



# EUROPEAN POLICY BRIEF

## NEGOTIATE

Overcoming early job-insecurity in Europe

### Transitions to adulthood in the context of economic crisis

#### NEGOTIATE Policy Brief no. 4 - March 2017

##### INTRODUCTION

The NEGOTIATE project examines from a range of different angles the situation of young people when entering the labour market. It takes into account their objective (or real) as well as subjective (that is, perceived) situation. There is a focus on the consequences of early job insecurity and labour market exclusion in periods of severe economic and financial crisis and political transformations. How do young people's transition to adulthood unfold in this context? What are the consequences of job-insecurity for personal well-being – in the short-term and at later life stages? Using quantitative and qualitative research methods, the NEGOTIATE project investigates how experiences of job insecurity affects young people's decisions with regard to choices such as education, leaving the parental home and family formation. It considers the personal perceptions and views of young people about their prospects and opportunities for coping with early job insecurity and unemployment.

##### DATA AND METHODS USED

We have approached the above questions by combining the use of several datasets, namely, the European Union – Statistics on Income and Living Conditions (EU-SILC), the EU – Labour Force Survey (LFS) and several waves of the Eurobarometer Survey 'Young people and drugs'. We have extracted information on the evolution of the labour market in the different European countries (EU 28 at national and regional level, 2004-2014), matching it with relevant individual data.

Following a similar econometric strategy in the different analyses, we have exploited the different impact of the Great Recession in Europe and the important variability of unemployment and other employment insecurity indicators across countries and regions to identify changes in patterns of school enrolment and fertility. We have identified within-country (or within-region) changes in the outcomes of interest (e.g. fertility) with within-country (or within-region) changes in the job insecurity indicators (e.g. unemployment rate).

Complementary to the quantitative analyses, we have collected qualitative data consisting in 209 semi-structured life-course interviews with women and men belonging to three generations (born 1950-55, 1970-75 and 1990-95) in seven countries (Bulgaria, the Czech Republic, Germany, Greece, Norway, Poland and the United Kingdom). All the interviews were carried out during 2016. Most of the interviewees had experienced unemployment or job insecurity early in their career (before the age of 25). The NEGOTIATE research team had developed a common interview guide which was used in all the participating countries. It was organized thematically and the main questions referred to the transition from school to unemployment, the effects of unemployment on the interviewee's life situation, the opportunity to be active during unemployment, and access to support from family, non-governmental organizations and the government.

## MAIN FINDINGS

**Non-compulsory education.** Young Europeans (16-29) were more likely to enrol in education in response to poor labour market conditions brought about by the recession. A 10 percentage point increase in the population unemployment rate translated into a 2.8 to 4.2 percentage point increase in the probability of being enrolled in education. Moreover, the overall trend is mostly driven by those enrolling in non-compulsory secondary education. However, not all young people have had the same chances to enrol in education during the period: boys and girls in low-income households are less likely to be enrolled in education than their richer counterparts. The results are particularly worrisome in the case of university studies: youths in the lowest income quartile were less likely to be enrolled in tertiary education during the Great Recession than in the preceding period.

**Fertility.** Job insecurity is not unequivocally related to fertility decisions in Europe among young people. On the contrary, there are large variations by age group, gender, and especially, country cluster. The results also depend on the choice of indicator of job insecurity. Long-term unemployment and job redundancy (at the local level) are the two indicators that most clearly show a negative relationship with the probability of having a new-born child; an especially strong result for youths above the age of 25. Unemployment is only unequivocally negatively related with fertility for males between the ages of 25 and 34. Moreover, temporary work is a strong determinant of lower fertility levels in the Southern European countries, while the same is true for part-time workers in the Eastern European and Baltic states. We also find a robust negative relationship between the likelihood of having a new-born child and the percentage of workers that are looking for another job because they fear that they will lose their current position. Conversely, there is evidence of a positive relationship between fertility and the percentage of individuals that wished to work more hours in Northern Europe, and between fertility and the percentage of unemployed that gave up looking for a job in English speaking countries and Continental Europe.

**Active agency on the pathway to adulthood.** Different factors on micro, meso and macro level determine the active agency through which young people in seven European countries convert their available resources into improved outcomes. We have identified two kinds of effects of early job insecurity on young people's scope for active agency in relation to three spheres of well-being: education, employment and family formation.

- (1) The patterns of **realized agency** refer to young people in a situation of early job insecurity who manage to convert their initial conditions by undertaking different actions and improving their

prospects for education, employment and family formation. Realized agency was related to personal characteristics (self-relying agency), support from state institutions and NGOs (institutionally-enabled agency), informal support from family and friends (informally-enabled agency), and volunteering (social commitment-enabled agency). Each one of the patterns of active agency leads to, and is realized through, different actions, such as continuing or leaving education, pursuing mobility, accepting any type of job, etc.

- (2) The patterns of **impossible agency** refer to young people who are not able to take action to convert their resources into improved prospects in relation to the considered aspects of well-being. Impossible agency was related to mechanisms that hinder the interactions of young people with institutions and individuals such as – no clear goals (disoriented and unmotivated agency), scarring and discrimination effect resulting from having children, age, lack of work experience or relevant education (hampered agency), a prolonged period of despair and depression, deteriorated mental well-being or health problems (blocked agency).

The life-course interviews show that the described patterns of agency are embedded in national and institutional contexts. Thus, for example, we found many cases of social commitment-enabled agency (volunteering) in Norway and the UK and rare cases in the other countries studied. At the same time, in all post-communist countries and in Greece, family and relatives, social networks and friends prove to be of crucial importance for overcoming early job insecurity. Regarding generational differences, we found more examples of social commitment-enabled agency in the young and middle-cohort. The cases of disoriented agency are more common in the youngest cohort. Discrimination also presents specific difficulties for young people belonging to ethnic minorities when searching for a job.

**Marginalization and social exclusion of young people.** The life course interviews identify the main aspects of marginalization of young people that have experienced early job insecurity and unemployment as being: poverty and lack of income; life in poor neighbourhoods and neighbourhoods providing limited opportunities for support and development; parents' unemployment that is transmitted to the children, i.e. inherited poverty across generations; deteriorating health; limited access to health facilities; and a low degree of autonomy. The risk of social exclusion is especially high when young people do not have networks who might orientate them and support them in finding work, and receive little or no support from civic organizations and state institutions.

The identified aspects of marginalization and social exclusion appear in all seven countries and have a negative influence on the activity of young people, hampering their active agency. At the same time, the less agency, the greater the probability of marginalization and social exclusion.

**Gendered labour market outcomes.** The life course interviews reveal several situations which provoke considerable difficulties for women seeking satisfying employment. Early births lead to insecurity and risks through the interruption and prolongation of education. Especially for single parents, the lack of institutional support leads to extreme job insecurity and to difficulties in raising children. The responsibility of caring for family members often excludes women from satisfying, stable and well-paid employment, when additional institutional or private support is not available. A lack of work-family balance for mothers leads to labour market insecurity, as noted in interviews from Bulgaria, Germany, Poland, the Czech Republic, the UK, and Greece. Only the Norwegian interviewees do not generally speak about young children or other care responsibilities as a hindrance to their participation in the labour market.

**Social Mobility.** Some of the youngest interviewed women see themselves as being in a lower social position than their mothers. Their mothers created a family at a younger age and had security in the form of a permanent work contract and wages; this is hard to achieve nowadays for young people with only secondary or lower education. In the youngest generation of women, there are also examples of upward mobility, when daughters have received a higher level of education than their mothers and, in this case, they value the individual achievement.

### Policy recommendations

Viewed from the perspective of young Europeans we find some policy recommendations to be especially important in times of economic crisis:

- **Increase the possibilities for skill training and lifelong learning** - austerity measures in periods of economic downturn should not be imposed at the price of further jeopardising the possibilities for skill acquisition for those who, because of low household income, have already the greatest difficulties in engaging in non-compulsory education. The educational sector acted as a buffer for many young people during the Great Recession, but it is up to policy-makers to make sure that such cushions exist in equal terms for everyone.
- **Increase state support for young parents** - our findings on the relationship between the business cycle and fertility suggest that employment insecurity and joblessness do not affect the possibilities for family formation across Europe in a similar fashion. Countries with institutional arrangements that help young individuals during their prime age of family formation (through childcare or benefits) moderate the impact of an economic downturn and allow young people to carry out their plans to have children.
- **Increase the opportunities for active agency of young people** – it is necessary to elaborate policies – both at local and national level – that directly or indirectly have a positive effect on the opportunities of young people with respect to work, education and autonomy. Policies should focus on empowering young people to interact and negotiate with different institutions when entering the labour market in order to experience a smooth transition to adulthood. In this regard, it is necessary to pay special attention to **professional advice and guidance of school leavers**.
- **The elaboration of work-family policies** at national level, the support for childcare centres and day-care centres for ailing and elderly family members would widen women's opportunities for active agency.
- **Awareness of the significant role of employers** – in the course of the education-to-work transition, employers and staff recruitment officials play a key role. They are the ones who may potentially discriminate against young people (especially women raising small children or taking care of family members in poor health) in the job hiring process. Special attention should be given to **socially-responsible business**, which is engaged not only in charity but in the formation of the labour potential of employees.
- **Consider the interrelation between different aspects of well-being** – the multi-dimensional and multi-layered character of marginalization and social exclusion has to be taken into account when assessing the effect of youth policies at European and national level. Our research on multiple exclusion suggest that marginalization relate to factors such as lack of education, disability, gender, ethnic origin, and class. Policies for decreasing youth unemployment and improving the situation of young people in Europe have to be made in line with the general context in every country and in relation to other policies that have impact on the life of young people.
- **Support young people at several arenas** – crucial to the successful life path of young people is the presence of a supportive environment – both from informal networks and formal institutions. In this regard, **volunteering** emerges as a good opportunity for involving young people in the labour market, increasing their social embeddedness and decreasing the risk of marginalization and social exclusion.

## RESEARCH PARAMETERS

NEGOTIATE is a three year EU funded project (EU contribution: € 2,476,609) exploring early job insecurity in Europe. It is organised around nine complementary work packages structured over three stages.

**Stage 1** consisted of an assessment of early job insecurity and youth unemployment as a theoretical challenge, leading to a refinement of the overarching analytical framework (Work Package 2). The purpose here has been to ensure that the implementation of subsequent research tasks is underpinned by a common analytical framework that is shared by all consortium members, i.e., across disciplinary and country boundaries.

As part of stage 1, we have also reviewed existing empirical work with a view to operationalizing new tools for capturing the drivers and consequences of early job insecurity.

**Stage 2** represents the main stage of the project. Data have been collected and interpreted according to thematically linked but analytically separable questions and foci (Work Packages 3-7). The project rely on a combination of primary and secondary data.

**Stage 3**, the final project stage, synthesises the findings across the thematic work packages (WP3-8). We revisit the overarching questions posed at the start of the project (Work Package 2) and assess policy with the aim of developing policy recommendations (Work Package 8); this will build on the new comparative insights gained through the data analyses from Stage 2.

The formulation of policy recommendations will take place in close cooperation with stakeholder representatives, who are included in the development of the project from its outset, thereby maximising its intended impact.

By involving stakeholders as well as young people themselves in this process, we ensure that the questions most relevant to the policy community in each country and at an EU level will be addressed.

Research outputs from the project will be presented in a series of Policy Briefs, conference papers, peer-reviewed journal articles and two edited books including a student open access electronic educational resource.

More detailed accounts of this work is available on the project website: [www.negotiate-research.eu](http://www.negotiate-research.eu)

## PROJECT IDENTITY

**PROJECT NAME** NEGOTIATE – Negotiating early job-insecurity and labour market exclusion in Europe

**COORDINATOR** HiOA – NOVA Norwegian Social Research  
Oslo, Norway, [www.hioa.no/nova](http://www.hioa.no/nova)

**CONSORTIUM** NOVA Norwegian Social Research, Oslo and Akershus University College of Applied Sciences (HiOA NOVA), Norway

Institute of Labour and Economy, University of Bremen (IAW – UB) Germany

Brighton Business School, University of Brighton (UOB), United Kingdom

Institute for Public Policy and Social Work, Masaryk University (MU), Czech Republic

Department of Social Sciences, University of Basel (UNIBAS), Switzerland

Department of Economics, University of Girona (UDG), Spain

Department of Social Policy, Pantheon University of Social and Political Sciences (UPSPS), Greece

Department of Labour and Social Policy, Poznan University of Economics (PUE), Poland

Institute for the Study of Societies and Knowledge (ISSK), Bulgaria

SOLIDAR Foundation, Belgium

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**FUNDING SCHEME**

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**BUDGET**

EU contribution: € 2,476,609. Total budget: € 2,919,233

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**WEBSITE**

[www.negotiate-research.eu](http://www.negotiate-research.eu)

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**FOR MORE INFORMATION**

Contact: BjørnHvinden, Scientific Coordinator, HiOA NOVA, <mailto:bjorn.hvinden@nova.hioa.no>

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