Youth poverty and school-to-work transitions in six European countries

Alba Lanau
alba.lanau@bristol.ac.uk

European Survey Users Conference
Mannheim March 2015
Outline

- Why this research
- Aims and Research Questions
- Method
- Results
- Key findings
Changes in youth transitions

- There are growing concerns that transitions are becoming both longer (Walther, 2006) and more uncertain (Beck, 1992)
  - Delay in the key transitions (entering the labour market, leaving home, having children) (Eurostat, 2014)
  - Rising unemployment (ILO, 2013)
  - High youth poverty rates (iacovou, 2009, OEC, 2014)

- The debate: Are all young people equally exposed to these ‘new’ risks?
Growing up in the risk society?

- Ulrick Beck argued that in the new ‘risk society’ risks are pervasive and individualised.
- Leisering and Liebfried argued a ‘democratisation’ of risks.

- Other researchers claim that risks are equally or even more patterned than in the past (Bynner et al., 2003; Paugam, 2007; Roberts, 2009; Pintelon et al., 2014).
Aims and Research Questions

1. Trend over time: Is there a strengthening/weakening of the patterning of youth transitions?
2. Cross-national variations: Are the trends identified consistent across countries?

This paper examines to what extent individual background (gender and poverty) shape early labour market transitions in six European countries with different welfare systems: Denmark, Belgium, France, the UK, Italy and Spain (Walther, 2006)

1. Trend over time: Is there a strengthening/weakening of the patterning of youth transitions?
2. Cross-national variations: Are the trends identified consistent across countries?
Methods

- Since the economic recession can be seen as an exceptional period, the paper compared two periods of economic growth.
- Future research will look at changes resulting from the recession.

- Data: Longitudinal two periods
  - Young people aged 16-30
    - ECHP 1994-96 (n=20,283)
    - SILC 2005-2007 (n=10,327)
Indicators

- Gender
- Poverty (income, material deprivation)

Individual Background Predictors (t1)

- Monthly activity status: employed, self-employed, unemployed, student, inactive, missing, ‘out’

S-to-W transitions 36 months (t1-3)

- Income
- Material Deprivation
- Financial Strain

Youth Poverty Outcomes (t3)

x2

ECHP + SILC
Comparability issues

- ECHP vs SILC
  - Pure panel vs rotational design
  - In-put harmonised vs Out-put harmonised (countries)
  - Variables: some differences in the definition + measurement of
    - Income
    - Material deprivation
    - Activity status

- Limitations in terms of comparability
- The best data available
Analysis proceeded in four steps

- **Sequence Analysis (OM+CA)**
  - Trajectories (36 months)

- **Descriptive statistics**
  - Identification of ‘risky trajectories’ (poverty outcomes t3)

- **Logistic Regression**
  - Predictors of risky trajectories (t1)

- **Marginal Effects**
  - Comparison of effects
Sequence clusters

- Most similar sequences grouped using CA: 6 clusters SILC, 7 clusters ECHP

<table>
<thead>
<tr>
<th>Figure xx. School to work transition clusters</th>
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<tbody>
<tr>
<td>ECHP (1994-96)</td>
</tr>
<tr>
<td>Stable employment</td>
</tr>
<tr>
<td>Unemployment</td>
</tr>
<tr>
<td>Unstable employment + self-employment</td>
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<tr>
<td>Student</td>
</tr>
<tr>
<td>Inactivity</td>
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<td>Transition dominated trajectories</td>
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</table>
Successful and Risky transitions

Poverty rates year 3

Successful transitions
- Stable employment
- Self-employment
- Students (FR+DK income poor)

Risky transitions
- Unstable employment
- Unemployment
- Inactivity
# Incidence of Risky Transitions

## Percentage of Young People in Each "Risky" Cluster by Country

<table>
<thead>
<tr>
<th>Year</th>
<th>Denmark</th>
<th>Belgium</th>
<th>France</th>
<th>UK</th>
<th>Italy</th>
<th>Spain</th>
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<td>Unemployment</td>
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<td>9</td>
<td>7</td>
<td>7</td>
<td>21</td>
<td>18</td>
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<tr>
<td>Inactivity</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>9</td>
<td>10</td>
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<tr>
<td>Total</td>
<td>11</td>
<td>13</td>
<td>14</td>
<td>18</td>
<td>30</td>
<td>28</td>
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<td><strong>2005-07</strong></td>
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<tr>
<td>Unemployment</td>
<td>4</td>
<td>7</td>
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<td>3</td>
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<td>5</td>
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<tr>
<td>Total</td>
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<td>11</td>
<td>11</td>
<td>11</td>
<td>21</td>
<td>11</td>
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</tbody>
</table>
Risk across countries

- Highest prevalence of risky transitions **Italy + Spain** (90s only)
- High inactivity rates observed in the **UK**

- Denmark, Belgium and France most successful in ensuring stable education/full time transitions

- Partial fit with Welfare Regime theory
  - Risky transitions more prevalent in sub-protective regimes (Brizinsky-Fay, 2007)
  - Employment centred regimes associated with more structured transitions (Walther, 2006)
  - But also big differences within regimes (part. Spain vs Italy)
Regression Analysis

- Individual country logistic regressions
- Predictors
  - Gender
  - Age
  - Living arrangements (parents, partner)
  - Children & Children*Gender
  - Educational attainment
  - Poverty
    - Income poverty
    - Material deprivation
### Similar risk factors identified across countries

**Logistic Regression. DV: Following a risky transition**

<table>
<thead>
<tr>
<th></th>
<th>ECHP 1994-96</th>
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<td>Belgium</td>
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<td>Female</td>
<td>0.63</td>
<td>1.68</td>
<td>0.66**</td>
<td>0.33**</td>
<td>0.98</td>
<td>1.05</td>
<td>#</td>
<td>1.21</td>
<td>1.04</td>
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<td>0.53***</td>
<td>0.55**</td>
<td>0.34***</td>
<td>0.27***</td>
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<tr>
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<td>4.58**</td>
<td>5.26***</td>
<td>11.52***</td>
<td>4.89***</td>
<td>5.23***</td>
<td>13.78***</td>
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<td>1.62*</td>
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<td>Deprived 94</td>
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<td>1.46***</td>
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<td>0.25</td>
<td>0.35</td>
<td>0.18</td>
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</table>

*Note: 95% Confidence Intervals in brackets
Significance levels: *p<0.05, **p<0.01 ***p<0.001
# n.d.*
Risky transitions AME female, young people with and without children

* Significant effect observed in the regression
Risky transitions AME poverty, young people with and without children

IP: Income Poverty
MD: Material Deprivation
* Significant effect observed in the regression
Key findings

- Transitions to adulthood remain strongly gendered young women more likely to follow a risky trajectory (part. Inactivity) → This effect is mediated by motherhood

- Youth Poverty is associated with increased probability of following a risky transition

- Somehow weaker effects in the second period (2005-07) in the UK and Spain – but no consistent trend

- Cumulative effect of income and material deprivation

- Democratisation? What about the recession?
Transitions that are more strongly related with poverty at the end of the period (unemployment and inactivity dominated trajs), are also strongly associated with poverty at the beginning of the observation period.

- Path dependence? Persistent poverty? (8-35% poor 3 years)
- Fluctuations around the poverty line?
- Spirals of disadvantage (Paugam, 1995)?

This is true for all three ‘end’ poverty indicators (income, deprivation and financial strain) – interesting given the lack of overlap between these
Thank you!

alba.lanau@bristol.ac.uk

@polisonic_a