

Blame it on my youth!

Policy recommendations for re-evaluating and reducing youth unemployment

Zachary Kilhoffer, Miroslav Beblavý and Karolien Lenaerts

Abstract

Youth unemployment has ranked high on the agenda of European policymakers since the onset of the crisis. Ten years later, youth unemployment remains stubbornly high in a number of member states. This paper offers policy recommendations for rethinking and reducing youth unemployment in Europe. To this end, it filters and summarises the results of the STYLE research project on youth unemployment in Europe, and supplements these with additional literature. The paper explores three sets of questions: i) How to define and measure youth employment? ii) What are its causes and effects? and iii) What can be done about the phenomenon? The findings indicate that youth unemployment is poorly understood and the most common measurements are insufficient. Its causes are diverse, arising from both the inherent disadvantages suffered by younger people in the labour market as well as from structural changes occurring in the labour market. The effects of youth unemployment are detrimental and significant at both the societal and individual level. Based on our analysis, we put forward 13 broad policy recommendations to address youth unemployment in Europe.

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Executive Summary

This policy synthesis selectively summarises findings of the STYLE project, supplemented by additional literature on youth unemployment, to form policy recommendations to re-evaluate and reduce youth unemployment. It draws from over 60 STYLE working papers and other literature to discuss conceptual issues, causes, consequences and policy solutions for youth unemployment in Europe.

What is the size and shape of youth unemployment? How do we better understand it?

Youth unemployment is complicated and frequently misunderstood. The most common headline statistic, the youth unemployment rate, does little to promote an accurate understanding of the problem. To begin to address these issues, researchers in the project propose an updated definition for the term “youth” and a new primary measurement for “youth unemployment”. Specifically this entails expanding the age range of youth from 15-24 to 15-29 and compiling data in separate ranges for ages 15-19, 20-24 and 25-29 to account for the different labour market issues affecting each group. In some cases a wider range is used to measure longer-term transitions, for example in leaving the family home, which includes young people up to 34 years old. In other cases, for example, early school leaving (ESL) is a primary consideration in the youngest age group, while being neither employed, in education, or training (NEET) is largely centred in the oldest age group. Researchers examine the use of the youth unemployment *ratio* over the youth unemployment *rate* as the primary indicator of youth unemployment, as well as greater use of other statistical measures of precariousness. One innovative example is youth labour market outsidersness (YLMO), which captures a wide range of undesirable and precarious labour market outcomes.

What is responsible for high youth unemployment?

The literature survey revealed diverse causes of high youth unemployment (in comparison to total unemployment). Certain reasons are rather inherent to the age group, such as the school to work (STW) transition. Few young people secure employment immediately upon leaving school or graduating, leading most young people to enter the labour market unemployed, at least for a spell. An additional consideration is the ‘employment trap’. Because employers prefer to hire those who already have experience, it creates a situation in which job seekers need experience to earn experience.

Socioeconomics also influence young people’s ability to find employment. Demographic factors such as gender and ethnicity interact with youthfulness, creating intersecting disadvantages that make it more difficult for young people to overcome barriers to employment. At the macroeconomic scale, conditions including an overall poor labour market and the increasing use of ‘precarious’ job contracts have disproportionately affected youth. The evidence from the research conducted in the STYLE project identify the following factors as causes of high youth unemployment as follows: factors that have always placed young people at a disadvantage in the labour market, combined with certain labour reforms implemented since the beginning of the 21st century, have made young people uniquely vulnerable to unemployment. These vulnerabilities were exacerbated by overall poor economic conditions

associated with the Great Recession, resulting in excessive and enduring high youth unemployment.

Why does youth unemployment matter?

Youth unemployment has high costs for both individuals and society. Eurofound calculated the “cost of not integrating NEETs” in Europe at over €150 billion, or 1.2% of GDP. Certain countries including Bulgaria, Cyprus, Greece, Hungary, Ireland, Italy, Latvia and Poland are paying more than 2% of their GDP in costs related to NEETs (Eurofound, 2012b). One report estimated the annual cost per young jobseeker in the UK to be between £5,400 and £16,000 (Prince’s Trust, 2010).

At the individual level, youth who experience bouts of unemployment earlier in life earn significantly less and bear emotional scars for many years. This is especially pronounced for lower-income youth, which has worrying implications for cyclical poverty and intergenerational transmission of disadvantage. Young people with strong familial support, for example, are better able to wait out periods of unemployment until a good opportunity presents itself. Young people who must financially support themselves need to accept any job, often those incommensurate with their education and goals, leading to job mismatch and reduced human capital development. Recurring bouts of unemployment and precarious employment are very common and associated with frequent housing and employment changes.

How best to improve youth unemployment in Europe?

From the analysis conducted in the project, the evidence from different authors within the STYLE project and unaffiliated authors leads to 13 policy areas for member states and European policymakers to address youth unemployment. These 13 foci are based on the authors’ analysis of the available literature. The recommendations seek to change our understanding of youth unemployment, encourage policy innovation, prevent youth unemployment before it occurs, reintroduce unemployed youth into education or the labour market and bring about structural changes. The proposals are briefly stated below, and are elaborated upon in Chapter 3. The accompanying citations refer to literature that helped inform the policy proposals.

1. **Always keep in mind the need for a supportive macroeconomic environment** (Hadjivassiliou et al., 2015; forthcoming; Eichhorst and Wozny, 2016).
2. **Ensure high-quality education for all levels, particularly early childhood and primary school: focus on prevention, early identification and support for youth in vulnerable households** (Berloffa et al., 2016, Medgyesi and Nagy, forthcoming).
3. **Increase opportunities for low and middle class children – and especially children from vulnerable households – to pursue higher education** (Berloffa et al., 2016).
4. **Prevent ‘dualistic’ labour market structure with ‘standard’ and ‘precarious’ contracts** (Russell et al., 2015; Smith and Villa, 2016, Eamets et al., 2015).
5. **Promote a more holistic and accurate understanding of youth unemployment** (Leschke and Finn, 2016).
6. **Encourage youth employment policy innovation and experimentation, as well as knowledge-sharing mechanisms** (Petmesidou and González-Menéndez, 2015; 2016).

7. **Strengthen the role of the education system in school-to-work (STW) transitions** (Eurofound 2012a, McGuinness et al., 2015b).
8. **Focus resources on certain active labour market policies (ALMPs) more relevant to youth** (Gonzalez Carreras et al., 2015; Petmesidou and González-Menéndez, 2015; Dorsett and Luccino, 2013; Kalwij, 2004; Berlingieri et al., 2014).
9. **Expand the use of labour intermediaries to facilitate mobility, connecting job seekers to jobs** (Hyggen et al., 2016; European Commission, 2010; Kureková and Ortlieb, 2016).
10. **Enhance integration and non-discriminatory treatment of migrants** (Akgüç and Beblavý, 2015; European Commission, 2017; ECVET, 2017; Hyggen et al., 2016; Mýtna Kureková and Ortlieb, 2016).
11. **Use hybrid support methods, combining financial and advisory resources, to empower youth entrepreneurs** (Masso et al., 2015; Sheehan and McNamara, 2015; Sheehan et al., 2016; McNamara et al., 2016).
12. **Offer a lifeline to those not in education, employment, or training (NEETs) and early school leavers (ESLs): help them back into school or employment** (Petmesidou et al., 2016; Lórinč et al., 2016).
13. **Recognise that every country is different and adjust the Youth Guarantee accordingly** (European Court of Auditors, 2017; European Commission, n.d; Flek and Mysíková, 2016).

These recommendations are intended to be general and applicable to all member states. No one-size-fits-all strategy is advisable, so these 13 points are meant to offer flexible and practical strategies supported by STYLE research and successful experiences across Europe. Elements of these recommendations can be considered at all levels of government, from the local to European level.

Youth unemployment is complicated, and the first step for policymakers is to better understand the phenomenon and then assess their particular situation and formulate an appropriate strategy. One important unifying principle is that policymakers must take stock of the ‘world of work’ and ‘world of education’, carefully and critically consider how they interact and make informed decisions about how the two might better complement one another. A flexible, informed and nuanced approach represents the best chance to improve labour market outcomes for young people.

Blame it on my youth!

Policy recommendations for re-evaluating and reducing youth unemployment

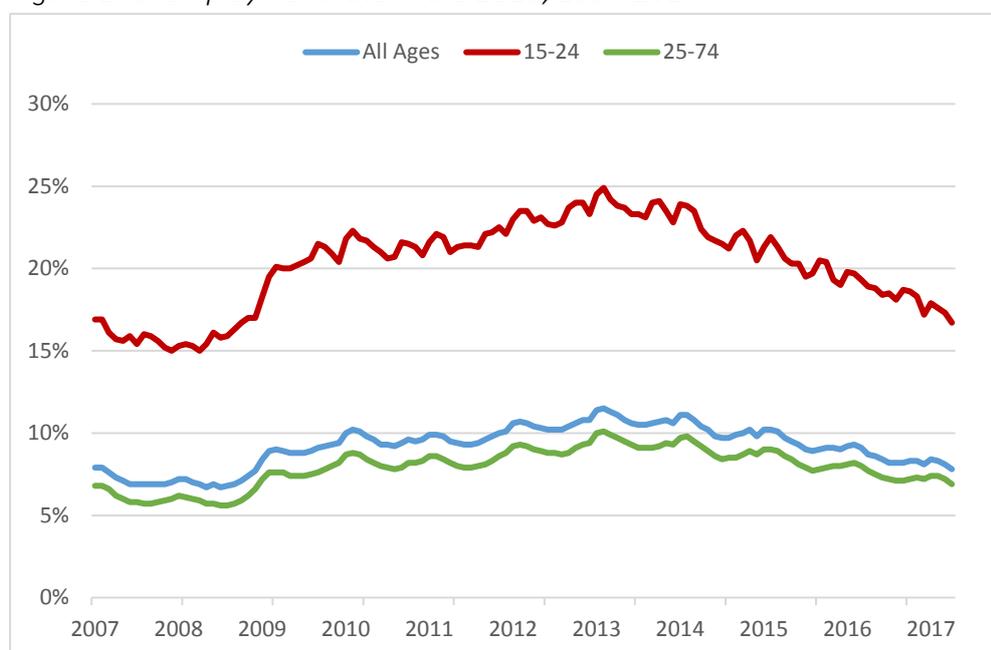
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Introduction

Youth unemployment in the European Union far exceeds general levels of unemployment. At its worst in February 2013, youth unemployment stood at 23.5% in the euro area versus 12% overall unemployment (Eurostat, 2013). As of February 2017, these same figures stood at 19.4% and 9.5%, respectively. These indicators are dramatically more troubling in certain countries, notably Greece and Spain, which respectively showed rates of 47.3% and 44.4% youth unemployment for 2016 – the highest in the EU. While the proportion of unemployed youth versus the overall unemployed population has not changed dramatically (remaining roughly two-to-one) even during the Great Recession,¹ it has become increasingly clear that youth unemployment carries significant risks beyond the short-term opportunity costs of an individual simply out of work. Lawmakers and academics have dedicated considerable funds and attention to the youth labour market, which raises the question of whether existing approaches are fruitful and these funds are being well-spent.

Figure 1. Unemployment rate in the EU28, 2007-2017



Source: Own representation, data from Eurostat (seasonally unadjusted unemployment rates).

¹ Youth unemployment rates change by around 1.79% for every percent change in adult rates, indicating a high degree of cyclical sensitivity (Bell and Blanchflower, 2011).

Youth unemployment of today is substantively different than before

The youth unemployment of today is distinguished from that of earlier periods by several characteristics, including the growth of long-term unemployment for certain categories of youth. This is especially true of those who ‘inherited’ a legacy of unemployment from their parents, transmitting and perpetuating disadvantage for certain groups of young people (Martin, 2012; O’Reilly et al., 2015). Furthermore, the pervasiveness of labour market flexibility has made it difficult for young people to secure stable employment trajectories, leading to underemployment, precarious employment and frequent returns to unemployment after having held a position. While youth of today are better educated than those of earlier generations, their education often poorly aligns with the skills required by employers (see e.g. McGuinness et al., 2015; McGuinness and Flek, 2016). This is particularly true of certain fields of study, namely the arts and social sciences; graduates of these programmes experience higher rates of mismatch and over-education. Simply stated, the global economy has evolved quickly, and in many cases educational curricula have been slow to adapt to changing demands for entry-level qualifications in the labour market. The European Union itself has changed and expanded too, with more extensive and diversified migration patterns offering both challenges and opportunities in the youth labour market. These factors, combined with a sluggish recovery from the Great Recession, have left a troubling number of European youth unemployed and disenfranchised.

Youth unemployment today has sparked discussion of a “lost generation”

The phenomenon of youth unemployment is composed of many parts, some of which are more worrying than others. A young person not employed but participating in tertiary or vocational education, for example, is a far cry from one not in employment, education, or training (NEET) – a member of what some authors have called “the lost generation” (Morse, 2012; O’Reilly et al., 2015). Clearly a young person in education is making an investment in his or her future, whereas the outright costs of young NEETs in 26 member states are estimated at around €153 billion, or 1.2% of the EU’s GDP (Eurofound, 2012a). Beyond strictly economic considerations, many researchers have emphasised the individual and societal consequences of this ‘lost’ or ‘scarred’ generation.² Young people, unable to find work commensurate with their skills and education, have had to resort to remaining at or returning to their parents’ homes, working informally below their skill levels, accepting lower lifetime earning trajectories and facing marginalisation both within and without the labour market. Individuals facing unemployment early in life are more likely to experience recurring unemployment later in life, and the effects of such marginalization transcend the individual. Numerous authors have emphasised the intergenerational disadvantages diffused from unemployed parents of “work-poor households” to their children (see e.g. Berloff et al., 2015; 2017). Anti-social behaviour and unrest are additional considerations associated with youth unemployment, with the potential to create social exclusion and all manner of socioeconomic harms. Youth unemployment has

² See, for example, Sum et al. (2000) and O’Higgins (2004). These authors suggest that people with difficulty integrating into the labour market early on suffer from lifelong scarring effects that diminish their resilience and ability to succeed in their careers.

also been associated with depression, lower life expectancy and higher risks of health complications (Hammarström, 1994; Hammarström and Janlert, 2002; Bell and Blanchflower, 2009). One young Italian interviewee explained how they perceive their current situation and how it affects their aspirations:

I'd like to know that in five year times I'd be able to do something, but I don't know, I've stopped desiring things. I mean, I've stopped desiring to have my own place, not because I wouldn't like to have a place on my own, but simply because it isn't a desire that I can afford. I can't desire to go to New York for a month and a half this summer to improve my skills and see what is going on there. I can't afford it and it will not happen, not this year, neither in two years' time. You make do with what you have, you do not settle with what you have because you are happy about your life but because you scale down your expectations and desires ... but while scaling down your expectations is something that happens when you become an adult, scaling down your desires is a bit sad. I don't desire anymore to live on my own, to have a holiday or to have a baby... I mean, these are things that are not there for me.

Arrigoni et al. (2016, Interview 11, p. 17).

A note on perceptions of the attitudes of the current generation of young people

Chapter 1. While the above interviewee suggests that there are important generational differences in aspirational attitudes, public debates and political discourses often reveal the belief that young people have dismissive attitudes regarding work itself. STYLE findings confirm that this is simply not the case (Hajdu and Sik, 2015; Hart et al., 2015). Young people, as much as ever, desire decent work and full participation in the social sphere. An analysis of pooled data from the World Values Survey/European Values Study (WVS/EVS), the International Social Survey Programme (ISSP) and the European Social Survey (ESS) between 1980 and 2010 revealed no significant differences between birth cohorts regarding the centrality of work, employment commitment, or extrinsic or intrinsic work values in evaluating a job (Hart et al., 2016). While ageing itself has an effect on attitudes towards the work, this literature review found no evidence that different birth cohorts view work differently as they age. EU and national policies, therefore, should not fail as a result of generation specific cultural deviations.

Youth unemployment is solvable

Youth unemployment is worth solving, and experience shows that action begets results. It is completely reasonable to expect that smart policy strategies can substantially reduce youth unemployment. Consider one of the most successful and ambitious youth employment initiatives: The New Deal for Young People in the UK. In the first year of the programme, which launched in April 1998, youth unemployment fell by nearly 40% (Anderton and Riley, 1999). Between April 1998 and November 1999, 179,000 long-term unemployed young people in the UK found employment through the New Deal (Eurofound, 2000). Over the same time period, seasonally adjusted youth unemployment dropped three times faster than that for adults 25-

74.³ A strong economy and overall falling employment doubtless helped reach these milestones, but the success of the UK's aggressive strategy should not be written off to mere macroeconomic fluctuations. The New Deal offered up to four months of personalised help to unemployed youth to assist them in finding a job, and failing this, a number of options for further education, training or subsidised employment became available. The combination of personalised support and good macroeconomic conditions is responsible for the New Deal's success. Luxembourg, Norway and Iceland also managed to decrease youth employment relative to adult employment over the period 2004-2012 (Hadjivassiliou et al., 2015). Luxembourg, for example, saw the ratio of unemployment for 15-19 year olds versus the adult unemployment rate fall from 7.43 to 5.53 over these eight years, which include the worst period of the Great Recession. When intelligently crafted and well-funded initiatives come together with luck, youth employment can grow accordingly.

The purpose of this policy synthesis

Out of the dozens of research works composing the STYLE project, this policy synthesis aims to filter and summarise the most important findings, but with an emphasis on the practical policy recommendations suggested by STYLE partners.⁴ Although the STYLE project contains a wealth of detailed member state-level analysis and recommendations, this paper aims to make generally applicable policy suggestions based on research findings and best practices, as well as to explain the reasoning underlying the policies – that is, exactly why certain initiatives can be expected to yield positive results regardless of the national context. While focused on findings from the STYLE project, this paper will also utilise evidence from the broader literature to fill gaps where appropriate. This will serve to better contextualise findings and paint a more holistic picture of youth unemployment in Europe. While this paper is targeted at providing guidance for policymakers, it may also prove useful to academics interested in novel findings and ongoing debates pertaining to the youth labour market.

The organisation of this policy synthesis

To these ends, the paper is organised as follows: Chapter 1 discusses the definition of youth unemployment and related terms of importance to the STYLE project, with a view to achieving a uniform understanding before delving more deeply into substantive issues. Chapter 2 addresses the underlying causes of youth unemployment, with a particular emphasis on factors that tend to place youth at a disadvantage in labour markets compared to the general population. It then details evidence pertaining to the short- and long-term consequences of youth unemployment, focusing on the individual level but also containing a brief discussion of societal harms. Chapter 3 synthesises best practices, incorporating findings to recommend a 13-point plan of action to combat youth unemployment.

³ Own elaboration using Eurostat data.

⁴ For those unfamiliar with STYLE, a summary is included in the Appendix.

Chapter 1. The complexity of measuring and defining youth unemployment

While measuring youth unemployment may appear simple, it is actually quite complex. The most frequently used headline numbers are often misleading. In order to be able to solve the problem, policymakers must first be able to properly understand its size and shape. That is the objective of this chapter.

1.1 How young are youth?

Youth in and of itself is somewhat of an indeterminate range. Most indicators suggest that “youth” refers to people between the ages of 15 and 24, as held by ILO and UN statistics. However, the fact that individuals are staying in education for longer and beginning their independent adult lives later (Eamets et al., 2015) casts doubt on the continued relevance of this age bracket. STYLE authors most frequently categorise individuals up to age 29 as “youth”, and a few STYLE papers even extend this range until 34 for the purpose of studying various school to work (STW) trajectories. These outliers aside, this paper will use the term “youth” to refer to individuals aged 15-29, as suggested by Leschke and Finn (2016). This age range captures the majority of young people who are transitioning to an independent lifestyle. Additionally, it allows for three convenient brackets for ages 15-19, 20-24 and 25-29 to distinguish issues facing youth at the early, middle and late stages in their shift to adulthood. As numerous STYLE papers show, youth is a highly heterogeneous concept, and indicators such as NEET (discussed below) vary greatly between these age groups.

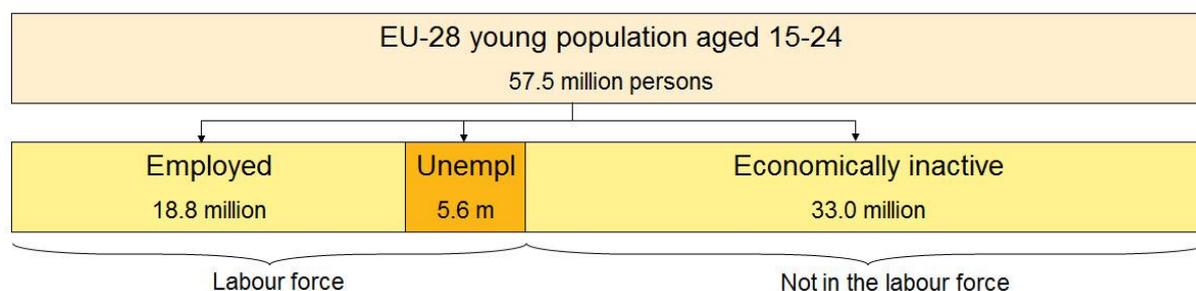
1.2 Statistics of youth labour market participation

The ILO and Eurostat use the same understanding of employment, namely that a person’s labour force status falls into one of three categories: employed, unemployed or economically inactive (Eurostat, 2012). Employed persons are those aged 15 years or more who fall into one of two categories: 1) persons who during the reference week worked for at least one hour for pay or profit or family gain and 2) persons who were not at work during the reference week but had a job or business from which they were temporarily absent (Eurostat, 2017b). Unemployed persons include those aged 15-74 years old who: 1) are not employed according to the definition above, 2) are currently available for work and 3) are actively seeking work. Economically inactive individuals include “pre-school children, school children, students, pensioners and housewives or –men, for example, provided that they are not working at all and not available or looking for work either; some of these may be of working-age” (ibid.).

Figure 2 visualises the proportion of youth in these three categories in the EU for the year 2012. While these categorisations may appear straight-forward enough, they are often the subject of misunderstandings. Youth in particular fit into overlapping categories with respect to this typology. A student, of course, can simultaneously be employed part-time or even full-time. Likewise, students (economically inactive) may be seeking work (unemployed), and a young person who has no job but ceases looking for one is no longer unemployed. This overlap tempers the descriptive power of statistics that measure youth unemployment and causes

much confusion. In any case, two primary measures, being youth unemployment rate and the youth unemployment ratio, frequently appear in political discussions and research.

Figure 2. Population employed, unemployed and economically inactive, EU-28, aged 15-24, 2012



Source: Eurostat definition of youth unemployment and youth unemployment indicators.

Youth unemployment rate versus youth unemployment ratio

The unemployment rate is defined as the number of unemployed divided by the total labour force (unemployed plus employed). Using the values in Figure 2 as a reference, this would be 5.6 million divided by 24.4 million, giving a youth unemployment rate of 23% for 2012. This rather large figure needs to be understood contextually because compared with the adult population, youth are much more likely to be economically inactive, largely as a result of education and training. Some 43% of youth aged 15-24 participate in the labour force, versus 85% of people aged 25-54 (Eurostat, 2017a). Because of the overlap between youth in education and also employed or unemployed, this results in a relatively high unemployment rate that does not well reflect the reality – namely, that most youth are simply not participants in the labour force. A 25% youth unemployment rate, therefore, would not mean that one out of every four young persons is unemployed. As a result, Eurostat publishes a second indicator of youth unemployment that is less affected by the lower number of youth participating in the labour force: the youth unemployment ratio. The youth unemployment ratio is defined as the number of unemployed youth divided by the total youth population. Using the numbers in Figure 2, the youth unemployment ratio would be around 9.8%. There is some divergence in how telling these measures can be. For example, Slovakia had a high youth unemployment rate of 34% in 2012, but a fairly average youth unemployment ratio of 10.4%. Similarly, Spain has a lower youth unemployment rate than Greece, but a significantly higher youth unemployment ratio – 20.6% versus 16.1% (Ibid.). Overall, the youth unemployment ratio better reflects the proportion of youth who are unemployed, but the youth unemployment rate is the more common measure. Each indicator has its advantages, however, and researchers frequently rely on both (O'Reilly et al., 2015; O'Reilly et al., 2017; O'Reilly et al., forthcoming).

Early school leavers

The European Union defines early school leavers⁵ (ESLs) as, “people aged 18-24 who have only lower secondary education or less and are no longer in education or training” (Eurofound, 2012a). Early school leavers, then, have only achieved pre-primary, primary, lower secondary or a short upper secondary education of less than two years (European Commission, 2011). ESL includes young people who have dropped out of school before the end of compulsory education, those who have completed compulsory schooling but have not gained an upper secondary qualification, and those who have followed pre-vocational or vocational courses which did not lead to a qualification equivalent to upper secondary level. The definition of ESL excludes those who initially drop out of school, but return to finish upper secondary education before the age of 25 (Ibid.). Eurostat reports that in 2015, 58.2% of ESLs in the EU were either unemployed or inactive (Eurostat, 2017b), although it is worth noting that ESL status can change quickly when one enters and leaves educational programmes, employment, and so on. Preventing ESL as well bringing ESL youth back into education or training programmes is an important EU priority and one that STYLE examined.

Not in education, employment, or training

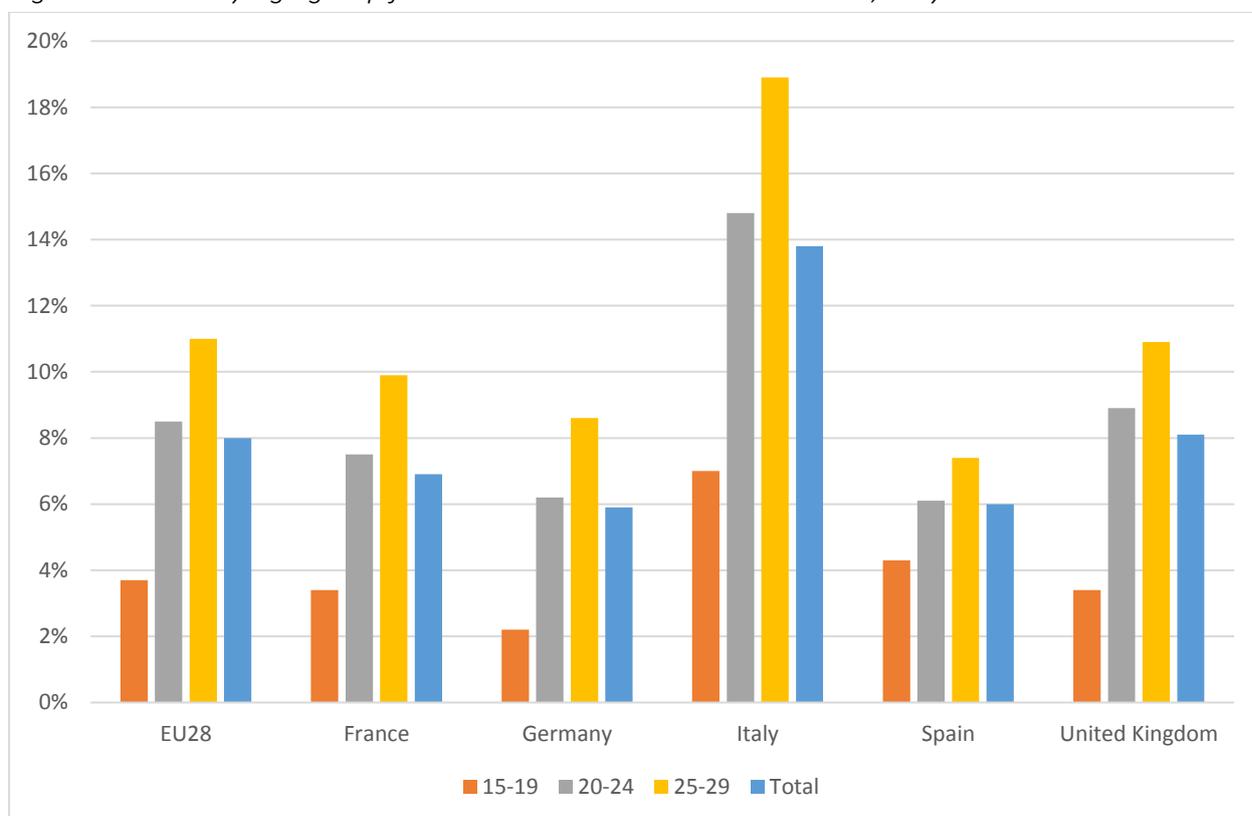
A significant priority area for the STYLE project concerns young people not in education, employment, or training (NEET). NEET is a useful way to delineate between youth who are not employed because of ongoing education or training, versus youth who are inactive for other reasons such as an inability to find work. Unlike unemployed, who are a part of the labour force because they are seeking work, NEET can also include those who are unemployed and have dropped out of the job search. The term NEET was first used in the UK in 1999 (Mascherini, *forthcoming*; Attewell and Newman, 2010), and while the EU still uses the term, the International Labour Organization (ILO) began using NLFET (neither in the labour force nor in education or training) since a 2013 report on Global Employment Trends for Youth. The distinction is that NLFET excludes unemployed youth who are defined as a part of the labour force. Because NEETs are neither unemployed nor are receiving further education or training to improve their chances of success in the labour market, they constitute a particularly worrying segment of the youth population and have become a focal point of interest at the EU and member state policy levels (Eurofound, 2013). One criticism of NEET rates is that they are affected by institutional regulation, as they relate to the population rather than the labour force denominators. NEET is likely to be upwardly biased in countries with vocational education and training programmes primarily delivered by firms. Likewise, some countries mandate engagement in certain basic learning activities to qualify for unemployment benefits or to take part in ‘youth guarantee’ schemes. Such young people, although in a precarious labour market situation and at risk of social exclusion, would not be classified as NEETs (Hadjivassiliou et al., 2015).

⁵ Eurostat has begun using the term “early leaver from education and training”, but ESL is the term most frequently used in STYLE papers and also in most of the surveyed literature. See ec.europa.eu/eurostat/statistics-

NEET size and composition

In 2008, before the global economic crisis was in full swing, the NEET rate for 18-24 year olds stood at 14% in the EU. The rate peaked at 17.2% in 2012, and in 2015 the figure dropped to 15.8%. One important finding has been that NEET status is largely an ‘older’ youth phenomenon, centred in the age group from 25-29 (Eamets et al., 2015). NEET rates were fairly stable from 2007-2013 for the age group 15-19, but nearly all European countries saw an increase in NEET rates for age cohorts 20-24 and 25-29. This is sensible given the higher likelihood of younger individuals to be in education or training, whereas older youth are more likely to have completed their education, but remain unable to find suitable (or any) employment. The proportion of NEETs by country and age group is shown in Figure 3 below. Italy shows the highest proportion of NEETs, while Germany and Denmark show the lowest.

Figure 3. NEETs by age group for EU28 and selected member states, May 2017



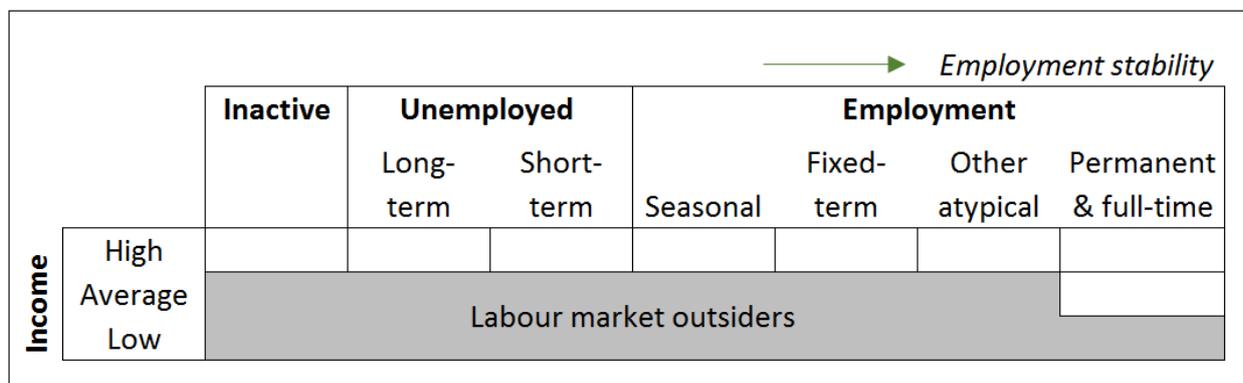
Source: Own representation based on data from Eurostat.

Youth labour market outsidership and the standard employment relationship

Youth labour market outsidership (YLMO) is a term that captures how young people not only have difficulties in finding a job, but are also more likely to be employed in precarious jobs. It goes beyond a sole focus on the unemployment dimension to understand the situation of youth in Europe. Arrigoni et al. (2016) use a “standard employment relationship”, being a full-time, permanent and financially secure position, as a reference point for YLMO. Exclusion from standard employment can ‘spill over’ into other dimensions of social life and lead to a vicious

cycle of social exclusion.⁶ Figure 4 below represents dimensions of YLMO in a schematic representation. A few key STYLE findings pertaining to YLMO are that institutions for education, training and welfare have a significant impact on YLMO (Hart et al., 2015). YLMO was not found to greatly affect social and formal political participation compared to young people in general.

Figure 4. Schematic representation of dimensions constituting labour market outsidersness



Source: Arrigoni et al. (2016: p. 8).

Precarious employment

One dimension of YLMO is that of precarious employment, which, as seen in Figure 4, would be those types of employment that are either unstable (seasonal, fixed-term, other atypical), or permanent and full-time but low paying. As with YLMO, the idea of precarious unemployment is understood in reference to a standard employment relationship. The term, therefore, is quite flexible across national boundaries. It appears more or less frequently in national dialogues based on the strength of the concept of standard employment models and other factors (Düll, 2003). One of the main ideas explored in the surveyed literature is the extent to which flexible labour markets lead to low employment quality and high levels of precariousness (e.g. Hart et al., 2016; Smith and Villa, 2016; Filandri et al., *forthcoming*; Berlofffa et al., *forthcoming a*).

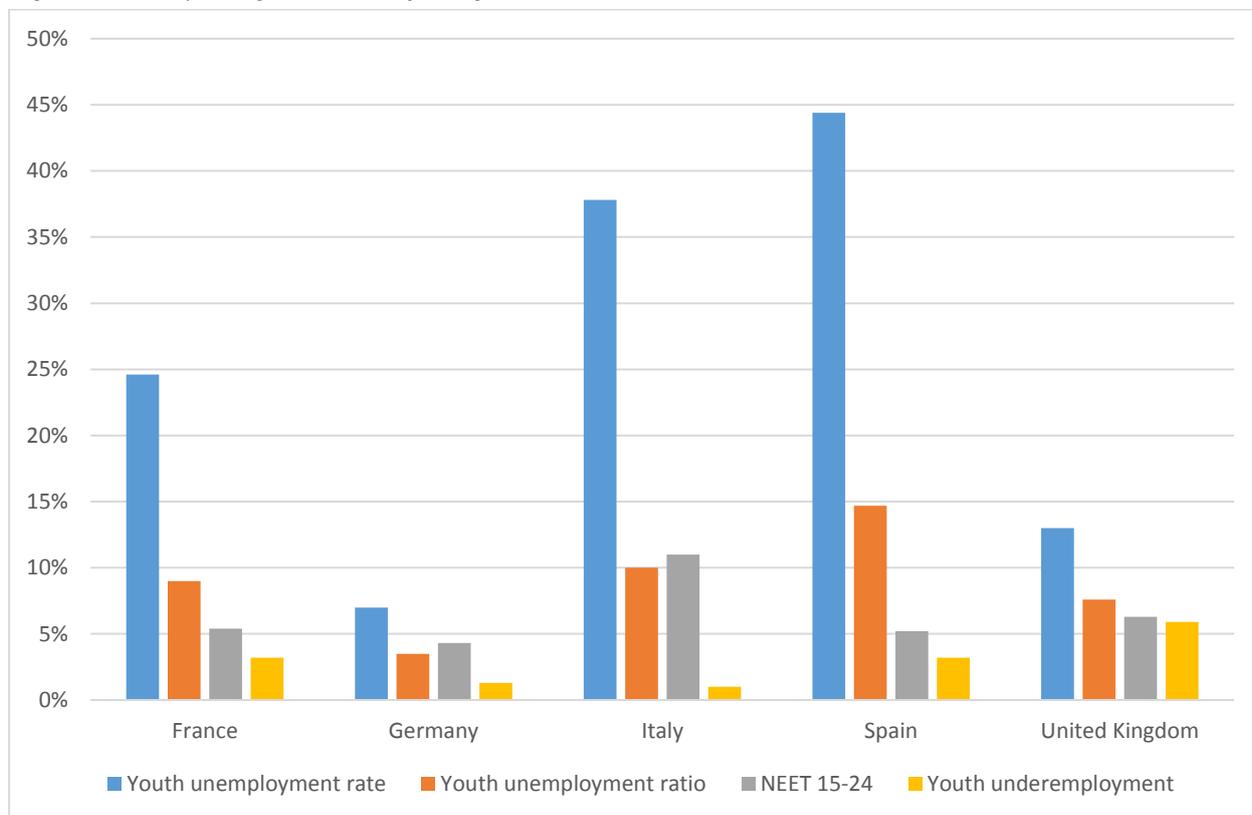
Youth underemployment

Underemployment or involuntary part-time employment is an additional category of YLMO, referring to people working part-time who wish to work additional hours and are available to do so. Underemployed individuals do not work full-time and lack a sufficient volume of work to fulfil their desires or needs. As in the discussion of precarious employment, the idea of youth underemployment often falls into the discussion of 'flexicurity': the idea that labour market flexibility trades off with employment security. Figure 5 below compares youth underemployment with a few other discussed indicators across the five largest EU economies to demonstrate the heterogeneity of the issue. Note that the NEET rate for ages 15-24 is fairly static across countries with the exception of Italy, which has the third-highest rate in the EU behind Bulgaria and Romania. We also observe the effects of flexible labour contracts; the UK

⁶ See, for example, Gallie et al., 2003; Jahoda et al., 1972.

shows the highest youth underemployment rate (5.9%). Further discussion of how these indicators relate to youth unemployment follow in chapter 2.

Figure 5. Comparing indicators for ages 15-24 in selected EU member states, 2016



Source: Own representation based on data from Eurostat.

The main takeaway from this discussion is that the youth labour market is heterogeneous and often misunderstood. The most-used indicator, the youth unemployment rate, is often portrayed in a misleading manner. Furthermore, younger and older youth have different vulnerabilities that require individual consideration. Lastly, the large number of young people in precarious employment indicates that finding a job is only part of the equation. Short and insecure stints in employment are hardly a desirable solution to youth unemployment. Having addressed the complexity of measuring youth unemployment, this paper will proceed to examine its causes and consequences.

Chapter 2. Causes and consequences of youth unemployment

2.1 Causes

Most discussions of the causes of youth unemployment focus on one of two main questions: What factors are related to youth unemployment itself? What factors are related to youth unemployment being higher than adult unemployment? This chapter concentrates on the second question, as the first is better answered by broader studies of labour market and economic trends. Moreover, the literature already contains a wealth of evidence on the relationship between skills and employment outcomes for young people (e.g. Berlingieri et al., 2014; MacGuinness et al., forthcoming). Therefore, this discussion of causes focuses on newer STYLE research on the relationship between individual socioeconomic factors, labour market conditions and youth unemployment.

Intersecting socioeconomic barriers

A World Bank report argues that location and mobility represent significant barriers for many unemployed youth (Betcherman et al., 2007). This would have greater implications for young people living in, for example, less-affluent suburbs. With less-developed professional and personal networks, as well as fewer financial resources, youth are less prepared to overcome practical hurdles to employment. Additionally, demographic factors including gender, age, foreign nationality, ethnicity and education levels have been demonstrated to prolong or derail the school-to-work (STW) trajectory (Hadjivassiliou et al., 2016; Akgüç and Beblavý, forthcoming). For example, foreign-born youth in Belgium, Austria and Luxembourg have 24%, 15% and 10% lower probabilities of making a successful school-to-work transition, respectively. Gender plays a strong role in labour market outcomes for youth as well; all else being equal, men in Slovenia and the UK were 9% more likely than women to make a successful school-to-work transition in 2008 (Ibid.). Socioeconomic barriers pair with young age, and together this creates intersecting disadvantages that reduce the chances of young people successfully finishing education or training, as well as securing employment.

School-to-work transitions are strongly related to whether a youth's household is work rich or work poor

Two key concepts in the debate are STW transitions and that of work-rich and work-poor households. Berloff et al. (2015b; forthcoming b) devised the following six-part typology (indicated in italics) of STW transitions shown in Box 1.

Box 1. School-to-work typology

a) Successful trajectories:

- *Speedy pathway*: Those who entered a relevant employment spell within six months after leaving education
- *Long search pathway*: Those who went through a period of unemployment or inactivity of at least six months before entering a relevant employment spell
- *In & out successful pathway*: Those who entered a relevant employment spell after a sequence of unemployment and non-relevant employment spells

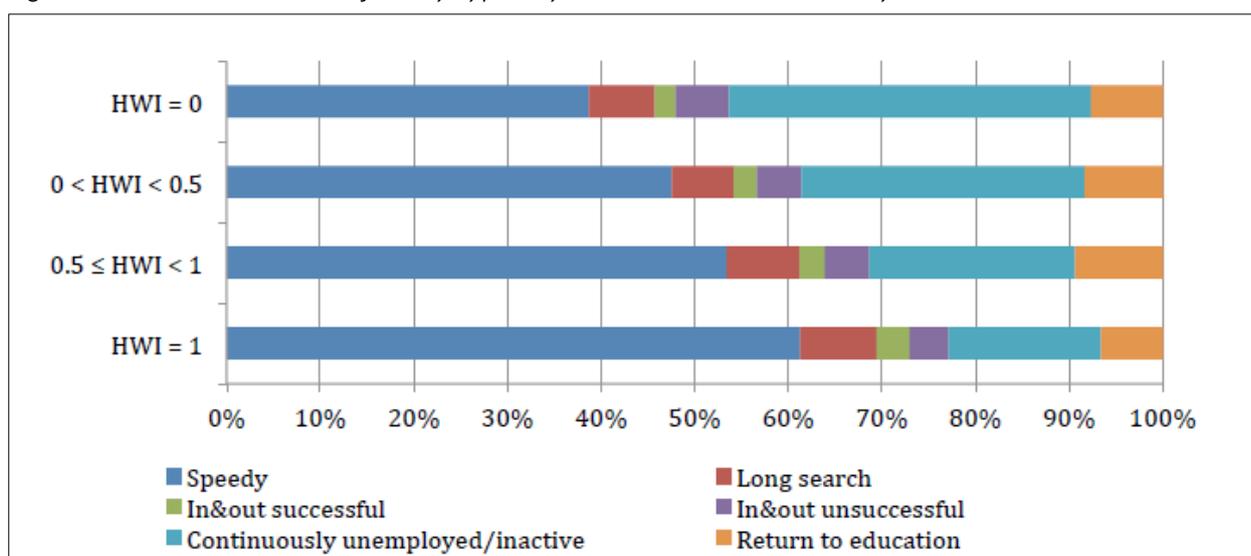
b) Unsuccessful trajectories:

- *In & out unsuccessful pathway*: Those who entered only non-relevant employment spells
- *Continuous unemployment/inactivity pathway*: Those who stayed continuously in unemployment or inactivity, without spending even a month in employment

c) *Return to education pathway*: Those who go back to education for at least six months, after having been in the labour market or in inactivity for more than six months

STW transitions are found to be strongly correlated with the household work-intensity (HSI) indicator insofar as youth from work-rich households enjoy better labour market outcomes (Ibid.). Work-rich households are defined by a high (0.5-1) HSI, whereas work-poor households are defined by a low (0-0.5) HSI. HSI is the ratio of the total number of months that all working-age household members have worked during the previous year and the total number of months the same household members theoretically could have worked (Eurostat). As Figure 6 shows, the relationship between STW trajectories and work richness of a household is stark. For example, youth from households with the highest HSI have more than a 20% greater chance of a speedy school-to-work trajectory.

Figure 6. School-to-work trajectory types by household work-intensity indicator



Source: Berloffia et al. (2016).

STW transitions and the experience trap

Young people transitioning from education to the labour market often fail to find a suitable and stable job, resulting in an unemployment gap immediately upon leaving school or university. For those who do not find suitable employment immediately, frequent job changes and repeated unemployment spells typically follow. Berloff et al. (2016) calculate that roughly half of young people who enter the labour market experience a “speedy trajectory”, entering a relevant employment spell within six months after leaving education. During the crisis, a mere 46% of young people had a speedy trajectory. Academics often attribute the inability of youth to find a job to educational mismatch, a lack of work experience and the absence of firm-specific skills (Flek and Mysíková, 2016; Flek et al., *forthcoming*). The lack of work experience may be especially pernicious for youth by placing young workers in the ‘experience trap’, in which employers select workers with experience with the result that labour market entrants cannot be hired and cannot increase their own experience (Bell and Blanchflower, 2011). The experience trap is related to firms’ risk aversion, and it affects youth seeking low-skilled and high-skilled positions alike. Additional reasons why younger people perform poorly in the job search include younger workers having fewer personal and professional contacts and less experience finding work, placing them at a relative disadvantage compared to adults.

Young people are cheaper to lay off

Even assuming that a young person’s education, skills and other characteristics match the employer’s requirements, youth are still more subject to layoffs. Three examples – fixed-term labour contracts, the application of last-in first-out (LIFO) rules and the use of seniority-weighted redundancy payments - help to explain this discrepancy (Flek and Mysíková, 2016). Fixed-term labour contracts, which are discussed in more detail below, allow firms to de facto lay off workers by simply allowing a contract to expire, as opposed to renewing or extending a contract. Youth are disproportionately represented in fixed-term contracts, resulting in more youths experiencing bouts of unemployment in between contracts. Next, the application of LIFO rules are an administratively easy way for firms to downsize their employee pool while handling budget cuts, but these rules result in younger workers losing their jobs first regardless of any consideration of performance. Even in the absence of a formal LIFO policy, firms may take the view that the long-term benefits of employing young workers are outweighed by its current costs (Bell and Blanchflower, 2011). Lastly, seniority-weighted redundancy payments provide an incentive for firms to lay off younger workers first in order to minimise compensation paid to laid-off workers. These factors taken together suggest why young people are the first to lose their jobs independently of their individual merit.

Youth accumulate negative results of flexicurity more than other age groups

Flexicurity, or the balance of flexibility and security in the labour market, is a contentious topic. While the term has faced much criticism and fallen out of favour in recent years, it is important for understanding the plight of young people in European labour markets (Eamets et al., 2015). Box 2 below explains the meaning of flexibility.

Box 2. Atkinson's definition of flexibility

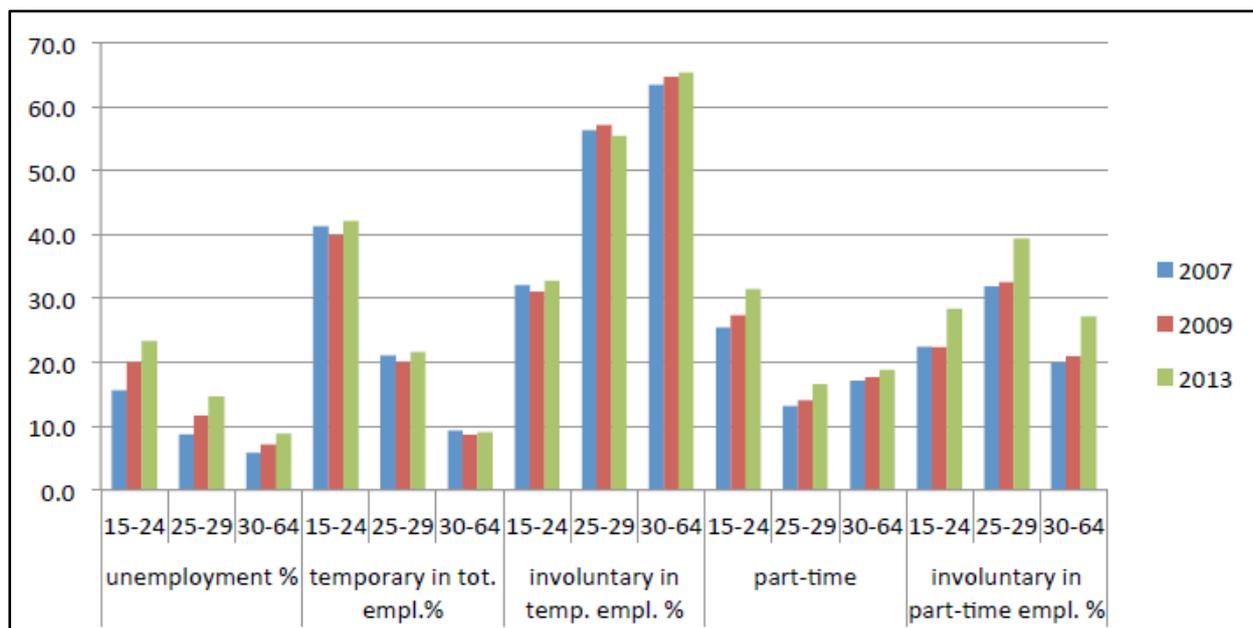
Atkinson's (1984) definition of flexibility is the most widely used, differentiating four parts as follows:

- *External numerical flexibility*: Adjustment of the number of workers hired from the external market, achieved by employing workers on temporary work or fixed-term contracts, or through relaxed hiring and firing regulations
- *Internal numerical flexibility*: Adjustment of working hours or schedules of workers already employed
- *Functional flexibility*: Extent to which employees can be transferred to different tasks within a firm
- *Financial or wage flexibility*: Ability to differentiate the wages of workers

Flexibility and youth outcomes

EU policymakers largely focused on external numerical flexibility in the period 2000-2010, corresponding with the strong emphasis on numerical flexibility during the second half of the Lisbon Strategy (Leschke and Finn, 2016; *forthcoming*). Over the same period, the number of temporary and fixed-term contracts increased sharply. External numerical flexibility disproportionately affects youth for a variety of reasons, but a large part of the equation is that young people simply have less bargaining power than adults due to their comparatively little work experience and other factors explained above – meaning youth are less able to successfully negotiate standard employment contracts. The lack of work experience additionally means that they are less able to benefit from functional flexibility, and they experience fewer opportunities from internal flexibility because they lack seniority relative to older workers (Eamets et al., 2015). As a result, young people are at greater risk of working under non-standard contracts, lose their jobs more quickly than the comparable adult population, have less job and income security due to their lower seniority and limited employment histories, and enjoy less access to unemployment benefits than workers on standard employment contracts (Eamets et al., 2015). Figure 7 shows the development in unemployment and non-standard employment over the economic crisis period for three age groups, demonstrating that youth have been more prone to unemployment and holding temporary contracts throughout the economic crisis.

Figure 7. Developments in unemployment and non-standard employment over the crisis period



Source: Leschke and Finn (2016, 10).

Income security is less effectual for youth

Young workers experience both explicit disadvantages in terms of rules of access to unemployment benefits and implicit disadvantages in access through their over-representation in temporary contracts and shorter average tenure (Leschke and Finn, 2016). For example, Poland, the Czech Republic and Slovakia restrict unemployment benefits for certain types of temporary workers. In the UK, youth under 18 are not entitled to any form of unemployment benefit insurance regardless of what type of contract they held before. In Italy and Ireland, younger workers' benefit rates are lower than those for older workers. Austria, Bulgaria, Germany and the Netherlands make unemployment benefits duration commensurate with contribution payments, which disproportionately affects younger workers with shorter employment tenure. The stimulus period (2008-2009) saw a number of efforts to relax restrictions on criteria for unemployment benefits, but the following austerity period largely did away with that trend. This picture is, however, highly simplified. The reality is much more heterogeneous, taking for example Portugal, Slovenia and Spain, which relaxed eligibility criteria for unemployment benefits during the 'austerity' period of 2010-2014. Nevertheless, with only three exceptions (Romania, Lithuania and Estonia), youth in the EU27 are less likely to receive unemployment benefits than adults (Leschke and Finn, 2016). A further nuance to this argument is the finding that a lack of income security, particularly when combined with inadequate familial resources, often leads young people to accept any job (Filandri et al., 2016b). This tendency could indicate that a lack of income security has ambivalent effects on unemployment rates while exacerbating the issue of mismatch.

2.2 Consequences of youth unemployment

The costs of youth unemployment are high by any measure. Morsy (2012) notes that a lack of employment opportunities may trigger violence, juvenile delinquency and social unrest. The increase in youth unemployment during the Great Recession exacerbated income inequality throughout Europe, particularly in Greece, Ireland, Italy, Portugal and Spain. The opportunity cost to member states is enormous in terms of revenues not received. Macro-level findings such as these have been instrumental in motivating policymakers to address youth unemployment. Research from e.g. Hart et al. (2015), Berloff et al. (2015a; 2016; *forthcoming a*) and Filandri et al. (2016a; 2016b; *forthcoming*) has further contributed to our understanding of youth unemployment by investigating a different variety of its consequences, namely the attitudinal and cyclical effects of youth unemployment. Chapter 2.2 proceeds with a discussion of consequences, addressing both the social and individual level.

High costs to society

It is difficult to put an accurate cost on youth unemployment, but a number of studies have attempted to do so, variously incorporating the cost of unemployment benefits, jail time for unemployed offenders who otherwise would not have offended, lost opportunity costs, etc. The Prince's Trust (2010), in a report prepared in partnership with the London School of Economics and the Royal Bank of Scotland, estimated the annual cost per young jobseeker in the UK to be between £5,400 and £16,000. The report puts the cost of 744,000 unemployed youth in the UK at £155,000,000 per week in benefits and lost productivity. Eurofound calculates the "cost of not integrating NEETs" in Europe at over €150 billion, or 1.2% of GDP in 2011 figures. Certain countries including Bulgaria, Cyprus, Greece, Hungary, Ireland, Italy, Latvia and Poland are paying more than 2% of their GDP in costs related to NEETs (Eurofound, 2012a).

Public health considerations

Various studies have found that unemployed individuals experience greater health risks including lower life expectancy, high chances of heart attack and suicide. Hammarström (1994) notes the relationship between unemployment and higher incidence of illness and domestic violence, particularly battering of wives and children. Young unemployed women are more likely to experience physiological illness, while young unemployed men are more prone to increased alcohol consumption. Unemployment for both sexes is associated with greater tobacco and illicit drug usage (Hammarström, 1994). The effects also seem to be modulated by age, as a study of Pennsylvania workers who lost their jobs in the 1970s and 1980s found that the effects on life expectancy were sharper for younger than older workers (Sullivan and Wachter, 2009).

High costs for individuals

Additionally, research strongly suggests that unemployment begets more unemployment and lower wages – and that this effect can be permanent. The Prince's Trust (2010) found that that every three months of unemployment at age 22 is associated with an additional 1.3 months of unemployment between ages 28 and 33. With respect to earnings, those who are unemployed for 26 months before age 22 earn \$1,400 to \$1,650 less than their peers at age 26 and \$1,050

to \$1,150 less at age 30. This ‘wage scar’ has been found in other studies too. One finds that if a young person spends a year unemployed before the age of

One year of unemployment before age 23 leads British men to earn 23% less ten years later.

23, they will earn 23% or 16% lower wages ten years later for men and women, respectively (Gregg and Tominey, 2005). By the age of 42, men and women would earn 15% and 12% less, respectively. Some research has found that the permanence of wage scarring is unique to low-skilled workers, whereas for medium- and high-skilled workers the effect is temporary (Burgess et al., 2003).

Psychological well-being and insecure lifestyles

Arrigoni et al. (2016) conducted a series of interviews that seem to point to a few conclusions: YLMOs and young unemployed individuals consistently lower their expectations in life, and cope with financial insecurity through whatever means are available to them. This includes working multiple odd jobs, living with family or friends and spending long periods of time living off the bare minimum amount of money possible. One interviewee with a psychology degree and pedagogical certification as a high school teacher described a job cleaning the doorways of buildings: “I was working from 9 am until 2 pm and I was receiving €350 with a contract formally employing me for three hours per day” (Arrigoni et al., 2016, p.16). The same individual worked other jobs including washing dishes in various restaurants, reading gas meters, data entry and “doing other weird stuff” (Ibid.). The interviewee qualified for unemployment benefits for four months, and after losing access to these benefits, resorted to living in different squatted houses and stealing. While an extreme example, this serves to show how young people, even those who are highly educated and qualified, must accept the most menial and insecure employment. This case also demonstrates the constant jumps between various housing and employment situations, and the accompanying sense of insecurity. The rapid changes in employment and housing status are also confirmed by Flek and Mysíková (2016). One interviewee summed up the situation as follows:

Well, [the main challenge for my generation] is the absolute precarity. Everything is very difficult and precarious. Everybody is working in shitty jobs to get some money and – in this city – things are tough... [It is difficult] to avoid all this precarity – which is always there – brings you down, leading you to think only about yourself and forget about others.

Interview No. 57, Arrigoni et al. (2016)

Cyclical unemployment begets cyclical poverty

Berloffa et al. (2015a; 2016), Gökşen et al. (2015a) and Filandri et al. (2016a; 2016b) examined the extent to which unemployed youth may have become so as a result of household factors such as growing up in a work-poor environment. Berloffa et al. (2015a) conclude “decisively” that in every surveyed European country, young people who grow up in a work-poor or workless household are significantly more likely to be unemployed. In the UK for the year 2011, for example, 42% of young people from work-poor households were unemployed, versus 16%

for young people from work-rich households. These findings indicate that unemployment, and the poverty that accompanies it, is very likely to have intergenerational effects. Failing to deal with youth unemployment now is likely to have long-term repercussions.

Young people return home and delay adulthood – the so-called ‘full-nest’ syndrome

Leaving the home is frequently considered to be the first step in an independent adult life, and doing so requires some degree of financial security. Over time, and increasingly after the Great Recession, young people are staying home longer and returning to live at home more often. This is particularly true in northern and continental European countries (Gökşen et al., 2015b). While other factors including welfare regimes, parental income and a young person’s marriage status all influence how long one stays at home and whether one returns, employment status is consistently found to have a robust effect on whether a young person lives with his parents (Gökşen et al., 2015b; Mazzotta and Parisi, forthcoming; Medgyesi and Nagy, forthcoming).

Job mismatch and human capital development

Research has found that youth are especially prone to mismatch, which is consistent with broader evidence in the literature (e.g. Cedefop, 2010; McGuinness et al., 2015b; forthcoming). This is sensible for a variety of reasons, but one important factor is attitudinal: the desperation that young people feel to find any source of employment. The effect of mismatch, like unemployment, appears to be cyclical in that mismatched workers are more likely to move from one mismatch to another (Wooden et al., 2007). McGuinness et al. (2015a) and Flek and Mysíková (2016) suggest that young people are less likely to have their qualifications fully recognised in the labour market, which may result in both unemployment and job mismatch. In both cases, youth face a diminished prospect for human capital development. McGuinness et al. (2015b) additionally find that higher unemployment rates are related to a growth in youth over-education. Unemployment, then, leads to both more unemployment, lower paying jobs and jobs that poorly match young workers’ qualifications.

The trap of taking any job instead of a sensible job

Youth who have experienced unemployment, particularly those from lower-income families, are more likely to settle in their job search. By contrast, youth coming from a higher income household have greater flexibility to be patient, only accepting positions that enable a solid career trajectory (even if lower paid or unpaid – an ‘investment’ position), as opposed to accepting any paid position (Filandri et al., forthcoming; Berloff et al., 2016). One might consider a recent graduate who must work full-time as a server to support himself, versus one able to pursue an unpaid internship related to their studies, or perhaps spend longer unemployed while searching for ‘dream’ entry-level positions, due to financial support from their families. This is one sense in which youth unemployment contributes to income inequality and serves to further entrench poverty.

2.3 Summary of the causes and consequences of youth unemployment

Some reasons for higher youth unemployment are inherent to youthfulness and therefore rather static. Figure 6 on STW transitions shows that only a fraction of young people manage

to secure employment immediately upon leaving school or graduating. This is for a variety of factors, such as younger people having fewer networking contacts, less experience job hunting, and less work experience to leverage. Other explanations may include firm-level decision-making; firms tend to be risk averse and prefer to hire individuals with proven experience in the labour market. Poor hiring choices can be very expensive for employers, and hiring someone with no or minimal experience may not be an effective strategy. Still deeper explanations must include macroeconomic conditions including flexibility which affects young people's prospects in the labour market. As in the general population, the reasons for a young person being unable or unwilling to find employment are diverse. Nevertheless, the findings of the general literature and STYLE research could be said to summarise the causes of youth unemployment as follows: factors that have always given young people a disadvantage on the labour market combined with various labour reforms implemented since the beginning of the 21st century to make youth uniquely vulnerable to unemployment (Grotti et al., forthcoming). This Great Recession was a catalysis of this vulnerability, resulting in persistent and excessive youth unemployment in Europe. (Hadjivassiliou et al., forthcoming).

As for the consequences, young unemployed people report a diverse range of experiences, and this chapter can hardly give voice to all of them. Perhaps the most universal transformation is that young people experiencing unemployment are forced to lower their expectations for their work and their lives. High-achieving university graduates may find themselves cleaning bathrooms and waiting tables for an indefinite period, conscious that this diversion from their preferred career track is both necessary and damaging for their chances to be taken seriously by potential future employers. Other individuals reluctantly dropped out of school and were surprised to find themselves competing with graduates for the same unskilled positions. Unemployment (as well as precarious employment) can have profound effects, and STYLE has helped explore some of these with a number of methodologies. Two of the most important findings have been the additional nuance revealed about the cyclical nature of unemployment, and the impacts of unemployment on human capital development.

Chapter 3. What can be done about youth unemployment?

From the broad survey of EU youth unemployment issues covered in the STYLE working papers and beyond, this policy synthesis derives a number of best practices and policy suggestions. These points are meant to be generally applicable, rather than pertaining to a specific country or political system. As detailed previously, youth unemployment is strongly linked to general unemployment. Nevertheless, because youth are disproportionately vulnerable to certain elements of the labour market, policies targeting youth unemployment specifically are likely to be fruitful in minimising barriers and maximising labour market opportunities for young people.

3.1 Always keep in mind the need for a supportive macroeconomic environment

All surveyed evidence (e.g. Hadjivassiliou et al., 2015; *forthcoming*; Eichhorst and Wozny, 2016) indicates that improving the labour market for youth is predicated on improving the labour market generally. Even the best targeted policies for youth unemployment cannot succeed in the face of shrinking or stagnant economies. Youth unemployment is strongly correlated with overall unemployment across all countries, in spite of the fact that the ratio of youth to overall unemployment shows variation. Achieving a stronger economy, with conditions conducive to employment growth, is the single most important factor for improving the labour market outcomes of young people.

3.2 Ensure high-quality education for all levels, particularly early childhood and primary: focus on prevention, early identification and support for youth in vulnerable households

Education is the bedrock upon which young people make the transition to the labour market. While upper secondary education receives a great deal of attention (Berlingieri et al., 2014) because it often occurs adjacent to STW transitions, policymakers should not neglect appropriate investments in education at all levels. The surveyed literature suggests that education can help minimise the effect of socioeconomic inequalities, providing skills and competencies necessary to mitigate the intergenerational transmission of disadvantages. Unsuccessful STW transitions and ESL have a number of early warning signs that can be acted upon by educators. Foreign-born, low-income and other disadvantaged students can be targeted with additional support measures to increase the chances that they successfully complete education with the skills to succeed in higher education, vocational training or the labour market directly. Filandri et al. (2016a; 2016b) underline that certain issues, including household makeup, familial participation in the workforce and the extent to which youth contribute to household income (Medgyesi and Nagy, *forthcoming*) and other microeconomic factors, play a large role in determining one's ability to engage in schooling and the labour force.

3.3 Increase opportunities for low- and middle-class children, and for households with a weak attachment to employment, to pursue higher education

Identifying and offering support to students in secondary and even primary education may be an effective measure to prevent early school leaving, which is strongly correlated with lower

attainment and higher probability of unemployment and NEET. Vulnerable students might be identified by indicators such as material deprivation, which helps distinguish between situations where low income does not result in situations of vulnerability (Gökşen et al., 2015a). Work-poor households, as shown in Figure 6, also play a strong role in predicting labour market outcomes for youth. Moreover, gender and migrant status continue to act as strong predictors for sub-optimal outcomes such as ESL and unemployment. By identifying and offering counselling and other support to vulnerable students, support that may be lacking from traditional household sources, it may be possible to keep more students in school for a longer period of time, providing youth with the education and skills needed to find gainful employment.

3.4 Prevent dualistic labour market structure: welcome incoming ‘outsiders’

One of the key messages of the surveyed research (e.g. Russell et al., 2015; Smith and Villa, 2016) is to be wary of increasing the flexibility of markets without paying adequate attention to the security of vulnerable workers. Economies are too heterogeneous to offer concrete and generally applicable policy prescriptions (Eamets et al., 2015), but it is clear that flexibility often begets duality. What this means is that as European markets became more flexible, the labour force has sometimes split into standard employment contracts largely held by adults, and precarious contracts largely held by young people and other outsiders. This is both a normatively and economically undesirable outcome. Facilitating young people’s transitions from irregular to regular employment needs to be a policy focus.

3.5 Promote a more holistic and accurate understanding of youth unemployment

Youth unemployment *per se* is not the problem, nor should it be the metric by which labour market policies are evaluated. The problem is labour market outcomes for young people. At the most simplistic level, the youth unemployment ratio ought to become a standard indicator instead of the youth employment rate because the former accounts for the reality that most young people are not actively engaged in the labour market. At a deeper level, more use of broader indicators such as youth labour market outsidersness (YLMO) can facilitate a better understanding of the number of young people for whom the educational system and labour market are not working. In addition to changing the emphasis on which indicators matter to evaluate youth labour market performance, the definition of youth must change. Youth can hardly be said to end at age 25 for the majority of Europeans. Acknowledging that youth lasts longer than it used to is an important first step. Moreover, evaluating the individual issues that people face at ages 15-19, 20-24 and 25-29 enables a more holistic assessment of issues facing those transitioning into the labour force, while allowing researchers to better appreciate the nuances between young people of different backgrounds and educational outcomes (Leschke and Finn, 2016).

More targeted data on the youth labour market will also benefit future research. Consider, for example, that STYLE authors were confronted with a lack of data on active labour market policies (ALMPs) targeted at youth. This absence of data made it difficult to conduct an accurate

cost-benefit analysis of ALMPs, which could be very helpful in formulating informed policy recommendations. Therefore, policymakers and academics alike should emphasise the value of carrying out youth-specific labour market research and achieving some level of uniformity in the definitions used to facilitate better and more widely applicable research. Youth unemployment is a much more complicated phenomenon than implied by the youth unemployment rate alone, and understanding this fact is a prerequisite to fostering informed policymaking in this area.

3.6 Encourage youth employment policy innovation and experimentation, as well as knowledge-sharing mechanisms

No single policy prescription represents a panacea for youth unemployment owing to the inherent complexity of the issue as well as the variability between member states in terms of governments and economies. Policy experimentation and innovation, therefore, will play a leading role in finding appropriate and effective policies that maximise labour market opportunities for young people, and STYLE afforded considerable attention to studying policy environments that allow innovation to stagnate or to thrive. Petmesidou and Gonzalez-Menendez (2016: p. 12) define effective innovation as:

... Policy changes in objectives, programmes and delivery processes that are conducive to positive results with regard to the labour market and social inclusion of youth (and particularly of the most disadvantaged/disaffected young people). [...] Our emphasis is on social innovation, namely the development of “new ideas, services and models to better address social issues.

Box 3. Any type of government can innovate or stagnate

One of the findings of Petmesidou and Gonzalez-Menendez (2016) is that governance structure does not explain the differences in policy experimentation and innovation or path dependency and inertia. Denmark, the UK and the Netherlands, for example, have highly variable administrative systems from the regional/local level to the central government. Nevertheless, these three member states are the most favourably disposed towards policy experimentation and innovation. This is an indication that policy experimentation and learning for youth unemployment ought to be possible regardless of the type of government in power – whether highly centralised or devolved – and regardless of the educational or vocational structures in place.

Limit procedural barriers to policy experimentation and innovations

In some cases, the key to fostering innovative policies may be removing procedural barriers. Excessive bureaucratisation in Greece, for example, has been found to hinder policy innovation and knowledge diffusion. Highly centralised administration structures, such as those in Greece and Turkey, are further barriers insofar as localities have less leeway to experiment with new policies. The opposite can also be true, however. In the case of France, Petmesidou and Gonzalez-Menendez (2015) identify a fragmentation of the system, without a clear overarching

coordinating structure, as a barrier to effective innovation. Attitudes among various French stakeholders also impact innovation, as they display a lower receptivity to innovation and “a certain resistance to change” (Ibid., p. 19). To some extent Spain has benefited from devolution, allowing greater local and regional experimentation as well as high levels of coordination at the local and regional levels. Reducing other administrative barriers, such as administrative ritualism and competition between levels of governance, would further benefit Spain’s innovation outlook.

Systematically perform programme evaluation and impact assessment at all levels of governance

The three nations identified as highly innovative and having a low rate of youth unemployment – Denmark, the UK and the Netherlands – share a few commonalities in spite of their vastly different governance and educational systems. Each conducts robust programme evaluation at every stage of policy implementation. The UK in particular has a strong tradition of evidence-based policymaking, while Denmark implements evidence-based adjustments using a common knowledge repertoire that systematically feeds into policy innovation. While the Netherlands has no tradition of post-evaluation research change or controlled policy experiments, it still benefits from extensive dialogue in the social domain that seeks to build consensus around policies beneficial to all parties: in effect, creating an inclusive forum to discuss the efficacy of policies. The Netherlands in particular also benefits from robust regional experimentation, exemplified by the successful experience of The Pact for a Youth Unemployment-Free Zone in Mid-Brabant (Petmesidou and González-Menéndez, 2016).

Enhance policy learning and transfer channels

Petmesidou and Gonzalez-Menendez (2016: p.4) argue that the key factor driving successful innovations is “systematic interaction and feedback among all levels of governance from the bottom upwards and the reverse, which is conducive to negotiated and evidence-informed innovation”. Such feedback allows incremental adjustments and fine-tuning of policies, changes in policy instruments, soft forms of learning, and ultimately the diffusion of successful new policies. One successful method for knowledge transfer is found in the Netherlands, which benefits from a ‘knowledge triangle’ or ‘triple helix’, meaning collaboration at the local level between the public sphere, knowledge institutions, and the market. Furthermore, at the national level, Dutch stakeholders conclude social covenants, social accords and multilateral agreements to change policies and find agreement on reforms and practices better suited to current issues. Denmark relies on a corporatist learning framework with diffusion channels between all levels of governance and stakeholders’ bodies. Other countries rely more on soft forms of learning from other countries or international bodies such as the OECD, as well as expert networks and mutual learning programmes. Clearly a variety of policy learning and transfer channels exists within the EU, and no single system is best. The challenge for policymakers, therefore, is to develop and implement robust knowledge transfer channels that work within a given member state’s context. Petmesidou et al. (2016) contend that this is a key policy dimension enabling diffusion and implementation of strategies to effectively counter youth unemployment.

3.7 Strengthen the role of the education system in STW transitions

It is clear that higher education institutions can play a leading role in preparing youth for the labour market, and facilitating the STW transition has already been recognised as a key policy area for addressing youth unemployment (Eurofound, 2012a). McGuinness et al. (2015b) make two suggestions that can reduce the probability of mismatch and perhaps also unemployment.

Encourage degree programmes to provide more practical experiences

First, degree programmes should focus on providing students with more practical experiences. This applies to vocational education, as McGuinness et al. (2015b) observe a strong inverse relationship between the aggregate number of vocational course components in a degree programme and the probability of mismatch in a graduate's first job. The value of practical educational tools, however, equally applies to non-vocational programmes such as liberal arts university curricula. Findings indicate that irrespective of the field of study, increasing the practical aspects of degree programmes will reduce the incidence of initial mismatch. Such practical aspects might include project-based learning, which was found to lower the probability of severe mismatch for graduates. By comparison, a focus on written assignments had a positive correlation with over-education and severe mismatch. Findings by McGuinness et al. (2015b) suggest that the acquisition of facts and practical knowledge, as well as project- and problem-based learning are the most effective route to link students with satisfactory jobs.

Increase resources for higher education job placement

Second, policymakers should increase resources allocated to higher education job placement assistance. McGuinness et al. (2015b) looked at a number of routes for labour market entrants to come to their first position, finding that jobs found through family or friends, as well as private employment agencies, tend to produce the most severe mismatch. By contrast, higher education work placement and “help from higher education”⁷ produce the lowest levels of mismatch and severe mismatch, only exceeded by those who find employment “through previous work”. With these findings, policymakers should encourage educational institutions to implement or expand work placements with the potential to develop into permanent posts. A robust ‘career centre’ or similar service can act as a critical link between the education system and labour market.

3.8 Focus resources on certain ALMPs more relevant to youth

ALMPs represent a diverse group of policy tools with the potential to improve the prospects of young people in the labour market. Gonzalez Carreras et al. (2015) discuss the following types of ALMPs: (1) employment incentive programmes, (2) rehabilitation, (3) job creation schemes, (4) labour market services, (5) labour market training and (6) business start-up assistance. While ALMPs have a role to play in combatting youth unemployment, not all are created equal in terms of the likely costs and benefits. Furthermore, those that are successful in affecting the overall population may not be appropriate in targeting youth. For example, long-term

⁷ “Help from higher education” was one possible survey response youth could indicate as the manner in which they came to be matched with their employer.

unemployment among adults is often caused by obsolescence of skills, such that further training provides a useful tool for improving labour market outcomes for this group. Young people's difficulties are likely better supported by (1) extending programmes offering work experience (job creation and employment incentives) and (2) policies aimed at increasing the percentage of youth in vocational education. In addition, broader programmes offering close monitoring, counselling and retraining, such as the UK's New Deal for Young People, and Belgium's 2004 Cooperation Agreement⁸, may also be appropriate – particularly in conditions of sufficient labour demand.

Use employment incentive programmes

Gonzalez Carreras et al. (2015) estimate that an increase in participation in employment incentive programmes (relative to youth unemployment) by one percentage point reduces youth unemployment by 0.7 percentage points. In comparison, labour market service and business start-ups do not show a significant effect in any estimated models, nor does increasing the participation in labour market training. While the authors urge caution in interpreting these results, due to data availability and other methodological issues, they also make a strong case for a causal relationship between youth employment incentives and youth employment. Youth employment incentives can take either the carrot or the stick approach. In recent years, Belgium has seen success utilising both. The Belgian federal government offers employers €1,000-1,100 for a period of 12 months if they hire a person younger than 26 with a maximum of secondary education (Petmesidou and González-Menéndez, 2015). Meanwhile Belgium has introduced sanctions for firms not employing particular proportions of young people (Eichhorst et al., 2016). Anecdotally this strategy has been working, as Belgium's standing in terms of youth unemployment, relative to other member states, has improved significantly since 2004. Similar patterns have been observed in Poland and Romania.

Consider job creation programmes

Meanwhile, Gonzalez Carreras et al. (2015) find that a 1% increase in participation in job creation schemes (stocks as a percentage of youth unemployment) would decrease the youth unemployment ratio by 0.4%. This finding is counterintuitive to much of the evidence on the effectiveness of ALMPs such as Card et al. (2010) or Martin (2015), but other research most often concerns the general population. The finding that job creation schemes reduce youth unemployment reflects the fact that effective policy should enable young people to gain experience in the workplace, which is consistent with other literature (e.g. Dorsett and Luccino, 2013; Kalwij, 2004), suggesting that improving the labour market experience for young people reduces an individual's risk of unemployment.

Increase the number of youth in vocational education

Gonzalez Carreras et al. (2015) calculate that increasing the stocks of youth (aged 15-24 years) in vocational education by one percentage point would reduce the youth unemployment ratio

⁸ The 2004 Cooperation Agreement marked a shift towards implementing activation policies focused on the supply side of youth labour. These efforts were intensified with the Jeugdwerkplan [Youth Employment Plan] in Flanders. For more information on the 2004 Cooperation Agreement, see Lievens and Vandenbroucke (2015).

by 0.25 percentage points. It would, however, be a large-scale intervention as there are already many young people in vocational education, and vocational programmes have comparatively high costs per participant while eventually running the risk of diminishing returns. This finding is consistent with other literature (e.g. Berlingieri et al., 2014) and EU policy initiatives that promote vocational education as a crucial tool to facilitate young people's transition into the labour market and teach them skills relevant to labour demand.

3.9 Expand the use of labour intermediaries to facilitate mobility

Findings indicate that public or private labour market intermediaries can play a positive role in stemming youth unemployment in Europe. While labour market intermediaries are often viewed critically,⁹ Hyggen et al. (2016) find that these institutions can facilitate movement and greater labour market opportunities for young people. Indeed, the precedent has already been set at the European level with the initiative Youth on the Move, which aims to promote mobility in order to foster youth employment, to leverage skills and experiences of young workers and to improve the matching quality of labour supply with labour demands (European Commission, 2010). While Youth on the Move makes use of various instruments, Hyggen et al. (2016) argues that governments should give greater consideration to labour market intermediaries to promote mobility and reduce unemployment. The potential of labour market intermediaries is especially marked in countries and industries facing labour shortages. Examples of industries with high labour demand that may benefit from labour intermediaries include tourism, care/health and high-tech (Hyggen et al., 2016).

Box 4. What are labour market intermediaries?

Labour market intermediaries may be private companies, public employment services or educational institutions. Job seekers face a variety of obstacles such as information deficits, insufficient social networks, financial burdens and lack of foreign language skills. Intermediaries can help to reduce these barriers with services such as playing the 'matchmaker', pairing employers with suitable candidates, facilitating training, providing housing and completing administrative work for employers and young migrants. Labour market intermediaries effectively make the two-way relationship between employees and employers into a triangular relationship. Besides the obvious benefit to employers, wherein they receive an employee, Hyggen et al. (2016) point to a variety of evidence showing that migrants using intermediaries profit too. For example, migrants recruited by intermediaries obtain better-paid working contracts compared to migrants relying on informal networks.

With monitoring and sensible regulations for private labour market intermediaries, and expanded use of public intermediaries, such institutions can positively contribute to the European youth labour market. Young people looking for work are often more willing to move abroad due to fewer ties and obligations such as children and long-term housing arrangements.

⁹ See the Appendix for a brief summary of criticism of labour market intermediaries.

Nevertheless they face numerous barriers including more limited work experience, financial resources and work-related networks. Beyond matching job searchers and employers, intermediaries can secure good working conditions for youth by counselling and controlling the employer (Hyggen et al., 2016). Public labour market intermediaries might act as important anti-discriminatory and integration tools for young people (Kureková and Ortlieb, 2016), which is particularly important for youth from newer member states and third countries. Improved youth labour mobility can have significant positive externalities as well. Work experience abroad has even been shown to reduce gender inequalities, as indicated by a reduced income disparity for young returning Estonian workers (Hyggen et al., 2016). Local public employment services or educational institutions should bolster their roles as information providers for young people hoping to work abroad. Greater international collaboration between public employment services, such as using the network of EURES, is an important step forward.

3.10 Enhance integration and non-discriminatory treatment of migrants

Young people are more mobile than the general population, and as such youth are disproportionately affected by migration policies. Research has found that migration in the EU is driven by labour shortages and national programmes to bring in additional labourers (Akgüç and Beblavý, 2015). Additionally, the fall of the Iron Curtain, the accession of new member states and the economic crisis have altered migration dynamics. Modern South Europeans and East Europeans have diversified their destinations compared to previous generations, moving beyond neighbouring countries as was the tendency in the past. East Europeans of all skill levels have shown an increased likelihood of emigration (Akgüç and Beblavý, 2015). The increasing mobility of Europeans represents both a challenge and an opportunity for all member states. Facilitating a positive experience for young migrants is an essential aspect of not only the labour market, but also preventing outsidership and anti-social behaviour. Accordingly, researchers have made a number of findings pertaining to the youth experience in labour mobility and corresponding policy suggestions.

Implement better screening and transparent evaluation schemes for skill evaluation of migrants

Migrants are more likely to be both over- and under-skilled, and this results in a great deal of occupation and education mismatch with a variety of negative externalities. Smoothing international skill transferability and offering on-the-job training possibilities to young migrants would help avoid skill mismatch. Increased efforts to facilitate recognition of foreign qualification and experience might include continued efforts to standardise educational criteria and develop a European dictionary of education and grades, building on the Bologna Process. In this vein, the European Qualifications Framework (EQF) and the European Credit System for Vocational Education and Training (ECVET) are two tools designed to enhance the mobility of learners and the portability of qualifications (European Commission, 2017: ECVET, 2017). Continuing their implementation is likely to improve the outlook for young labour migrants.

Implement tools matching migrants to jobs

Successful job matching is an important step in minimising the damage caused by mismatch. Tools such as EURES (the EU's Job Mobility Portal), public or private employment agencies or well-designed job portals can be useful to decrease information asymmetries in intra-EU labour mobility. As discussed above, labour market intermediaries can be a powerful tool for matching job seekers to suitable employers, particularly at a cross-national level. This is equally true for positions of all skill levels, as demonstrated by the positive experience of youth working with labour intermediaries operating in Austria and Slovakia, as well as in Norway and Sweden (Hyggen et al., 2016).

Increase support for language training programmes

Improving language skills is an important step to empower young migrant workers, as insufficient language skills often force migrants to take up jobs below their skill level. Research confirms that language proficiency remains a key barrier preventing otherwise-qualified young people from taking up well-suited positions abroad. One option to address this issue would be an increased focus on intra-EU exchange during primary or secondary education, which would likely entail more classroom time for foreign languages or a greater variety of available foreign language classes. Subsidised language courses or increased financial support opportunities for youth participating in language training are additional methods to facilitate language skills development (Hyggen et al., 2016; Mýtna Kureková and Ortlieb, 2016).

3.11 Use hybrid support methods to empower youth entrepreneurs

This policy synthesis has not addressed entrepreneurship up to this point, but it still merits discussing as entrepreneurship is widely recognised as a key engine for economic growth. Although self-employed entrepreneurs do not constitute a large portion of the economy (and even less of the youth population), young people are an important demographic for policies promoting start-ups. Evidence shows that younger people are more likely to be innovative in their business models and more ambitious in terms of job creation (Masso et al., 2015). Accordingly, a number of existing EU and national policies promote self-employment and entrepreneurship, particularly for target demographics such as youth, women and ethnic minorities. Such programmes aim to overcome barriers facing youth in self-employment and business creation, such as a lack of start-up capital, procedural hurdles and limited business connections or social networks. Nevertheless, efforts to date have been lacking in a few important dimensions.

Box 5. Do not confuse self-employment and entrepreneurship

There is a need to differentiate between opportunity-driven entrepreneurship, as opposed to necessity-driven self-employment. In the absence of a standard definition of self-employment at the European level, member states have developed their own interpretations of the term as well as distinctions between self-employment and entrepreneurship. Most importantly, self-employed work, in and of itself, may not be desirable. It is a heterogeneous category that does not necessarily imply self-determination, independence or the potential to expand business and hiring opportunities. In comparison with dependent employees, self-employed individuals generally work longer hours, have lower median earnings and lack social security-safety net protection (Sheehan and McNamara, 2015). Self-employed individuals are often ‘pushed’ into self-employment or freelance work because of minimal opportunities in the formal labour market. This is opposed to the idea being ‘pulled’ into entrepreneurship, intending to “generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets”, and potentially creating positions for additional employees.

Sheehan and McNamara (2015) note that both EU-wide and member state-specific initiatives for entrepreneurship can utilise both ‘hard’ support (financial support) and ‘soft’ support (coaching, counselling, and networking). Hard support aims to overcome financial barriers for entrepreneurship that disproportionately affect youth, women and ethnic minorities. Soft support aims to motivate and advise aspiring entrepreneurs, or in the case of some programmes targeting primary and secondary school students, to develop entrepreneurial mind-sets and skills. The European Commission and OECD (2014) have increasingly recognised that hybrid support is the most effective method for promoting entrepreneurship. Recommendations include the provision of unemployment benefits for a certain time period, particularly at the start-up stage, targeting the needs of specific groups of unemployed, involving local partners, and aligning support schemes with tax and social security schemes. In spite of the growing consensus that hybrid support is most effective, only 15% of the programmes surveyed in six EU countries provide both hard and soft support (Sheehan and McNamara, 2015). Supporting entrepreneurial efforts leads to innovation, economic growth and job creation, and should therefore be a priority area for policy makers.

Minimise job creation challenges and avoid deadweight

While business start-up assistance and similar policies show great potential, other evidence suggests that some caution is in order. For starters, there is always a risk of ‘deadweight’ policy interventions. McNamara et al. (2016) found that 49% of young people who received start-up assistance said they would have been “very likely” to set up the business anyway absent the assistance. Some 50% who received assistance additionally said that they would have set up the business when they did and not later if they had not received assistance. While one may argue that assistance in these cases was deadweight, it is conceivable that start-up assistance helped firms to survive, if not outright enabled their creation. Still, even the more sceptical

findings of McNamara et al. (2016) conclude that the hybrid approach including both hard and soft assistance is a promising policy option. Taken together, research suggests that the emphasis should be placed on minimising the job creation challenges perceived by young entrepreneurs, including financial costs, appropriate skills and experience, and legal obligations (Sheehan et al., 2016).

3.12 Offer a lifeline for NEETs and ESLs

While policymakers must concern themselves with the efficiency dimension (To what extent does a particular policy reduce youth unemployment?), they must also take account of the equity dimension. In this sense it is critical to target NEETs and facilitate their further education or employment, as innovative policies in France and the UK have been shown to accomplish (Petmesidou et al., 2016). As discussed, NEETs are a heterogeneous group and one-size-fits-all policies are unlikely to be effective. Accordingly, a large degree of policy innovation will be necessary to find and implement suitable solutions for member states. The following example is not meant to be taken as a prescription for policymakers, but rather to offer readers a better understanding of a few programmes, implemented at different levels, that have served to empower NEETs around Europe.

Consider specialised programmes – an example from the UK

One UK school programme called “Numeracy and Literacy Lessons Leading to ISCED 3 Level”, or “Bridging Course”, demonstrates a highly successful and innovative approach to unemployed or at-risk youth. By the end of the course, students are expected to reach a standard level of English and math proficiency, which is a prerequisite for most further education, vocational training programmes and even entry-level jobs. The course is intended to provide this groundwork for a positive transition for young people, whose education has somehow been derailed, into tertiary education, vocational education or straight into employment. Beyond English and math, the Bridging Course places emphasis on soft skills such as communication, socialisation, CV writing and punctuality. According to the Curriculum Manager:

The focus is very much on employability. Academic qualifications are really geared towards turning these youngsters into employable young citizens... There is a social side to it; it will often be communication skills, socialisation, confidence building, motivation, all these kind of things that employers need to see. We also make sure that we are very much looking after the whole student and the whole learner. What we say is, I’m not interested in producing a robot who can reel off mathematical facts but doesn’t know how to hold a conversation, who struggles in interviews.

Lórinç et al. (2016: p. 6)

Something akin to this Bridging Course is an important fall-back to have for students who, for whatever reason, have not completed their schooling and find themselves stuck. The Bridging Course is a school of last resort for some, particularly dropouts and those who have been expelled. For others the course fills the skills gap resulting from entering the education system

too late. In all cases, the programme offers counselling and personalised support for young people in need of a successful experience. The Curriculum Manager said:

We know where students end up largely because they will keep in touch with us... There is no buzz and there is no more rewarding thing than getting some snarling, rude, demotivated little so-and-so, knocking them into shape (...) you find out two years later down the line, they got their level 3 diploma and are about to join to train for social work or even as a teacher.

Lórinč et al. (2016: p. 14)

3.13 Adjust expectations and allow country-specific deviations to the Youth Guarantee

The Youth Guarantee is a commitment by all member states to provide young people under the age of 25 with a quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education (European Commission, n.d.). Part of the underlying logic in the programme's implementation is that after a period of months, an unemployed young person's chance of finding employment drops off, becoming comparable with the long-term unemployed. To date, the Youth Guarantee has been the European Commission's flagship response to youth unemployment, but its implementation has been troubled. An audit published in April 2017 found that in none of the five surveyed member states were all young people given a quality offer within four months of unemployment. The auditors' suggestion is to (1) manage expectations by setting realistic and achievable objectives and targets and (2) perform gap assessments and market analyses prior to setting up the schemes (European Court of Auditors, 2017).

This is in line with other literature as well. Flek and Mysíková (2016) found that dynamics within four months of unemployment vary a great deal from country to country, which suggests that a more individualised approach is appropriate, as opposed to a single European-wide goal post. For example, in 2010-2011, 44% of young Austrian unemployed found a job after four months of unemployment. Over the same period, only 29% of French and 21% of Spanish youth accomplished the same. Accordingly, Flek and Mysíková (2016) and other researchers recommend an adjustment in the Youth Guarantee, whereby countries account for slower employment transitions in setting their targets. While the Youth Guarantee is a positive development for young people in Europe, it is also necessary to temper expectations and set realistic and achievable targets based on empirical evidence.

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Appendix

Criticism of labour market intermediaries

Labour market intermediaries have been criticised on grounds that they contribute to the exploitation particularly of vulnerable groups such as young people, women, and individuals of certain nationalities. Eurofound (2016), for example, reports that agriculture, construction, domestic work and hotels and restaurants are prone to trafficking for labour exploitation. Private intermediaries tend to view employers as their main clients rather than the workers, which weakens the position of young job seekers relative to employers and employment agencies. Furthermore, McGuinness et al. (2015) find that the use of private intermediaries can contribute to skills mismatch. The potential for negative outcomes, particularly with private labour market intermediaries, is well established and not to be understated. Even so, Hyggen et al. (2016) find that mainly private companies are involved in transnational job search processes, and public intermediaries play only a minor role. Additional research has found that working via temporary labour agencies has profound and negative effects on individuals. Silla et al. (2005) find that temporary workers experience poor health outcomes. This notion is disputed, however, with authors such as Bardasi and Francesconi (2004), who find no evidence that atypical employment is related to negative health consequences.

About the STYLE Project

The EU and its member states have identified youth unemployment as a critical research area, and the Strategic Transitions for Youth Labour in Europe (STYLE) project is a reflection of the EU and member states' ongoing efforts to better understand the causes and solutions to youth unemployment. STYLE is a research project exploring obstacles and opportunities affecting youth unemployment in Europe. Twenty-five research partners, an international advisory network and local advisory board of employers, unions, policy makers, and NGOs from over 20 European countries are involved in the project. STYLE aims to achieve 10 objectives organised around 12 research, dissemination, and management work packages (WPs). The objectives are as follows:

- i. Create a critical mass of resources in collaboration with stakeholder communities (WP2)
- ii. Provide a critical evaluation of the performance of countries and regions (WP3)
- iii. Assess the prospects for policy transfer mechanisms (including those under the European Social Fund) (WP4)
- iv. Provide a critical review of the mismatch in supply and demand (WP5)
- v. Examine the consequences of mismatch in terms of labour mobility and migration for young people within the EU (WP6)
- vi. Analyse the nature, rate and success of business start-ups and self-employment for young people (WP7)
- vii. Examine the cultural context of family organisation and the pathways to enhancing independence (WP8)
- viii. Map the voices of vulnerable young people by identifying their different values and aspirations (WP9)
- ix. Analyse the nature and mechanisms of flexicurity regimes and how they contribute to overcoming youth unemployment (WP10)
- x. Advance the knowledge base by publishing an 'International Handbook on Strategic Transitions for Youth Labour in Europe' (WP11)



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