benefits that come when caseworkers are able to provide individualized support and to communicate well with the users, as in the case of Norway's Elin and the United Kingdom's Lulu. Good CEIAG policy and practice have been discussed, as have barriers that CEIAG policy is likely to face. As Norway continues its efforts to improve CEIAG services, we suggest that it be mindful of 20 years of failure in England to establish a stable, visible and embedded guidance system for young people entering the labour market. English policy on CEIAG services demonstrates a knowledge of what is required that is not matched by action.

General acknowledgement of an economic or social need may create a political imperative to develop policy that is not accompanied by the necessary resources, infrastructure or commitment for effective implementation. There is widespread recognition of the necessary conditions to deliver good CEIAG practice: cross-sector and partnership working; clear roles and accountability; consistency and stability; monitoring and quality assurance; with adequate resources including the supply of well-qualified career guidance professionals, who are experts on the labour market and routes into it. The service should be accessible to all, but personalized and targeted, using digital technologies blended with face-to-face advice and user involvement. Among the barriers that are faced in achieving effective CEIAG services, political commitment and adequate resourcing loom large.

We have considered the chequered history of CEIAG services in England once the Careers Service based on partnership was replaced by an unmonitored market system, patchy provision and a poorly managed and resourced Connexions service. The expectations now placed on education providers to deliver robust CEIAG services in partnership with employment advisers and employers can only continue to be disappointed given ongoing funding cuts and voluntarism.

At this critical time for Norwegian CEIAG services, the government would do well to learn lessons on how to avoid setting up services for failure. On the role of digitally driven career guidance, for example, Hooley et al. (2015: 52) suggest that 'Norway currently has the opportunity to address these issues in a more strategic way than many of the countries discussed in the case studies.' It can avoid an unruly and complex web of mixed provision and frequent changes in objectives and structures and understand that significant political commitment is necessary to ensure embedded, cross-sectoral, multi-level partnership service delivery.

It is also important to remember that CEIAG, though important, is only one component of support to young people in transition from secondary education. Advisers cannot direct users to meaningful work experience and quality trainee, intern or apprenticeship programmes if they do not exist. It is a significant challenge to put in place effective transition systems, but the need to do so is growing ever greater. Consideration of UK and Norwegian CEIAG policy leads to the conclusion that mutual learning could take place if Norway learns from the United Kingdom's mistakes and establishes a world-class service, which could in turn inspire England to move its policy from rhetoric to reality.

## REFERENCES

- Ashworth K, Hardman J, Liu W, Maguire S and Middleton S (2001) *Education maintenance allowance: The first year; a quantitative evaluation*. Research Report no. 257 for the Department for Education and Skills. Nottingham, UK: DfES Publications.
- Bakke GE, Nilsen AK, Tesdal S, Kjærgård R and Haug EH (2017) *ICCDPP country paper: Norway*. [http://iccdpp2017.org/download/Country\\_paper\\_Norway\\_ENG.pdf](http://iccdpp2017.org/download/Country_paper_Norway_ENG.pdf) (accessed 29 November 2017).
- Borbély-Pecze TB and Hutchinson J (2013) *The youth guarantee and lifelong guidance*. ELGPN Concept Note no. 4. [http://www.elgpn.eu/publications/browse-by-language/english/Borbely-Pecze\\_and\\_Hutchinson\\_Youth\\_Guarantee\\_concept\\_note\\_web2.pdf/at\\_download/file](http://www.elgpn.eu/publications/browse-by-language/english/Borbely-Pecze_and_Hutchinson_Youth_Guarantee_concept_note_web2.pdf/at_download/file) (accessed 10 June 2017).
- Bridge Group (2011) *Social Mobility Through Higher Education*. London, UK: Bridge Group.
- Career Management Quality Alliance (2017) *A careers strategy that works for everyone: Position statement*. <http://matrixstandard.com/wp-content/uploads/2017/08/CMQA-Position-Statement-August-2017.pdf> (accessed 7 December 2017).
- CIPD (2015) *Over-qualification and skills mismatch in the graduate labour market*. CIPD Policy Report. London, UK: Chartered Institute of Personnel and Development.
- City & Guilds (2015) *Great Expectations: Teenagers' Career Aspirations Versus the Reality of the UK Jobs Market*. London, UK: City and Guilds of London Institute.
- Coldwell M, Trickey S, Holland MR and Smith P (2005) *Bridging the gap? The role of transition advisers in the move from compulsory education*. <http://shura.shu.ac.uk/172/1/fulltext.pdf> (accessed 4 December 2017).
- Department for Education (2017) *Career guidance and inspiration in schools: Statutory guidance for governing bodies, school leaders and school staff*. London, UK: DfE.
- Department for Education and Skills (2003) *Information, advice and guidance for adults; the national policy framework and action plan*. London, UK: DfES.
- Dobson B, Hardman J, Maguire S, Middleton S, Allen T, Graham J, Hill E, Woodfield C and Maguire M (2003) *Education maintenance allowance pilots for vulnerable young people and childcare pilots: Implementation and reported impacts*

- in the first two years (2000–2001/2001–2002). Department for Education and Skills Research Report no. 470. Nottingham, UK: DfES Publications.
- Drucker, P (1969) *The Age of Discontinuity; Guidelines to our Changing Society*. New York: Harper and Row.
- ELGPN (2015) *A report on the work of the ELGPN 2007–15*. [www.elgpn.eu/publications/browse-by-language/english/elgpn-summative-report-2007–2015/](http://www.elgpn.eu/publications/browse-by-language/english/elgpn-summative-report-2007–2015/) (accessed 20 June 2017).
- ELGPN (2017) European Lifelong Guidance Policy Network website. <http://www.elgpn.eu/about-us> (accessed 12 December 2017).
- Euroguidance (2014) *Guidance systems in Norway*. [www.euroguidance-in-Europe/national-guidance-systems/guidance](http://www.euroguidance-in-Europe/national-guidance-systems/guidance) (accessed 1 September 2017).
- Grove B and Giraud-Saunders A (2003) Connecting with Connexions: The role of the personal adviser with young people with special educational and support needs. *Support for Learning* 18(1): 12–17.
- Herrmann K and Hooley T (2015) *Developing a world class career guidance system: A pre-election statement by the Careers Alliance*. <https://www.unionlearn.org.uk/. . ./developing-world-class-career-guidance-system> (accessed 10 September 2017).
- Higginbotham S and Hughes D (2006) *The future of professional career guidance: where next?* CeGs Occasional Paper. Derby, UK: Centre for Guidance Studies.
- Hoggarth L and Smith D (2004) *Understanding the impact of Connexions on young people at risk*. Department for Education and Skills Research Report no. 607. Nottingham, UK: DfES Publications.
- Holman J (2014) *Good career guidance*. Report for the Gatsby Charitable Foundation. [www.gatsby.org.uk/uploads/education/reports/pdf/gatsby-sir-john-holman-good-career-guidance-2014.pdf](http://www.gatsby.org.uk/uploads/education/reports/pdf/gatsby-sir-john-holman-good-career-guidance-2014.pdf) (accessed 9 May 2017).
- Hooley T, Hutchinson J and Watts AG (2010) *Enhancing choice? The role of technology in the career support market*. UKCES Report. London, UK: UK Commission for Employment and Skills.
- Hooley T, Matheson J and Watts AG (2014) *Advancing ambitions: The role of career guidance in supporting social mobility*. London, UK: Sutton Trust.
- Hooley T, Shepherd C and Dodd V (2015) *Get yourself connected: Conceptualising the role of digital technologies in Norwegian career guidance*. <http://hdl.handle.net/10545/579570> (accessed 12 December 2017).
- Hughes D (2017) Careers work in England's schools: Politics, practices and prospects. *British Journal of Guidance and Counselling*. Epub ahead of print 4 July 2017. DOI: 10.1080/03069885.2017.1346234.
- Hughes D and Borbély-Pecze TB (2012) *Youth unemployment: A crisis in our midst: The role of lifelong guidance policies in addressing labour supply and demand*. ELGPN Concept Note no. 2. [http://www.elgpn.eu/publications/browse-by-language/english/elgpn\\_concept\\_note2\\_youth\\_unemployment](http://www.elgpn.eu/publications/browse-by-language/english/elgpn_concept_note2_youth_unemployment) (accessed 10 June 2017).
- Hughes S (2011) *The Hughes Report*. Report to the Prime Minister and the Deputy Prime Minister from the Advocate for Access to Education. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/61218/education-advocate-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/61218/education-advocate-report.pdf) (accessed 7 June 2018).
- ICCDPP (2017) *Norway: developing a lifelong guidance system*. <http://iccdpp.org/portfolio/norway-developing-a-lifelong-guidance-system/> (accessed 29 November 2017).
- Maguire S and Maguire M (2004) *Implementation of the education maintenance allowance pilots: The fourth year*. Department for Education and Skills Research Report no. 540. Nottingham, UK: DfES.

- McCrone T, Gardiner C, Southcott C and Featherstone G (2010) *Information, advice and guidance for young people*. NFER Research Report. Slough, UK: National Foundation for Education Research.
- McQuaid RW (2010) Theory of organizational partnerships – partnership advantages, disadvantages and success factors. In: Osborne SP (ed.) *The New Public Governance: Critical Perspectives and Future Directions*. Abingdon, UK: Routledge, pp. 125–46.
- Mulvey MR (2006) Career guidance in England: Retrospect and prospect. *British Journal of Guidance and Counselling* 34(1): 13–30.
- National Audit Office (2004) *Connexions service advice and guidance for all young people*. Report by the Comptroller and Auditor General. HC 484 (Session 2003–2004). London, UK: The Stationery Office.
- NEGOTIATE (2017) *Co-ordination of European strategies to tackle early job insecurity and youth unemployment: Lessons from a comparative study*. NEGOTIATE Policy Brief no. 7. [https://negotiate-research.eu/files/2017/09/NEGOTIATE\\_POLICY\\_BRIEF\\_NO7\\_08\\_17.pdf](https://negotiate-research.eu/files/2017/09/NEGOTIATE_POLICY_BRIEF_NO7_08_17.pdf) (accessed 8 December 2017).
- OECD (2002) *OECD Review of Career Guidance Policies: Norway Country Note*. <http://www.oecd.org/edu/innovation-education/1937973.pdf> (accessed 14 December 2017).
- OECD (2004) *Careers Guidance and Public Policy: Bridging the Gap*. Paris: OECD.
- OECD (2014) *Skills Strategy: Norway. Executive Summary*. Paris: OECD.
- Ofsted (2013) *Going in the right direction? Careers guidance in schools*. School Survey Report no. 130114. Manchester, UK: Ofsted.
- Oomen A and Plant P (2014) *Early school leaving and lifelong guidance*. ELGPN Concept Note no. 6. [www.elgpn.eu/publications/browse-by-language/english/elgpn-concept-note-no.-6-early-school-leaving-and-lifelong-guidance](http://www.elgpn.eu/publications/browse-by-language/english/elgpn-concept-note-no.-6-early-school-leaving-and-lifelong-guidance) (accessed 10 June 2017).
- Payne J (2002) Reconstructing apprenticeships for the twenty-first century: Lessons from Norway and the UK. *Research Papers in Education* 17(3): 261–92.
- Savickas M (2003) Advancing the career counselling profession: Objectives and strategies for the next decade. *Career Development Quarterly* 52(1): 87–96.
- Social Exclusion Unit (1999) *Bridging the gap: New opportunities for 16–18 year olds not in education, employment or training*. Report no. 4405. London, UK: The Stationery Office.
- Social Mobility and Child Poverty Commission (2013) *State of the Nation 2013: Social Mobility and Child Poverty in Great Britain*. London, UK: The Stationery Office.
- Spernes K (2014) Skolens betydning for den lave andelen av ungdom med innvanderbakgrunn i lærerutdanningen [The importance of school for the low share of youth with an immigrant background in teacher training]. *Tidsskrift for ungdomsforskning* 14(2): 3–27.
- Sub-Committee on Education, Skills and the Economy (2016a) *Careers education, information and guidance*. Report HC 205. London, UK: The Stationery Office.
- Sub-Committee on Education, Skills and the Economy (2016b) *Careers education, information, advice and guidance. Government response to the first joint report of the business, innovation and skills and education committees of Session 2016–17*. Report HC 757. London, UK: The Stationery Office.
- Sultana RG (2012) *Flexicurity: Implications for lifelong career guidance*. ELGPN Concept Note no. 1. [www.elgpn.eu/publications/browse-by-language/english/Sultana\\_flexicurity\\_concept\\_note\\_web.pdf](http://www.elgpn.eu/publications/browse-by-language/english/Sultana_flexicurity_concept_note_web.pdf) (accessed 10 June 2017).

- UK Parliament (2016) *Government inaction on careers provision failings is unacceptable*. <https://www.parliament.uk/business/committees/committees-a-z/commons-select/education-skills-and-economy/news-parliament-2015/careers-advice-government-response-16-17/> (accessed 12 December 2017).
- Watts AG (1996) Careers guidance and public policy. In: Law B, Killeen J, Kidd JM and Hawthorn R (eds) *Rethinking Careers Education and Guidance*. Abingdon, UK: Routledge, pp. 380–91.
- Watts AG (2008) The partnership model for careers education and guidance: Rise, decline – and fall. *Career Research and Development* 20: 14–18.
- Watts AG and Sultana R (2004) Career guidance policies in 37 countries: Contrasts and common themes. *International Journal for Education and Vocational Guidance* 4: 105–22.



# 11. Conclusion

**Jacqueline O'Reilly, Bjørn Hvinden,  
Mi Ah Schoyen and Christer Hyggen**

---

## 1 INTRODUCTION

In this final chapter we bring together the policy implications of the extensive empirical research presented in this volume. We set out to examine four key concepts: well-being, scarring, resilience and active agency. These concepts were used to understand how scarring effects, well-being and social resilience were evident in the lives of young people trying to find stable employment.

The overarching aim of this project has been to provide a gender-sensitive, comparative understanding of the short- and long-term consequences of early job insecurity. A distinctive feature of the contributions to this volume has been to offer a bottom-up perspective on how young people are able to negotiate and overcome the difficulties created by early job insecurity. In some cases these young people have been able to benefit from various factors that have enabled them to develop 'transformative resilience' in the face of such adversity. In other cases we have evidence of how these negative experiences have deleterious long-term consequences for later life.

The first key issue has been to identify the consequences associated with trajectories that involve a precarious start in the labour market. Second, we have sought to identify the factors that are present when a person ultimately achieves a more stable outcome. Our third objective has been to interpret how these findings can inform policy recommendations for the future. With these aims in mind, we set out in this chapter to present a brief summary of the main findings together with their policy implications. This is intended to complement the analysis conducted in Volume 1, which pays more attention to the policy process itself, to cross-national differences in youth transition regimes, to recent policy initiatives such as the Youth Guarantee, and to the use of European Social Funds and multi-level forms of governance intended to alleviate the problem of youth unemployment.

Here we start by examining the evidence of factors affecting young people's well-being in Europe and how these are related to the recent financial crisis. We then go on to look at scarring effects, before examining the scope for young people's agency to negotiate such situations in times of austerity and the factors that are associated with them being able to make stable transitions. We conclude by summing up the empirical evidence that can be used to inform policymakers with regard to the need to reform existing policy instruments in relation, for example, to the role of advice and guidance, which is so important in helping young people navigate their paths through these difficult times. In addition, by drawing on the work presented in Volume 1, we are able to contextualize individual trajectories that might share similarities across countries and also identify cross-national differences and the specificity of some youth transition regimes and institutions that are meant to help young people.

## 2 WELL-BEING

In Part I of this volume Buttler (Chapter 2 this volume) examines young people's well-being using data from the European Social Survey. He argues that self-reported levels of well-being can provide a reliable proxy for individuals' perceptions of the quality of their own lives. Well-being has also become an important goal of international policymaking and a measure of successful societies. Buttler suggests that the relationship between unemployment and subjective well-being is moderated by active and passive labour market policies, together with forms of employment protection legislation. He is interested in understanding how the concept of 'social resilience' affects 'the transformative capacity. . .to create sets of institutions that foster individual welfare and sustainable societal robustness' in relation to future crises (Dingeldey et al., 2015: 13). He makes the point that it is not only the financial security provided by employment that has a significant effect on an individual's well-being, rather – as Jahoda (1982) argued – employment provides the opportunity for creativity, a structured day, social status and sociability with co-workers. In our life-course interviews respondents repeatedly said that employment provided an opportunity to connect in a more psychologically sustaining way with others, compared to the isolation and stigma associated with being unemployed. The consequences of unemployment, especially in the long term, can be significant scarring effects that are not only financial or affect skill attainment, rather are also psychological and affect one's sense of well-being, or lack of it.

Buttler's analysis focuses on the relationship between employment and well-being. He found, as he had expected, a stronger relationship between

employment and well-being in Nordic and German-speaking countries than in the United Kingdom, Mediterranean countries and Central and Eastern Europe. He argues that the employment–well-being relationship is affected by macro characteristics related to GDP per capita and labour market policy expenditure.

Taking a very different approach based on qualitative life-course interviews, Böhler et al. (Chapter 3 this volume) outline and distinguish between four grand narratives to summarize youth trajectories across all seven EU countries involved in this study. ‘Stumbler’ narratives represent young people who had a difficult start but managed to overcome the obstacles in their paths. ‘Stigmatized’ narratives characterize young people who are discriminated against in terms of factors that they cannot change about themselves, such as ethnicity or disability. The third grand narrative covers those young people who attempted to find work at a time of significant social and economic change and are thus named ‘Great Crisis’ narratives. The examples cited here draw on cases from the recent economic crisis and the difficulties that compound their attempts to access regular employment. The fourth grand narrative discusses those who have had ‘Messy Lives’. These young people have chosen alternative ways of living that contravene established societal norms about appropriate trajectories for young people to integrate into adulthood. Because of these conscious choices, many of these young people have encountered difficulties in achieving stability in later life.

This analysis of four grand narratives is based on an analytical framework that draws on the capabilities approach. The authors propose using seven conversion factors to understand how young people end up in one of these four types of trajectories. These go beyond the criteria established by Sen (2009) and include institutional, societal, familial, economic, cultural, political and personal conversion factors. The authors argue that this more fine-grained distinction between conversion factors enables us to understand how young people navigate situations of adversity. They also identify where young people can draw on resources to enable them to convert this adversity into something that is more constructive and supportive in their own trajectories to adulthood.

This chapter provides an indication of themes that are taken up in relation to the kinds of support mechanisms of which young people can avail. On the one hand, where there is a very clearly structured form of institutional support as indicated by the youth transitions regime perspective, these institutions help enormously. On the other hand, regardless of the societal differences, one of the most important aspects is the relationship young people have with their families and wider social networks. In some cases this relationship can be a ‘lifesaver’ – when the consequences of risky

choices result in isolation or detachment. However, it sometimes happens that the family acts to pull the young person down, preventing him (or her) from pursuing some of his (or her) dreams and aspirations.

One of the most significant findings of this research has been to identify how both governmental provisions and family relations through different social networks can either act in a positive way to support young people in difficult situations or reinforce their disadvantages. Where social policy is inadequate, young people are highly dependent on social networks, and in many cases these provide enormously supportive resources that allow them to move on from protracted periods of adversity.

### 3 SCARRING

In Part II of this volume we examine the long-term effects of early job insecurity and evidence of scarring. Helbling et al. (Chapter 4 this volume) compare the long-term scarring effects of unemployment across countries and how it has affected those who graduated from upper-secondary school during an economic downturn. They examine trends in the United Kingdom, Germany, Switzerland, Spain and Finland to illustrate differences between youth transition regimes, using the Eurostat Labour Force Survey from 2014. Their contribution is to advance the conceptualization and measurement of long-term unemployment scarring effects in different institutional and economic contexts. Their chapter addresses a theoretical deficit concerning contextual factors that may explain differential patterns and persistency of scarring in different institutional settings.

Helbling et al.'s analysis suggests that unemployment scars are particularly persistent in the United Kingdom and Germany. Short-term scarring effects were most prevalent in Germany and Switzerland, where the relative rates of youth unemployment were lower. On the other hand, scarring effects did not appear at all in Spain and Finland, two countries with amongst the highest rates of youth unemployment. These findings lead the authors to conclude that employers are more critical of job applicants with an experience of unemployment when rates of youth unemployment are relatively low; this conclusion is also supported by Imdorf et al.'s (Chapter 5 in Volume I) analysis of recruiter data for Switzerland.

Helbling et al. also found that there was a higher risk of young people taking fixed-term jobs in Germany if they came onto the labour market at times of high youth unemployment. However, eight years after starting work they were also more likely to be in permanent positions. There was no evidence from the other countries of an increase in fixed-term employment for young entrants.

With regard to part-time employment, they found that in Finland and Germany, and to some degree in Spain (all countries with stricter employment protection legislation), there was a higher engagement in involuntary part-time employment within the first few years of graduating from high school. These effects carried on for up to five years after entering employment in Germany and Spain, but only for two years in Finland. Helbling et al. suggest that young people took up these part-time jobs because of a lack of full-time employment. In the United Kingdom and Switzerland, by contrast, youth were not over-represented in involuntary part-time employment.

In a separate analysis Helbling et al. find gender effects of long-term unemployment scarring for women in Finland and Germany, whereas in the United Kingdom these effects are more evident for men. In Spain long-term scarring effects are evident in the over-representation of young women with fixed-term work contracts; in Switzerland it is young men who are more likely to be found in involuntary part-time employment.

The authors conclude that the evidence is difficult to interpret in terms of the effects of different youth transition regimes. The results are quite sensitive to the inclusion or exclusion of specific school-leaver cohorts, suggesting that a longer period of observation and a larger sample size would be necessary to disentangle some of these institutional effects. Additional country-level factors might be required to explain this further – for example, the degree of globalization; or perhaps greater attention needs to be given to the scarring effects of non-standard working arrangements. Nonetheless, one clear piece of evidence from this analysis remains: that looking for work during a recession means that many young people move into fixed-term and involuntary part-time employment as a result of a lack of permanent and full-time jobs (Grotti et al., 2018).

Following up on this theme of scarring and the potential impact of labour market policies in moderating the effects of unemployment for young people, Parsanoglou et al. (Chapter 5 this volume) compare two contrasting countries: Greece and Norway. Here they used the particularly innovative method of a vignette experiment to evaluate employers' discrimination likelihoods towards young people who have had an experience of unemployment. These authors were interested in finding out how prospective employers use information about job candidates who have participated in active labour market measures, also wanting to compare differences in educational attainment, gender and periods of time spent in unemployment. They find that in Norway recruiters have more reservations about hiring somebody who has recently been unemployed, although this was less marked in the mechanics sector. In Greece employers' reservations are less apparent: only in the catering sector was there evidence that employers had a negative view of those who had been unemployed.

With regard to those who had participated in active labour market measures, employers in Norway more often than employers in Greece viewed these negatively. Employers in the finance sector in both countries were negatively disposed to young people coming from labour market programmes; employers in the Norwegian health sector had the strongest negative feelings towards these young people. Employers who were more positively disposed to young people coming from these programmes were found in the Greek mechanics sector and in catering in Norway.

Overall, the authors found that having participated in one of these labour market programmes was more likely to have a positive effect on finding a job in Greece, whereas in Norway such programmes either had no effect or negative effects on the likelihood of being hired.

With regard to gender differences, the only difference the authors observed was the positive effect of participating in active labour market policies for Greek men; in Norway there was no observed gender difference. Educational attainment also had an effect. In Greece candidates with a higher level of education and who had participated in a programme had a higher likelihood of being hired, especially if they were young men. The effects in Norway were the opposite. Employers viewed a better-educated candidate coming from a labour market programme more negatively, and this was more pronounced for female candidates who had completed tertiary education.

Parsanoglou et al. conclude that in countries like Greece where youth unemployment rates are high, having participated in a labour market programme is perceived in a more positive way by employers than is the case in Norway, where youth unemployment rates are relatively low. They argue that labour market programmes need to be understood in their broader macroeconomic context and institutional framework, which affect both vocational education and training and labour market regulation in general. Their policy recommendations reflect on the fact that national and especially sectorial specificities need to be taken into account when developing such programmes for young unemployed people.

The final chapter in this section on scarring provided by Abebe and Hyggen (Chapter 6 this volume) focuses on a longitudinal study from Norway. These authors are particularly interested in understanding how exposure to early job insecurity and unemployment relates to both individual and family characteristics. The choice to focus on one country allows Abebe and Hyggen to draw on a rich and unique data set that includes a number of personal characteristics, for example in relation to questions around self-esteem and other personality traits, as well as family characteristics and relationships.

The authors point out that in terms of gender differences young women appear to suffer less from scarring effects than is the case for young men. However, the effects of unemployment on wage scarring were higher for young women than for young men.

In their analysis Abebe and Hyggen find somewhat more prevalent psychosocial problems amongst those who were previously unemployed compared to those who had previously been employed. They also found that the average effect of unemployment scarring was statistically significant. Psychosocial well-being moderates unemployment and wage scarring; low levels of education were associated with deeper scarring effects compared to those with higher levels of education. Parental levels of education did not appear to be associated with unemployment scarring effects, but those whose parents had low levels of education were more likely to experience wage-scarring effects.

In conclusion Abebe and Hyggen argue on the basis of their analysis that periods of youth unemployment leave long-term scars in relation to both future periods of unemployment and wages. They find significant differences in terms of gender, levels of education, the effect of parental education and psychological well-being. These factors moderate the effects of early periods of unemployment on long-term labour market outcomes. The authors argue that the more severe scarring effects on young females in Norway may in part be attributable to gendered occupational segregation in Norwegian labour markets. Young men's higher probability of experiencing unemployment is attributed to the fact they are more likely to work in the less well-protected private sector. In all cases higher levels of education act as a buffer against some of the scarring effects that are attributable to being unemployed.

## 4 RESILIENCE

In Part III of this volume we look at various ways in which young people develop resilience. The chapter by Bussi et al. (Chapter 7 this volume) examines positive trajectories of young people who have confronted adversity and found ways of dealing with difficult situations. This chapter draws on the capabilities approach, comparing the way young people in Norway and the United Kingdom have been able to adjust to difficult transitions.

One of the key issues that Bussi et al. identify has been the changing importance of different factors, for example the significance in Norway of the public employment services (PES) in helping people find work. While older respondents were more likely than younger respondents to cite the

PES as a significant conversion factor in helping them find employment, younger respondents gave more weight to the role of education, often combined with support from the PES. In the United Kingdom there was less observable difference between the age cohorts, and recourse to the PES was negligible.

Education has become the key conversion factor associated with the ability to get a good job. Education was important for older as well as for younger respondents, especially in the United Kingdom. But it was more likely that the older respondents had availed of this factor as mature students returning to study in the United Kingdom rather than benefitting from it when they were younger.

Social networks and family support as conversion factors that enabled them to find more stable employment were cited more often by respondents from the United Kingdom than by those in Norway. As part of these networks, volunteering was more often mentioned by the UK respondents as a way into a type of work they valued, whereas this pathway was barely referred to in the Norwegian interviews. While these qualitative data cannot claim to be representative, they do provide an insight into how different youth transition regimes affect youth trajectories. While the Norwegian case clearly has a more robust set of institutional arrangements from which young people have benefitted, in the United Kingdom there was greater reliance on informal social networks than on the PES.

The importance of social networks also becomes very apparent when examining young people's decisions to migrate abroad to find work. Recent decades have seen some of the largest migration flows across Europe, and a distinctive characteristic of this development has been the number of mobile young Europeans (O'Reilly et al., 2015, 2017, 2018). Krasteva et al. (Chapter 8 this volume) examine the experiences of three young people from Bulgaria, Norway and the United Kingdom who migrated to find work abroad. They argue this is an example of active agency in relation to institutional and structural conditions (Dingeldey et al., 2015). All three cases indicate that the motivation to migrate came from an individual sense of adventure. The catalysts for their decision to move were related to the economic circumstances in their home countries (even in Norway there was a recession at the time). The UK and Bulgarian migrants also cited the fact that they could earn considerably more money in Germany and Greece, respectively, than they would be able to do if they were to stay at home. The types of employment found in both of these cases were frequently informal, without a proper employment contract and without any social insurance contributions or benefits. Even the Norwegian young woman who worked as an au pair in the United Kingdom found that her situation was subject to the vagaries of the families that employed her.



Nevertheless, all three young people still felt like they were earning enough (or in the case of the young British man a very comfortable income) to support a lively social life with some of the new friends they had met abroad. In all three cases the interviewees had a very positive appreciation of their experiences, which they believed had allowed them to lead more unconventional lifestyles than if they had remained at home. Their experiences had also increased their range of skills and abilities beyond learning another language. The conversion factors that allowed them to make these moves were often rooted in social networks of friends and acquaintances, even in circumstances when their own families were not supportive of them making these transitions. Although the cases chosen here had a very positive outcome, we also know that for some young people these migratory transitions are associated with exploitation and in the worst cases trafficking and illegality. Krasteva et al. also recognize the need to create safe and secure conditions where young migrant skills are more easily recognized across borders and where national labour regulations are implemented.

Youth trajectories that err on the side of illegality are discussed in the chapter by Ayllón et al. (Chapter 9 this volume), who examine the consequences of early job insecurity and the use of drugs. They provide a comprehensive study drawing on recent quantitative Eurobarometer data for the EU combined with a selection of life-course interviews from Germany, Poland and the United Kingdom. They find an association between an increase in youth joblessness and an increased use and perceived access to drugs (such as cannabis and 'new substances' in the form of powders, pills or herbs).

Ayllón et al. argue that 'critical moments', both at the societal and individual level, together with the role of 'significant others' in the lives of vulnerable young people, can affect their trajectories in both positive and negative ways. For some young people drug use is related to criminal activity as part of creating an alternative lifestyle, contrary to societal norms. Shildrick and MacDonald (2007) suggest that these 'independent careers' can be a product of already being excluded and that they serve to reinforce the sense of detachment from the mainstream. Böhler et. al. (Chapter 3 this volume) discuss some of these cases as part of the grand narrative of 'Messy Lives'.

While Ayllón et al. recognized that some young people are capable of using recreational drugs and continuing to work or study, they were particularly interested in understanding how the recent soaring levels of youth unemployment might relate to an increase in drug consumption amongst young people. They found both a clear relationship and an increase in consumption. They also found amongst those who admitted to using various types of drugs a perception that access to these had become

easier. Finally, they found, in relation to the use of ecstasy, that when unemployment increased, more young people believed that using this drug did not harm their health.

The qualitative interviews provide us with a longer-term historical perspective drawing on interviews with older people who were involved with drugs when they were young. The value of weaving together these different sources of data is to illustrate the long-term consequences of taking these paths in early career transitions. Some of the salient characteristics that emerge from these qualitative stories are the effects of growing up in hostile neighbourhoods and critical life moments, and the role of supportive, or unsupportive, family members or 'significant others'. In some cases having being involved with taking and dealing in drugs and other illegal activities meant that these people ended up in the criminal justice system or in prison. Following an unconventional pathway in their youth significantly scarred their later life trajectories. In some cases, however, they had tried to turn their lives around. A range of therapeutic programmes provided by the PES supported these efforts to get their lives back on track, for example in Germany. However, the young person interviewed in this case still attributed his failures to his own behaviour and criminality. In other cases there were more successful outcomes. The people interviewed attributed this to having had the support of a 'significant other' in their life: someone they respected and could rely on, who sometimes was a family member and in other cases was a significant professional that they had come to trust and respect. What these cases clearly illustrate is that taking an unconventional pathway associated with drug use had been catalysed for these young people by a critical moment or tragedy in their personal lives. Once on this pathway they found it very difficult to get out of the downward spiral without the help and support of 'significant others' to motivate them to make a change. The importance of guidance and advice in a formal policy environment is taken up again in the chapter by Lewis and Tolgensbakk (Chapter 10 this volume).

The evidence of the impact of 'significant others' in the lives of the people we have interviewed illustrates the need for supportive advice and guidance to be provided to young people, and especially to those who do not have the benefit of personal contacts to help them. This is a complex and difficult policy to introduce successfully, as discussed in Lewis and Tolgensbakk's chapter. In their comparison of Norway and the United Kingdom they point out how good-quality career education, information, advice and guidance (CEIAG) are crucially important in helping young people find a place in the labour market, especially for those at risk of becoming NEET or dropping out of school early. Drawing on data from the life-course interviews, they capture a range of opinions across the cohorts in each

country with regard to their experience of having received careers advice and guidance from official authorities. Overall, in both countries there was significant evidence of a general dissatisfaction with the level of engagement and advice people had received from these official bodies. Nevertheless, there were some respondents who recounted that without their personal careers adviser's support they would not have been able to manage various mental health challenges they needed to deal with in their early 20s.

One of the recommendations coming out of this analysis emphasizes the need for coordinated services between medical staff, social workers and those employed in the job centre. In particular, Lewis and Tolgensbakk argue that benchmarks of good practice in careers advice and guidance require a stable careers advice programme to be embedded in local and regional skills strategies; support from informed advisers who understand the personal needs of young people individually; advisers who understand the relationship between curriculum learning and career options; and advisers who build partnerships with employers, colleges and universities. The Norwegian services anticipate a process of automation and ICT support and communications to enable them to simplify the system of following up users, while the provision of dynamic guidance with enhanced user involvement should be blended together with face-to-face advice.

After reviewing the extent of policy reforms around advice and guidance in both countries Lewis and Tolgensbakk indicate some of the barriers that emerge with regard to effective implementation of CEIAG policies. These include changing political priorities, the challenges of coordination between different sectors and the lack of political engagement to increase funding for guidance services.

Finally, they recognize that while good-quality CEIAG is important, it also matters that work experience, internships and apprenticeship programmes are of a good standard so that the young people undertaking this work feel that they are engaged in a meaningful activity that they value.

## 5 CONCLUSION

Notwithstanding indications of a beginning economic recovery in Europe, youth unemployment rates, NEET rates and non-standard forms of employment among young people are still high in many countries. Early job insecurity has even increased for some groups of young people in Europe. Low-skilled, immigrant or ethnic-minority-background youth are still affected heavily in spite of the policy initiatives adopted at the EU and national levels to improve the situation of young people on the labour market. In most countries young women are in a more vulnerable

position in relation to the labour market than young men. Furthermore, for many of those who have experienced – or still are affected by – early job insecurity there are likely to be long-term scarring effects in the form of poorer employment prospects. Drawing on the evidence presented here from the NEGOTIATE project, we address the crucial question: *How can policies to integrate young people in the labour market be improved?*

The evidence presented here indicates that divergences amongst European countries persist. This situation calls for an overall reassessment of early job insecurity in Europe. There is a need to rethink individualistic or narrowly focused approaches in dealing with problems of integration in the labour market and instead to take into account the role of structural constraints that shape contemporary realities of early job insecurity across Europe. We set out to understand how four key concepts – well-being, scarring, resilience and active agency – could help us understand this in relation to scarring effects, well-being and social resilience in the lives of young people facing adversity in trying to find stable employment.

We found that job insecurity and labour market marginalization are a threat to the economic, social and personal situation of young Europeans. High levels of unemployment, joblessness and economic uncertainty affect their objective and subjective well-being. Labour market insecurity is more detrimental for men than for women in terms of predicting future periods of unemployment, but women are more likely to experience wage-scarring effects. Social support, work dissatisfaction, level of education and employment commitment, work contracts and regional unemployment may moderate these effects. But early job insecurity often creates a stigma, engenders welfare dependence and lowers the self-esteem of young people.

Entering the labour market in an economic downturn leads to scarring beyond temporary setbacks with varying effect across educational groups and gender. When designing labour market regulations and active labour market policies, there is a need to focus more on trajectories than on single jobs spells, because the accumulation of insecurity in the labour market over time is essential to explaining why some groups are more at risk of scarring than others.

There is a need to distinguish between different forms of early job insecurity. Work in deskilling jobs, frequent changes of jobs or even participation in active labour market measures can be detrimental to a young worker's professional career. Unemployment measures aimed at a quick labour market reintegration of the young unemployed, without the consideration of job quality, may not help or, worse, may even decrease their employability. This suggests that both 'skill-building first' and 'work-first' strategies may have an ambiguous or even negative impact on the long-term job prospects of young people, depending on the national context.

The strong and persistent divergences in national levels of youth job insecurity across Europe challenge the European Employment Strategy and European solidarity, for instance leading to an overtaxing of migration as a strategy for coping with poor job prospects in the young person's own country, with uncertain gains for the person's long-term employment prospects. National PES need to assess carefully which measure seems appropriate in the individual case, given the person's prior skills and job experience, as well as the country's current labour market situation.

Despite their more or less common experiences during the Great Recession, none of the countries studied moved towards other transition regimes, nor towards an emerging 'European Transition Regime'. The EU needs to address the unrealized potential for policy learning and exchange of best practice between member states in the context of the European Employment Strategy, as discussed in Volume 1. The EU has good reason to safeguard the progress that has been made and to keep on encouraging member states in several areas (e.g., by completing reforms like the already initiated Youth Guarantee), delivering comparable data to enable monitoring of labour market developments and stricter evaluation of the effectiveness and sustainability of the Youth Guarantee and other instruments.

While continuing to support the Youth Guarantee in the coming financing periods of the European Social Fund, the EU needs to use financial instruments to promote better balances between supply- and demand-oriented measures in member states. Both the EU and member states (at different levels of governance) need to recalibrate cash transfers and services supporting young women's and men's active efforts to improve their skills and prospects for finding secure jobs. Public agencies need to coordinate their approaches with those of civil society organizations in enabling young people's own agency and in listening to young people's own views when developing new policies.

The integration of the social partners and other stakeholders in the design and monitoring of youth employment measures, but also in the vocational education and training systems and systems of careers advice and guidance, is crucial to meeting the needs of the economy as well as to safeguarding the quality of work and education, including fair wages.

## REFERENCES

- Dingeldey I, Hvinden B, Hyggen C, O'Reilly J and Schoyen MA (2015) *Understanding the consequences of early job insecurity and labour market exclusion: The interaction of structural conditions, institutions, active agency and capability.*

- NEGOTIATE Working Paper no. 2.1. <https://negotiate-research.eu/files/2015/04/NEGOTIATE-working-paper-no-D2.1-1.pdf> (accessed 16 May 2018).
- Grotti R, O'Reilly J and Russell H (2018) Where do young people work? In: O'Reilly J, Leschke J, Ortlieb R, Seeleib-Kaiser M and Villa P (eds) *Youth Labor in Transition. Inequalities, Mobility, and Policies in Europe*. New York: Oxford University Press, Chapter 2.
- Jahoda M (1982) *Employment and Unemployment: A Social-Psychological Analysis*. Cambridge, MA: Cambridge University Press.
- O'Reilly J, Eichhorst W, Gábos A, Hadjivassiliou K, Lain D, Leschke J, McGuinness S, Mýtna Kureková L, Nazio T, Ortlieb R, Russell H and Villa P (2015) Five Characteristics of Youth Unemployment in Europe: Flexibility, Education, Migration, Family Legacies, and EU Policy. *SAGE Open* 5(1): 1–19. DOI: 10.1177/2158244015574962.
- O'Reilly J, Leschke J, Ortlieb R, Seeleib-Kaiser M and Villa P (eds) (2018) *Youth Labour in Transition: Inequalities, Mobility, and Policies in Europe*. New York: Oxford University Press.
- O'Reilly J, Moyart C, Nazio T and Smith M (eds) (2017) *Youth Employment: STYLE Handbook*. Brighton, UK: CROME, University of Brighton. Ebook: <http://style-handbook.eu/> (accessed 31 May 2018).
- Sen, A (2009) *The Idea of Justice*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Shildrick, T. and MacDonald, R. (2007) Biographies of exclusion: poor work and poor transitions. *International Journal of Lifelong Education* 26: 589–604. <https://doi.org/10.1080/02601370701559672>.



# Index

---

- Activation (policies) 76, 92, 143, 149, 157, 185
- Active agency 2–3, 9–10, 46, 60, 151, 163, 174–5, 178, 228, 235, 239
- Active labour market policies (ALMPs) 15, 25, 55, 69, 73, 76–7, 82, 90, 92, 95–9, 102–103, 105–108, 114
- Adequacy 85, 217
- ALMP *see* Active labour market policies
- Austerity 201, 229
- Austria 30
- Autonomy 19–20, 23, 33, 53, 217
  
- Barriers 205, 207–208, 220–21, 223, 238
- Belgium 30
- Blanchflower, David 4, 20, 115, 182
- Bulgaria xi, 3, 12–14, 46, 50, 58–9, 163–8, 175, 177
  
- Capability 3–4, 10, 47–9, 51, 53–5, 57–60, 63–4, 139–42, 146, 149–51, 212  
*see also* conversion factors; Nussbaum, Marta; Sen, Amartya
- Career guidance 15, 24, 157–8, 193, 205–209, 211–19, 221–3, 229, 237–8, 240
- Cash benefits (income protection) 33, 51–3, 56, 58, 62–3, 72, 84, 118, 143, 149, 151, 153, 155, 157, 169, 174, 185, 192, 198–9, 223, 235  
*see also* unemployment benefits
- Choice (individual, freedom of) 6, 9–11, 33, 49, 56, 62–3, 103, 116, 147, 157, 173, 175–6, 178, 183, 193, 205, 209–10, 217, 219–20, 222, 230–31
- Civil society (voluntary sector) xi, 11, 139–40, 144–5, 151–3, 157, 197, 200
- Class (socio-economic) 8, 94, 146–7, 150, 152, 154, 156, 171, 186, 209
- Community 8, 13, 48, 150, 153, 165, 173
- Consequences (of joblessness, job insecurity, precarity, etc) xi, 2–5, 10, 13, 21, 33, 46–7, 58, 63–4, 68, 91, 95, 152, 187–8, 201, 228–30, 235–7  
*see also* long-term consequences; scarring; short-term consequences
- Continental employment regime 29, 31
- Conversion factors (processes) 47–9, 51–64, 139, 141, 143–50, 152, 155–8, 230, 235  
*see also* capability; Sen, Amartya
- Coordination 26, 217–18, 221, 238
- Crisis *see* financial crisis
- Czech Republic xi, 3, 12, 30, 46, 50, 53–4, 56
  
- Denmark 30
- Disability 2, 12, 24, 46, 55–6, 63–4, 150, 192–3, 211–12, 222, 230
- Discrimination 7, 48–9, 55–8, 70, 91, 93–4, 190, 230, 232
- Diversity 1, 3, 48, 213–14
- Dropout 69, 98–9, 185
- Drug use 4, 6, 15, 61–2, 119, 182–201, 236–7
- Dualist (employment) regime 25, 29, 32  
*see also* employment regime
  
- Early job insecurity xi, 1–3, 5, 10, 14, 46–7, 51, 63–4, 91, 116–17, 143–4, 156, 182–5, 187, 189, 195, 207, 228, 231, 233, 236, 238–9  
*see also* job insecurity



- Earnings 62, 117, 122, 150, 154, 171, 177, 193–5, 236
- Education 1, 7, 10–13, 19, 23–9, 31–5, 41, 50, 53–7, 59, 62–3, 69–71, 73–4, 78, 80–82, 86, 91–5, 97–102, 105, 107–108, 115–18, 120, 122–7, 132, 134–5, 139–40, 143–50, 154–8, 162, 165, 167–8, 172, 174, 178, 183–6, 190, 192, 195, 200, 205–209, 211–13, 216–24, 232–5, 239–40
- Employability 7, 108, 151, 207, 211, 213, 217, 223, 239
- Employer survey 13, 100, 144  
*see also* factorial survey experiment
- Employers 2–7, 10–11, 13, 15, 27, 55, 68, 70, 72–4, 76, 81, 86, 97, 99–100, 102–103, 107–108, 114, 116, 151, 176, 178, 207, 212–13, 220, 222–3, 231–3, 238
- Employment protection (legislation, ELP) 26–28, 42, 69–70, 72, 74, 76, 82–4, 143, 229, 232
- Employment regime 24–5, 27, 29–30  
*see also* transition regime
- Employment services *see* public employment services (PES)
- Enabling approach (human capital development, HCD) 73, 76–7, 82, 88  
*see also* work-first approach
- Ethnicity 12, 46, 51, 54, 54, 65, 92, 230
- European Social Fund (ESF) 228, 240
- European Union xi–xii
- Exclusion xi, 1, 3, 7, 84, 91, 182, 186–7, 207, 214–15, 232
- Expert interviews (policy expert interviews) xi
- Factorial survey experiment ('vignette experiment') 13, 95, 100
- Family 1, 7, 11, 13, 21, 24–5, 48–9, 53–4, 56–60, 62, 73, 115–17, 120, 122, 139, 141, 146–50, 152–7, 162, 165–6, 170–73, 175–8, 183–4, 187, 193–7, 199–200, 231, 235, 237
- Financial crisis 1, 46, 49, 58, 64, 96, 140, 149, 229  
*see also* Great Recession
- Finland 30, 69, 73–6, 80, 82, 82, 86, 213, 231–2
- Flexibilization 85–6, 96–8, 182
- Flexicurity 20, 207
- Gallie, Duncan xi, 24–6, 29
- Gender 2, 11–12, 14, 21, 24, 48–9, 52–4, 56, 58, 64, 80, 86, 92, 95, 99–103, 105–107, 114, 117–8, 120, 124, 126, 132, 145, 156, 206, 211, 219, 222, 228, 232–4, 239
- Germany xi, 3, 12, 30, 46, 50, 61, 69, 73–6, 80–82, 84, 86, 168–71, 176, 184, 193, 213, 231–2, 235–7
- Great Recession 20, 58, 68, 75, 80, 184, 187, 188, 199–200, 240  
*see also* financial crisis
- Greece xi, 3, 12–15, 30, 46, 50, 90, 95–8, 100–108, 112–14, 165–8, 175, 177, 188, 232–3, 235
- Human capital 5–6, 48–9, 53, 59, 70, 72–3, 91–4, 117, 126
- Hungary 30
- Iceland 31
- Immigrant 94, 238  
*see also* migration
- Impact 1, 6, 8, 21–2, 24, 27–9, 33, 35, 46, 48–9, 51, 57–8, 60, 63, 68–9, 71, 76–7, 86, 90–91, 93–9, 108, 117, 127, 142, 146–7, 150, 182, 184, 187, 214, 216, 221, 237, 239
- Inactivity (economic) 78, 92, 98, 118
- Incentives (or disincentives) 13, 162, 165, 217
- Inclusion (economic or social) 1, 91, 156, 185, 207
- Inclusive (Universalist) regime 24–5, 29, 31  
*see also* employment regime
- Insiders 72  
*see also* outsiders
- Institutional contexts (arrangements, settings, factors) 2–3, 5, 7–8, 10–11, 19, 24–5, 47, 49, 52–3, 55–60, 63, 69, 70–4, 76, 78n, 83–6, 95, 97, 100, 139–41, 147, 156, 164, 183, 186, 230–32, 235

- Ireland 198, 213
- Italy 30
- IVET (initial vocational education and training) 71, 73–6, 80–81, 84
- Job insecurity 14, 50, 54, 58, 151, 178, 182, 239
  - see also* early job insecurity
- Job prospects 5, 178, 239–40
- Job search 5–6, 27, 34, 56, 69, 72–3, 115, 143, 148, 157, 185
- Joblessness 2, 184, 201, 236, 239
- Liberal employment regime 74
  - see also* employment regime, transition regime
- Life-course interviews xi, 2, 11–13, 15, 46–7, 50–51, 54–6, 63, 139, 144–5, 148–51, 153, 156–7, 163–4, 172–5, 177–8, 184, 187, 189–91, 193, 197, 199, 201, 208–12, 215, 218–19, 222, 229–30, 235–7
- Lithuania 30
- Long-term (negative) consequences xi, 2–5, 10, 13, 21, 33, 46–7, 58, 63–4, 68, 91, 95, 161–4, 176–8, 187–9, 228–30, 236–7
  - see also* scarring, short-term consequences
- Luxembourg 31
- Macro-level (factors) 1, 10–11, 23, 25, 27–8, 33–4, 46, 51, 64, 77, 90, 95, 108, 121, 141–2, 153, 163, 189, 200, 230, 233
- Male breadwinner 58, 60
- Marginalization 9–10, 176, 239
- Mental health 48, 57–8, 60, 117, 119–20, 123–25, 127, 132, 136, 148, 151, 156, 211–12, 238
- Meso-level (factors) 10, 140–42, 155, 163
- Micro-level (factors) 10, 22–3, 50, 77, 86, 140–42, 153, 163, 190, 200
- Migration (migrants) 12, 15, 24, 94, 161–79, 210, 217, 235–6, 238, 240
- Minimum wage 96–7, 149, 166
- Multi-level governance 221, 223, 228
- Multi-level method 33, 103, 140
- Narratives 14, 46–7, 49–51, 53–4, 56, 58–61, 63–4, 140, 146, 156, 158, 163–5, 183, 192, 230, 236
- NEET (not in employment, education or training) 206, 215–16, 237–38
- NEGOTIATE project xii, 3, 8, 11–12, 163–4, 184, 189, 208, 215, 239
- Nordic countries 29, 31, 34, 230
- Norway xi, 3, 12–15, 30, 46, 50–51, 54–5, 90, 95–6, 98–100, 102–108, 112–16, 118, 124, 126, 131–6, 139, 142–4, 148–51, 154, 156–8, 163–4, 171–4, 176, 205–209, 214, 216–20, 223–4, 232–5, 237
- Nussbaum, Marta 139, 142, 146, 151
- Opportunities (for participation or employment) 1, 8–10, 13, 19–20, 24, 51, 90, 101, 115–16, 126, 143, 146–7, 162–3, 165, 169, 172, 178, 186, 188, 193, 201, 220
- Outsiders 72
  - see also* insiders
- PES *see* public employment services
- Poland xi, 3, 12, 30, 46, 50, 62, 184, 192–3, 236
- Policymakers (politicians) 3, 85, 165, 178, 201, 221, 229
- Portugal 30
- Poverty 56, 162, 165, 192, 200, 207
- Precarity (precariousness) 2, 12, 46–7, 50–51, 57, 63, 139, 143, 147, 152–153, 157, 182, 184, 186, 188, 190, 197, 201, 208, 212, 228
- Public employment services (PES) 10, 102, 139–40, 144–5, 148–50, 156–8, 212, 219, 234–5, 237, 240
- Public policies 2, 48, 149
- Regulation (regulatory provisions, (de-) regulation of markets) 9, 25, 74, 95, 143, 163, 171, 192, 221, 233, 236, 239
- Relatives 60, 175
- Resilience 3, 8–9, 15, 139–47, 149, 154–8, 205, 228–9, 234, 239
- Romania 30

- Sanctioning 143, 173
- Scarring (scars) 2–7, 14–15, 21, 57, 64, 68–86, 91–5, 100, 108, 115–27, 131–7, 209, 218, 228–9, 231–4, 237, 239  
*see also* long-term consequences
- School dropout 69, 98–9, 185
- Sen, Amartya 4, 10, 47–9, 63, 139, 230  
*see also* capability and conversion factors
- Short-term consequences xi, 2–4, 13, 15, 21, 33, 46, 58, 63–4, 161–4, 176–7, 187–8, 201, 228, 230–31, 236–7  
*see also* long-term consequences
- Skills 5, 7, 20, 26, 48, 60, 74, 76, 91–4, 116–17, 147, 149–51, 153, 156, 168–9, 171–2, 178, 182, 185, 205–207, 211, 213–17, 219, 222–3, 236, 238
- Slovakia 30
- Slovenia 30
- Social capital 117
- Social inclusion 1, 156, 207
- Social networks 49, 52–3, 60, 139–40, 144, 150–51, 157–8, 162, 230–31, 235–6
- Social regulation *see* regulation
- Social resilience *see* resilience
- Sociodemographic profiles 12, 188
- Solidarity 240
- Spain xi, 3, 30, 69, 73–7, 80, 82, 86, 172, 188, 121–2
- Stigma (stigmatization) 5, 7, 46, 51, 54, 56, 58, 63–4, 72, 75, 95, 126, 183, 229–30, 239  
*see also* scarring
- Sweden 30
- Switzerland xi, 3, 13–14, 20, 30, 69, 73–6, 80–81, 83, 86, 95, 231–2
- Training 9–10, 24–6, 55, 59, 61, 71, 73–4, 90, 92, 94, 97–100, 102, 105, 108, 143, 146, 150, 157, 183, 185, 190–92, 205–208, 212–13, 217–19, 221, 233, 240
- Trajectories 6, 46, 54, 61–4, 157, 177, 182, 184–7, 199–200, 228–30, 234–7, 239
- Transition from education to employment 3, 5, 10, 13, 25, 27, 32, 54, 97–8, 156, 182, 190, 208, 220, 222
- Transition regimes 26, 139, 142, 144, 228–9, 231–2, 235, 240
- Transition to adulthood xi, 1, 3, 6, 10, 15, 115, 153, 154, 182
- Unemployment protection (unemployment benefits) 25, 33, 51–3, 58, 143, 149, 153, 157, 169, 174, 198, 235, *see also* cash benefits
- United Kingdom xi, 3, 12, 15, 20, 29, 34, 46, 50, 69, 73–6, 80–81, 83, 86, 139, 142, 149–50, 152, 156–8, 163–4, 171–4, 176, 184–6, 194–5, 205–209, 213–15, 219–20, 222–4, 230–32, 234–7
- Welfare benefits 56, 62, 118, 151, 185, 192, 198–9, 223
- Well-being 1–4, 6, 8–9, 14–15, 19–25, 27–34, 38–45, 49, 53, 57, 59, 68, 115, 117, 126, 139, 141, 143, 149, 154, 156, 165, 176, 183, 199, 228–30, 234, 239
- Work-first approach (strategy) 73, 76–7, 143, 239  
*see also* Enabling approach
- Youth Guarantee 97–9, 207, 228, 240
- Youth unemployment 14, 26, 28, 32, 34, 45, 47, 49, 68–70, 74–6, 78–82, 85, 96, 98–9, 108, 113, 117, 161–2, 182, 187–8, 201, 207, 228, 231, 233–4, 236, 238  
*see also* employment regime