



**closing gaps in European social citizenship**

***Social citizenship for young labour market entrants: Cross-country comparison of institutional settings***

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- i) to advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of exercising the EU social rights as an integral part of EU citizenship and promoting upward convergence, and
  - ii) to engage with relevant communities, stakeholders and practitioners in the research with a view to supporting social protection policies in Europe.
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## Abstract

The working paper provides an overview of the institutional settings and developments in national social protection systems that affect young labour market entrants' opportunities to achieve quality jobs up to 2020, including recent reforms after the outbreak of the COVID19 pandemic. Analytically, it relies on the concept of youth social citizenship to describe cross-national variation in institutional frameworks and social outcomes related to youth opportunities to achieve employment and quality of jobs. It is drawing from desk research and from the standardised country reports on national social protection systems in EE, DE, HU, IT, NO, ES, and UK. A main conclusion was that in the seven countries subject to investigation, policy interventions for youth and young adults engaged in the transition from school to work can be summarized as a growing push towards activation and conditionality in all countries. However, very important variances remain in amount of resources targeted towards ALMP and also in orientation into public work, training or work subsidies.

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# 1 Introduction

The youth life stage is a critical period of life where important decisions in the areas of education, work, and family are made. In the past few decades, the landscape of transitioning from youth to adulthood has drastically changed as the key contexts of the education and labour market, as well as patterns of dependency from parental family, have gone through significant transformations, impacting ways in which young people conduct their lives (Furlong, 2009; Märtsin, 2019). Due to various structural, economic, and cultural changes, transition to adulthood has become de-standardised, heterogeneous, and often non-linear (Thomson et al., 2002).

This report examines the financial independence of young people and the role of the welfare state in it. Comparative research has demonstrated that across Europe, youth often do not find a smooth transition into the labour market and experience long term job searching and episodes of being not in employment, education, or training (NEET) (O'Reilly et al., 2015; Rokicka et al., 2018; Unt & Gebel, 2018; Unt et al., 2021). Moreover, if young people manage to find employment, they often face job insecurity in the form of temporary positions (Karamessini et al., 2019; Passaretta & Wolbers, 2019).

Young people were particularly affected by the financial crisis of 2008 and again during the COVID19 pandemic. The economic consequences of the pandemic have affected global value chains and decreased demands, placing extra burdens on companies. This has put pressure on the welfare state and families as many countries are already experiencing rising unemployment and decreasing labour force participation.

The impact of these recent developments on young people has been disproportionately high for several reasons. Young people tend to work more in hospitality and the food industry which has been hit the hardest by the pandemic (ILO, 2020). The first wave of the COVID-19 crisis has been, at least partially, cushioned by strong fiscal responses from both the EU and the national level (Eurofound, 2020; ILO, 2020). However, the subsidized employment programs launched by several European countries support firstly the employment of permanent workers, while the support for temporary workers and self-employed people varies considerably across countries. Young people who are more likely to hold a temporary contract and who are also more likely to engage in various new forms of work with less or no social protection, such as gig-work, thus benefit proportionally less from these employment programs. Furthermore, young people's employment opportunities have been affected by the series of lockdowns that have occurred in 2020 and 2021 which have also have closed down most of the possibilities to move between countries, as well as reducing the mobility between workplaces. Additionally, the increasing trend towards teleworking in professional and other jobs have put newcomers, many of whom are youth, in a less favourable situation, as well as made it difficult for them to transition smoothly to the working life, due to the decreased opportunities for spontaneous and informal networking and on-the-job informal learning.

At the same time, youth access to education during the period of lockdowns and home schooling is more than ever framed by the ability of the education system to switch to the online teaching, young people's own digital skills, and access to high speed internet from their homes. For higher education students, the pandemic has prevented almost all international student mobility; intranational mobility for young people to take up internships collapsed during the lockdown. At best, young people had to adapt to teleworking. Physical social distancing measures and restrictions on social interaction have been particularly detrimental to young people, who are emerging from the first wave of the pandemic as the group with poorest mental health outcomes (Efuribe et al., 2020; Eurofound, 2020; Orben et al., 2020).

Nevertheless, it is important to recognize that the external structures that frame the opportunities for youth, vary widely between countries. There is a vast evidence-based demonstrating that *nation-specific institutions matter for youth* (Bertolini et al. 2021; Hvinden et al., 2019; O'Reilly et al., 2019).

In this current report, we concentrate on how the welfare state has played a crucial role in the life course for young people. The core idea of the welfare state is social citizenship which consists of social rights and obligations. Marshall's (1950) seminal work showed that the expansion of social rights in the 20th century followed the development of civil and political rights. The key instruments of welfare states to reduce inequalities and provide people with resources to exercise their civil and political rights are education, health care, and the role of income redistribution, including unemployment benefits.

The welfare state contributes to the institutionalization of the life course (Kohli, 1986). On a very general level, we may say that childhood is institutionalized via family policies and the educational system and old age via the pension system. In-between these life stages, it is expected that adults participate in the workforce and thus their welfare is provided via social policies. The last twenty years have seen major shifts in the welfare states' approaches to labour market policies, emphasizing the growing responsibility of people to make themselves 'employable' (de Graaf & Maier, 2017). In welfare regime research, social investment approach is promoted (see Morel et al., 2012; Garritzmann et al., 2019). The most important functions of social investment policies are to create, mobilize, and preserve human capabilities (Hemerijck, 2015) in order to help people overcome difficult life events.

Previous work on the welfare state has primarily focused on social citizenship rights associated with three particular stages of the life course – children, working-age people, and retirees - and less often on the transitional life stages, such as youth. One reason for this is that policies seldom target exclusively social risks of such transitional stages like the transition to adulthood. The largest share of state budgets allocated for social purposes are spent on programs targeting these three broader phases in the life course (Birnbaum et al., 2017). Still, there are some influential studies within the comparative literature on the welfare state addressing the youth welfare typology (Gallie & Paugam, 2000; Walther, 2006; Chevalier, 2016). These have addressed the variety of youth situations in continental Europe and in the UK and less often in the Mediterranean countries. Despite few exceptions (like Lauri & Unt, 2021), there is a serious lack of insights into the social citizenship of youth in Eastern Europe.

Against this background, *the aim of the current report is to show how different welfare dimensions across different countries treat the youth life stage* which has been affected by prolonged educational engagement and less stable labour market opportunities.

The public policies may not be the only providers of welfare for youth. It may be necessary to consider the entire welfare triangle of Esping-Andersen (1990) and also involve the family and the market. Still, in this report, *our central concern is the welfare regime related to provision of public authorities*, but we cannot totally overlook the role of the family and the labour market as they are strongly intertwined. While concentrating on institutional settings framing the opportunity structures of youth in their transitions to adulthood, we are building on Duncan Gallie and Serge Paugam (2000) who conceptualize a country's ability to provide protection against misfortune in the labour market in a two-dimensional space: the unemployment welfare regime and models of family residence. Next, we draw from Tom Chevalier's work on youth welfare regimes and on social and economic citizenship of youth (Chevalier, 2016; Chevalier, 2017). We put special emphasis on skill levels and skills inequalities among youth, including digital skills as part of their emerging social citizenship.

In considering the country cases, our aim is not to present the most 'typical' case studies in relation to the analytical model. Instead, we use social citizenship dimensions which serve as a general analytical construct and compare the similarities and deviations in specific country cases, putting extra emphasis on the still underrepresented Southern and Eastern Europe case studies which do not necessarily fit 'neatly' into the conventional dimensions of established typologies.

In this report, we initially outline the dimensions of youth social citizenship showing youths' opportunity to rely on the government in gaining financial independence. Secondly, we present a typology of distribution and level of general skills in the youth population. General skills, including digital skills, are enabling people to participate in the labour market and gain financial independence via work. Given the growing importance of digital skills and the ICT infrastructure, we also present the typology of distribution and the level of digital skills among youth. Thirdly, we assess the situation of youth at risk by concentrating on poverty risks, including in-work poverty (IWP). Fourthly, we compare countries and identify the extent to which at-risk youth are supported and which policies are relevant in framing their opportunities at the labour market. Thereafter, we present seven case studies that refer to a variety of institutional settings: Germany, the United Kingdom, Norway, Estonia, Hungary, Italy, and Spain.

## 2 Analytical lenses to study youth social citizenship

Young people's social citizenship is driven by the underlying principles governing the welfare system. Becoming an adult from a welfare state perspective entails becoming financially independent from the parental family (Chevalier, 2016). The independence can be gained either through the market by accessing paid employment or through the state receiving by social benefits. In reality, youth combine different sources of income and the financial independence can be transitional, gained in cooperation with a partner (see Unt et al., 2021).

However, there are systematic differences across European countries in the way youth achieve independence from their parental family; the concept of ‘defamilialization’ can be particularly insightful in demonstrating the role of the welfare state in the transition to adulthood.

### 2.1 Familialization or individualization of young adulthood?

Therefore, in line with Van de Velde (2008) and Chevalier (2016), we distinguish between a familialization perspective, according to which young people are seen as children, and an individualization perspective, in which they are considered to be adults by the welfare state (Table 1). In the case of ‘familialized youth citizenship,’ youth are seen as part of the family; it is the family’s obligation to support their offspring until they are in the education system or even beyond. Additionally, student support is dependent on the parents’ income. In contrast, ‘individualized youth citizenship’ treats youth as reaching the age of majority after a certain age when they are independent welfare subjects; their educational pathways after secondary education are not supported via family policy and student support does not depend on parental income. Gallie and Paugam (2000) point out that family residence is not determined entirely by the social protection regime. They also emphasize the different models of family residence. This has also been called the ‘home leaving regime’ by Bertolini et al. (2018).

*Table 1 Two ‘ideal types’ of youth social citizenship*

	<b>Familialized citizenship</b>	<b>Individualized citizenship</b>
Maintenance claims for children after their age of majority	Yes	No
Age limitations to access social benefits	Late: after 20	Early: before 20
Status in social security	Dependent	Independent
Aids for students		
Family policy	Yes	No
Student support	Grants depend on parental income	Grants non-dependent on parental income
Home leaving regime	Late	Early

*Source: Adopted from Chevalier 2018, modified by authors.*

### 2.2 Distribution of skills

The literature on school-to-work transitions have addressed the linkage between labour market and education system via the distinction between specific and general skills. Two ideal types have been distinguished: occupational labour markets where specific skills gained via vocational education lead to ‘regulated integration’. This enables ideally a smooth labour market integration as within Germany. General skill regimes are where internal labour markets and educational provision provides mainly general skills. Youths need to obtain specific skills at the work place, making their career start more fragmented and characterized

by job-hopping, but also providing more mobility options throughout their career path (see Müller & Gangl, 2003; Unt 2007).

Irrespective of the school-to-work transition pathway, the important feature of social citizenship is the acquisition of adequate level of general skills enabling young people to exercise their rights and have a good starting point for further training. Another important dimension is the equality in levels of competencies. In light of this, it is important to notice how equally the education system manages to equip youngsters with general skills. Two indicators for this are the equality of skills and the early drop-out rate within educational system (see Table 2).

We may construct four types of skill regimes along the dimensions of the level of competencies and by the distribution of the equality of skills. High levels of competencies can be found in systems with both equal and unequal distributions, as is also true for the evidence of low skill competencies. Among general skills like reading and numeracy, it is important to account for digital skills,<sup>1</sup> as these are also crucial general skills to be able to participate in our contemporary complex societies.

*Table 2 Distribution and level of skills*

		Egalitarian	Unequal
Level of competencies	High	Equally high skills	Selective, high average
	Low	Equally low skills	Selective, low average

### 2.3 Policies to support youth at risk

The skills are not related only to a certain level of formal education like secondary school or access to higher education. In the context of life-long learning, the overall approach of employment policies is also crucial. Bonoli (2012) similarly emphasizes that the active labour market policy (ALMP) instruments differ across national contexts and also across economic cycles. He classifies systems as mainly protection-, investment-, or recommodification-

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<sup>1</sup> The digital skills indicator we use here consists of composite indicators which are based on selected activities related to internet or software use performed by individuals in four specific areas (information, communication, problem solving, and software skills). It is assumed that individuals having performed certain activities have the corresponding skills. Therefore, the indicators can be considered as a proxy of the digital competences and skills of individuals. According to the variety or complexity of activities performed, two levels of skills ("basic" and "above basic") are computed for each of the four dimensions. Finally, based on the component indicators, an overall digital skills indicator is calculated as a proxy of the digital competences and skills of individuals ("no skills", "low", "basic" or "above basic") (Eurostat, 2021). We assess the share of youth in age group 16-24 who have above basic skills.

oriented. With this in mind, Chevalier (2016) has distinguished two strategies: encompassing and selective strategies (see Table 3). The encompassing strategy aims to provide some skills for every young person and boosts primarily access to education. Therefore, ALMPs have the function to ‘enhance human capital’ and ‘upskill’ individuals (Chevalier 2016).

In the selective strategy, in order to support the labour market integration of the low educated, the state fosters a demand-side policy aimed at lowering the costs of youth labour for employers (ibid.). Lauri and Unt (2021) have used the notion of ‘capacitive impact of active labour market policy’ as a way to operationalize the ALMP system to capture this investment approach. The encompassing strategy can be related to generous expenditure on ALMP or to the high share of expenditure on training related instrument; in contrast the selective strategy requires more limited expenditure on ALMP in general and a comparatively marginal role for training related instruments.

*Table 3 Distribution of competencies via ALMPs*

	<b>Encompassing strategy</b>	<b>Selective strategy</b>
Objective of the strategy	Boost access to education: learnfare	Boost access to employment: workfare
Public intervention on the labour market	Supply-side policies	Demand-side policies
Function of ALMP	Enhance human capital	Lower labour cost
Capacitive impact of active labour market policy	Generous ALMP, high share of training related instruments	Limited expenditure on ALMP, majority of instruments not investment oriented

*Source: Adopted from Chevalier 2018, modified by authors.*

In addition to ALMPs, policies directly or indirectly framing the opportunities of youth at risk can be manifold, depending on specific policy packages adopted in given country. Minimum income schemes and passive labour market policies can have a substantive role directly; even where young people do not qualify for these, they can have spill-over effects through parental household income streams and benefit entitlements. As a result, youth income and employment opportunities are structured by differences in labour market regulation including taxation practices and minimum wage regulations.

On the basis of these generic differences in policy regimes that shape youth citizenship rights and entitlements, we turn to examine seven case studies from partners on the Euroship project from Germany, the UK, Norway, Estonia, Hungary, Italy and Spain.

### 3 Case studies

The volatility of the labour markets and the de-standardisation of life courses are a pan-European and increasing global phenomenon. However, there are very different arrangements across countries as to how to buffer these social risks and how to support the resilience of the people in general and youth in particular. In this section, we examine the dimensions outlined above to focus on seven country case studies. These cases do not necessarily exemplify the categories of the typology we have presented. The different dimensions are used rather as analytical tools to assess the case studies against these analytical continuums. We are not aiming to classify each country clearly in to different groups like familiarized or individualized systems or having comparatively high or low versus a selective distribution of skills. Instead, we aim to reflect where each country belongs along the analytical dimensions and bring out information which ‘disturbs’ the binary view of welfare systems. Thus, we do not see the proposed typology as a set of binary attributes or categories, but rather as continuous dimensions, enabling also to account for the dynamic nature of social citizenship across and within specific country cases.

#### 4 Germany: the familiarized youth welfare citizenship, selective skill system with high overall average level of skills, low vs high wage sectors

Granges et al 2021 state that

The German welfare state was classified as a “conservative” welfare regime in Esping-Andersen’s approach (1990). However, the social security system was subject to a “neoliberal turn” in the early 2000s. The social-democratic and ecologist Government introduced a new social security policy based on principles of “activation” and the strengthening of the principle of “self-reliance”. Labour market policies were based on a reduction of access to unemployment benefits and a tightening of the benefit system based on a means-tested minimum income below the poverty threshold, together with a “work first” strategy (Baecker, 2018; Knut, 2008). Pension reforms were connected with a strong decrease in the size of pensions (successively until 2027) and the introduction of a third marketised pillar of pensions. On the other hand, there was a turn towards a “social democratic” type of policy with regard to family policies, on the basis of a generously paid parental leave of 12-14 months (mid-2000s) and generous social rights for children age 0-6 for public day-care (2007, 2013). Altogether, the German welfare state developed towards a conservative-hybrid welfare regime (Eggers et al., 2019). Since these reforms, the Government took little efforts to reduce poverty (Hanesch, 2019).

#### 4.1 The skills system

Germany has a well-known stratified educational system, where vocational education plays an important role. There is a close cooperation with employers via an apprenticeship system, which means that students in the vocational track study and practice both in schools and at the workplace. Although youths are sorted into different educational tracks from the age of 10, the average level of skills at age 15 is relatively high. According to Table 8, German pupils have above OECD average skills in reading and numeracy at the age of 15. Despite this high average level, the skill distribution is unequal with significant differences in reading performance between schools. Similarly, to Hungary, the gap in reading performance between the 10% most socio-economically advantaged and the 10% most disadvantaged students was over 170 score points – the equivalent of well-over four years of schooling in these countries (Schreier, 2019). Germany performs at the average level among the seven countries studied in terms of digital skills: 64% of 16-24-years old have above basic overall digital skills which is on the same level with Norway and Spain (Table 9). So while the German educational system can be characterized as providing a high level of general skills on average, this still masks considerable inequalities.

The access to higher education is high. The enrolment rate among 20-29-years old is the highest among the seven countries studied: this reaches 34%, followed closely by Spain and Norway. However, the high enrolment rate does not translate into high share of youth with tertiary education, as access to higher education is more restricted in relation to financial support. German student support is half-grant and half-loan, but the level of access is relatively low reflecting the relatively strong role of the family in supporting access to completing higher education (Table 7).

Although Germany's educational system is often regarded as an exemplary case of enabling a smooth labour market entry via vocational schooling and apprenticeships, Grangers et al. 2021 also bring out the limitations ahead. A polarization of high and low(er) skills makes it increasingly difficult for younger people with low skills to find quality jobs which increases the risk of in-work poverty (Baethge and Wolters, 2015 via Grangers et al 2021). This trend is further promoted by a liberalization of the dual training system that comprises a partial downgrading of the qualifications, for instance via new short-term apprenticeships in some sectors (Busemeyer and Trampusch, 2013 via Grangers et al 2021).

#### 4.2 Youth social citizenship

In Germany, parents have a legal obligation to support their child. There is no specific age limit set under common law (Table 4). Additionally, family allowances are delivered to parents who have a child under the age of 18 and under 25 when in education; therefore, students are supported by the state via their parental household. There is also tax relief for parents, following the same criteria as family allowances (Table 6). In addition, student support is related to parental income, the location of the university, and whether the young cohabits with the parents (Chevalier, 2016: 16). Thus, we may classify youth social citizenship in Germany as 'familiarized,' especially for those in education. For instance, since 2011, the

minimum income schemes include measures to promote the education and participation in social and cultural activities for children younger than 25 (Grages et al 2021). However, young people tend to leave home rather early (Table 5); as a result, social citizenship is familiarized in the case of education and the state does not support young people's individual financial independence before they enter the labour market.

#### 4.3 Youth at risk

In Germany, youth unemployment has been low during the last decades as the German economy was performing relatively well during the economic crisis of 2008+. Youth unemployment is higher than the overall unemployment rate, but long-term unemployment is below average, indicating the relatively favourable position for German youth: they do not remain unemployed for too long. When considering that youth in Germany generally leave home rather early, the in-work-at-risk-of-poverty is around the average of the EU-28 of 12%, but the trend is increasing (Table 10). The main trends driving the growing risk for youth is the low-wage sector and the increasing wage inequality since mid-1990s.

#### 4.4 Factors contributing to the risks and mitigating policies

According to Grangers et al. (2021), factors contributing to risk of poverty are:

the deregulation and activation policy of the Government and the support of the rise of a low-wage job sector by the Government on the basis of, among other things, the introduction of “mini-jobs” as a type of secondary low-wage jobs as well as the erosion of traditional collective minimum wage regulations (“Flächentarifverträge”) (Knuth, 2016). A minimum wage of 8,50 Euros per hour was introduced in 2015. It was raised to €9,35 per hour in 2020 (Hanesch, 2019). However, the duty to pay minimum wage only covers workers above the age of 18 and there are several exceptions (for instance for young people in vocational training or internships), it therefore has a very limited potential to prevent in-work poverty for young workers (Eichhorst et al., 2015). While minimum wages have indeed reduced the rate of lower-paid mini-jobs, they only had a small effect of on the reduction poverty rates (Knuth, 2016).

Until the end of the 1990s, Germany followed a “passive” labour market policy approach and policies were characterized by a strong focus on the maintenance of the former living standard of the unemployed person and a strong transfer-orientation (Stiller and van Gerven, 2012 via Grangers et al 2021). Labour market policies in Germany have been fundamentally reformed by the introduction of the “Hartz Laws” in 2002/2003, which comprised of the re-orientation of former employment offices towards the principles of a managerial bureaucracy (Eggers et al., 2019 via Grangers et al 2021).

Young people's labour market attachment is considered through their relation to the parental household while they continue living together, as indicated also by Granges et al 2021:

Young people who experience in-work poverty are eligible for Unemployment benefit II in order to top-up their income (Hanesch, 2019). Additionally, unemployed persons who take up employment can apply for a benefit ("*Einstiegs geld*") which amounts to up to 50% of UB II and can be granted for up to 24 months. If recipients of UB II under 25 years old are considered to be part of the "joint household" ("*Bedarfgemeinschaft*") of their parents and if they want to move out of their parents' home, they need approval of local authorities, which is only granted under specific circumstances like social matters or care responsibility for own children.

Chevalier (2016) classifies ALMP instruments in Germany as an encompassing strategy that intends to boost access to education for low-educated individuals with the aim to enhance human capital. The main approach to support youth with low skills is via vocational training and apprenticeships (ibid.). However, the overall direction is towards principles of "activation" and the strengthening of the principle of "self-reliance" since early 2000s (Grangers et al. 2021). Granges et al. 2021 also raises doubts on if we could consider if Germany still has a fully-fledged encompassing strategy that boosts access first-hand to education, as there also clear elements of 'work first' principles in the labour market policy implementation process:

Labour market policies were based on a reduction of access to unemployment benefits and a tightening of the benefit system based on a means-tested minimum income below the poverty threshold, together with a "work first" strategy (Baecker, 2018; Knut, 2008 via Grangers et al 2021). The activation measures encompass personal counselling (for instance placement in training places and workplaces, vocational guidance or promotion of professional integration of people with disabilities), local career guidance centres as well as several online resources like job platforms. A measure, which explicitly aims at young people with severe placement obstacles ("*Einstiegsqualifizierung*"), consists of a six to twelve month internship combined with vocational schooling and ideally ends with the takeover of the trainee as an apprentice. Furthermore, self-employment is promoted by start-up subsidy ("*Gründungszuschuss*") and employers may receive wage subsidies ("*Eingliederungszuschuss*") if they hire persons with very low qualifications. Studies that evaluate the effectiveness of the different measures for young people conclude that especially job search assistance and training as well as wage and start-up subsidies show positive employment effects (Caliendo et al., 2011; Heyer et al., 2011). However, the outcomes of these reforms with regard to changes in the labour market are debated controversially (Knuth, 2016) and some argue that policies that mainly focus on activation contributed to the increase of the in-work poverty of low-skilled people (Hanesch, 2019).

## 5 The United Kingdom: the individualized youth welfare citizenship; relatively selective skill system with a high overall average level of skills; dual labour market with expanding zero hour contracts; expansion of welfare state

In a nutshell, key policy trends in the UK's liberal model of the welfare state over the last 20-30 years include privatisation of the public sector, moves to target benefits to the most in need, and 'work first' as a policy priority (Gilbert and Van Voorhis, 2017). Most welfare efforts so far have been targeted towards a movement into work, in particular with the wholesale reform through the introduction of Universal Credit, according to Verdin and O'Reilly (2021):

Subsequent attitudes since the December 2019 election and policies introduced during the covid-19 pandemic have moved away from the austerity agenda, while the rolling out of Universal Credit has continued. The introduction of Universal Credit (UC) in 2013 has been one of the most fundamental reforms to the UK welfare system in the past 30 years. The aim of this policy has been to simplify the array of benefits within one system and address the UK's 'welfare dependency culture' (Hood and Keiller, 2016; DWP, 2011). However, the gradual introduction of UC regionally has been linked to a growth in voluntary food banks (Trussell Trust 2019). According to Daly (2020:12) social policy investments are highly dependent on political forces, responding to seismic changes in the economy. It is in this context that the Brexit vote to leave the EU was seen as a rebellion against political coalitions that had failed to address some of the longer-term social inequalities around a discourse of 'those left behind' or families 'just about managing' (Verdin and O'Reilly 2021).

### 5.1 The skills system and youth social citizenship

Chevalier (2016) describes the UK as having low enrolment into education among the age group 20-29 and a low level of skills based on PISA data from 2015. However, the UK pupils performance has improved over the years. Together with Estonia and Norway among countries studied in current report, the UK had a higher average reading performance than the OECD average in 2018. Still, in contrast to Norway and Estonia, a considerable part of variation in performance is due to skill differences between schools (Table 8), which is attributable to a highly stratified educational system. The UK performs relatively high in digital skills; together with Estonia, two-thirds of 16-24-years old have above basic overall digital skills, outperforming Germany by 10 pp (Table 9).

The UK, together with Estonia, has low higher education enrolment rates among 20-29 year old (Table 8). However, both countries have a very high share of people with a tertiary degree (44%) within the age group 25-34 year old. Both countries have early home-leaving norms

despite having a post compulsory educational pathway that requires considerable self-investment via loans (the UK) or via side jobs (Estonia); this can encourage youth to enter the labour market early but not necessarily extend their studies extensively.

In contrast to student support in Germany and Estonia, the delivery and the level of financial aid is not related to the income of their parents (Table 7). There is no tax relief for parents having a child in higher education (Table 6). However, higher education is supported via extensive student loans. In short, we may still classify the UK as having strongly individualized citizenship as family policies to support children end very early, specifically when they reach the age of sixteen or twenty in case of being in education, and later support is not provided through family policies (Tables 4,5). Still, it does not mean that the family does not have a substantial role in youth life course in the UK, it just means the welfare system does not treat young adults as parts of their parental household. Educational inequalities are likely to be enhanced as a result of school closures during the pandemic that have further embedded the socio-economic inequalities faced by young people (Verdin & O'Reilly, 2021).

## 5.2 Youth at risk and contributing trends

Increasing numbers of young people are staying in the family home, leading to this cohort of young people being dubbed the 'boomerang generation' (Verdin & O'Reilly, 2021). Relative poverty has increased over the last decade for youth although severe material deprivation is below the average of the EU and has been decreasing slightly. The important buffer for many is the family as the poverty rate for young people not living with their parents is 43%, compared to 25% for those that do (Born & Aldridge, 2015: 3 via Verdin & O'Reilly, 2021).

However, the most significant increase of the risk of poverty has been for working youth (for details, see Table 10). According to Verdin & O'Reilly (2021):

Increases in IWP can be seen within the context of austerity measures and declining generosity of working age benefits. Protection systems are now less generous than for previous generations and older adults (Gardiner, 2019; Gardiner and Rahman, 2019). In 1995-6 23% share of young people's income derived from benefits, this dropped to 14% in 2017-18 (Gardiner, 2019; Gardiner and Rahman, 2019). Despite increasing minimum wages, the wider context of benefit reform and increased housing costs mean households on low incomes have suffered the biggest losses, with rising levels of IWP for young people. The diversity of cohorts within the age group means this is experienced in variable ways, reflecting intersectional inequalities, and is prone to fluctuations (Born and Aldridge, 2015). Exploration of youth IWP highlights their prominence in low paid sectors and industries. Young women in the UK represent one quarter of those employed in the wholesale and retail sector (28%), followed by the accommodation and food sector (13.8%), then health and social work (13.1%). The majority of young men are employed in the wholesale and retail sector (25.5%), followed by construction (16.3%), then manufacturing (14.3%) (Grotti et al., 2019: 46). Youth unemployment

will therefore inevitably be impacted by trends within these sectors. Furthermore, there has also been the growth of zero hour contracts and increased precariousness in labour market contracts that exacerbate trends in household poverty rates.

While financial security and risks of IWP are better when living with parents, there is a knock-on impact on wellbeing and life satisfaction, if this decision is reflective of necessity rather than choice (Sandor and Clerici, 2019: 58). Research has flagged the importance on wellbeing, both in terms of its physical impact, as a result of variable pay, and mental impact, in terms of work identities (O'Reilly et al., 2019a).

### 5.3 Policies to support youth at risk

The UK policy approach used to legitimise welfare reform is the drive for work first (Bradshaw and Bennett, 2019: 13 via Verdin and O'Reilly, 2021). According to Verdin & O'Reilly 2021:

The main policy instruments have included 'in work benefits', such as tax credits, and comparatively low levels of out of work social protection measures to incentivise making work pay. At the same time there have been a range of universal measures to raise wage rates marginally at the lower end of the income scale, for example, with the introduction of the National Minimum Wage (1997), the more recent increase to the Living Wage (2016). There have been significant efforts to reduce inequality for example with the Equality Act (2010) synthesising anti-discrimination legislation and encouraging the use of Equality Impact Assessments for a range of protected characteristics. More recently a raft of unprecedented measures were introduced during the covid-19 pandemic (2020) to provide an income buffer to the predicted economic downturn.

Next to a dominant demand for side policies, several measures have been adopted to enhance youth skills since the 1990s (ibid.). According to Verdin and O'Reilly, 2021:

Following the Richard Review in 2012, the focus has been on expanding apprenticeships and creating standard based programmes (HM Government, 2015). The apprenticeship levy was introduced in April 2017 to support training. This employer funded tax pays for the development and delivery of new apprenticeships and gives employers an allowance to encourage them to utilise the fund. It was hoped that the measure would enable an additional 3 million apprenticeships by 2020. However, apprenticeship starts have fallen since the measure was introduced. The importance of vocational training for those with lower academic attainment has led to the current overhaul of technical education and the introduction of T-Levels, as an alternative to apprenticeships and A-Levels (Newton et al., 2020). There has been limited development of lifelong learning (Bradshaw and Bennett, 2019). Despite the critical role of career guidance schemes for young people in periods of transition, and policy efforts to offset

early job insecurity and resultant trajectories, support is limited (Lewis and Tolgensbakk, 2019).

Despite youth being independent from their parental household in terms of being able to claim social support, there are several limitations for youth to have the same social rights as older age groups. According to Verdin and O'Reilly, 2021:

The UK has one of the highest minimum wage schemes in developed nations, but within this regulatory landscape there are lower statutory minimums for young people (Dube, 2019). These differentials are reflected across work welfare support schemes. Limitations and restrictions for young people extend beyond work related benefits. In terms of housing, UC had initially removed the housing cost entitlement for 18-21 year olds. This was reinstated in October 2018 during rollout, following criticism. The Shared Accommodation Rate (SAR) was introduced in 1996 and limits the level of housing benefit young people can receive. The benefit was frozen 2016-2020. In 2018-19 housing benefit was found to be unaffordable for 92% of rents (Crisis, 2019).

#### 5.4 Challenges ahead

According to Verdin and O'Reilly (2021):

The challenges outlined will be enhanced by the current post-pandemic crisis. Key moments of transition will inevitably be frustrated as opportunities for work experience and career guidance will be limited. Previous trends have shown that young people are likely to be adversely affected by escalating levels of unemployment. A resurgence of growth in less stable atypical employment, may too limit young people's opportunities to transition out of the family home and develop career aspirations. There is a pressing need to ensure that social protection systems afford a safety net relevant to the particular needs and difficulties faced by young people. It is also important to account for that the intersectional differences position young people according to multiple social categories. The variegated outcomes for young people are dependent on factors such as class, education, gender, and ethnicity, highlighting how the risks of poverty interact with welfare reforms and work first policy initiatives (O'Reilly et al., 2019b; O'Reilly et al., 2019a).

## 6 Norway: the individualized youth welfare citizenship, comprehensive skill system with high overall average level of skills, only very marginal share of precarious work

Norway is a wealthy and sparsely populated country, which covers a vast territory and has remarkable natural resources. It belongs to the Nordic cluster of welfare states and provides generous universal welfare for children, working age population and retirees without favouring any of the three life stages. More specifically, according to Halvorsen et al (2021):

Norwegian welfare state can be characterized by high level of welfare generosity and comprehensive social services available across the entire country (Andersen, Schoyen and Hvinden, 2017; Halvorsen, Hvinden and Schoyen 2015). The Norwegian welfare model has largely made the individual independent of the family, e.g. public authorities have to a larger extent than most other European countries assumed responsibility for providing care services for the sick and elderly and for kindergartens for children. It provides free or heavily subsidized services (e.g. health and education), which means that also the situation of low-income groups is relatively good. To fund these systems, the has promoted as high a labour market participation as possible. This goal has been pursued by a strategy of educational and active labour market policies, extensive public sector employment, and the provision of services that encourage female participation in the labour force (Kjeldstad, 2001). Public authorities have taken an active role *vis-à-vis* other main social institutions, especially through regulation of the labour market and intervention in the workings of the economy in general. Full employment has further been propped by Keynesian fiscal and monetary policies fueled by abundant oil revenues (Dølvik and Oldervoll, 2019).

### 6.1 The skill system

In Norway, the educational system is universal and the access to higher education is free and participation is highly supported by the state. While looking at PISA 2018 results, the level and distribution of reading and numeracy performance was higher than the OECD average while the relationship between socio-economic status and reading performance was weaker than the OECD average. Similarly, to Estonia, the performance of students is not dependent so much on schools they are placed in which signals an inclusive school system characterized by relatively high equality job quality.

Very differently from all other countries studied, Schoyen and Vedeler (2016: 4 via Halvorsen et al 2021) conclude that the job quality of young adults largely has remain unchanged since the mid-1990s in Norway. Overall, Norway has, to a greater extent than most other European countries, succeeded in safeguarding the transition from education to employment for young

adults (ibid.). The main obstacle is the access to labour market due to the increased youth cohorts resulting from a relatively high fertility and immigration as growing employment opportunities have not been able to absorb the large youth cohorts entering the labour market (ibid.). Also very exceptionally, precarious employment is a marginal phenomenon in Norway, and unlike many other European countries, it has not shown significant signs of growth in recent years (ibid.). However, according to Halvorsen et al, 2021

it needs to be pointed out that there is a lack of longitudinal data covering the main forms of precarious work. Hired labour constitutes 1.5-2% of all years of full-time work. However, within certain sectors, like construction, there is a concern about increasing use of hired labour (Eldring and Ørjasæter 2018). Temporary employment constituted 8.7% of the labour force in 2016 (Nergaard 2016). Precarious employment (temporary employment and/or part-time employment) disproportionately affects immigrants in particular (Norwegian Ministry of Labour and Social Affairs, 2019).

## 6.2 Policies to support youth at risk

The Norwegian income maintenance system has been fairly generous, with the official aim of providing benefits enabling people to maintain about the same standard of living during periods of unemployment (Halvorsen et al, 2021). However, it's not social assistance (minimum income support, MIS) nor unemployment benefits, which are the most common among the youth nor among youth neither in employment nor in education nor in training (NEET). Among all youth, family allowances are the most common. The MIS beneficiaries have typically included newly arrived immigrants and young adults with insufficient labour market experience to be entitled to rights-based social security benefits. (ibid.),. It is noteworthy, that more than half of the NEET youth in age 15-19 receive incapacity-related benefits. These distributions illustrate the significant medicalization of early job insecurity and the limited role of social assistance as a source of income support for young people in Norway (ibid.), see details by Halvorsen et al (2021):

In a comparative perspective, it is important to note that if we look at the cash benefits received by Norwegians between 16-29 years, family allowance has clearly been the most significant in recent years (about 40 % of all 16-29 olds in 2016). Considerably lower shares of the 16-29 years old received either social assistance, incapacity-related benefits or unemployment insurance benefits (all less than 10 % in 2016). Even more striking it that while about 80 % of all NEETs aged 15-19 years this year received some cash benefits, more than half of these received incapacity-related benefits, while roughly equal shares of NEETs aged 15-19 years received either social assistance, family allowance or unemployment insurance benefits in 2016 (OECD 2018, fig. 3.6, p. 72).

Norway has a very long tradition of supporting the youth transition to the labour market via active labour market policies. According to Halvorsen et al (2021), as early as 1979 there was a youth guarantee for 16-19-year-olds. A new youth guarantee for the age group 20-24 was established in 2005 and a 'follow-up guarantee' in 2007. The latter implied that young people (20-24), who had been unemployed for three months or more, were guaranteed personal counselling (job search, activation) from the Norwegian Work and Welfare Administration (NAV). In 2009, the target group was further guaranteed participation in an active labour market measure. In 2013, the Youth Guarantee was extended to include those with reduced work capacity, and in 2014 also those with reduced work capacity in the 25-29 age group (Hardoy *et al.*, 2016). According to Halvorsen et al (2021) the latest developments are towards even more personalized approach, but not very favourable outcomes:

In 2017, the Conservative Solberg government replaced the Norwegian Youth Guarantee with the 'New Youth Effort' (*ny ungdomsinnsats*), arguing that this would enable the local offices of the Work and Welfare Administration (NAV) to provide better and targeted follow-up of young people who were neither in education nor employment. The aim was to achieve a clearer prioritization of young people, motivating them to more active job search and faster transitions to employment or education (The National Budget 2017, Meld. St. 1 (2016-2017), p.71). The New Youth Effort entitled all registered employable jobseekers below the age of 30 to personalized employment support within eight weeks of registration (*Investing in Youth: Norway*, OECD 2018, pp. 12, 18, 20). However, compared to other Northern European countries (Denmark, Finland, the Netherlands and Sweden) Norway had lower shares of job seekers of any age participating in active labour market programmes in the period 2006-2015 (OECD, 2018, p. 135).

There is also a clear link between ALMPs and social assistance. According to Halvorsen et al, (2021), social assistance recipients under the age of 30 are required to participate in work related activities. Municipalities were also allowed to set such conditions before 2017. After 2017, it became compulsory and a legal obligation to do so.

For many authors, the Scandinavian countries have been praised for their 'train-first' approach (for instance Chevalier 2016, 2018). However, in Norway, there has been a decline in expenditures on training and also the accompanied argumentation related to it. According to Halvorsen et al (2021):

This decline, which has been even larger if we considered a larger time-span, relates to a shift in strategy, gradually abandoning institutional training (a shift that has been launched partly under the notion of replacing 'train-then-place' with 'place-then-train' strategies) (Schafft and Spjelkavik, 2014). The development in Norway in the 2007-2019 period has involved different trends.

Indeed, so-called ‘activation’ or the introduction or reinforcement of conditionalities have been high on the policy agenda. It has been an orientation that has mainly concerned imposing some additional conditionality on the claimants, and accelerating work clarification trajectories in an effort to curb inflow into the disability benefit programme. This orientation towards activation, has however not been reflected in increased investments in training or active employment programmes. Also, the priority to ‘activation’ among national policy makers have not always been implemented or followed up very enthusiastically by the local staff, due to competing local priorities (e.g. Scharle, Váradi and Samu, 2015) and relatively autonomous street-level professionals in the social services (Gjersøe, Leseth and Vilhena, 2019).

From a capability perspective on youth transitions, Halvorsen and Hvinden (2018), argued that youth own views should be accounted for to enable more differentiation and agency:

the capability approach reminds us that social and educational services need to be accommodated to the diversity of needs and aspirations among young adults. If social and educational services are designed in a strict top-down manner by national authorities and leave little space for manoeuvring by local agents, the diversity of needs will be difficult to take properly into account. The findings reported in this volume suggest that Nordic governments have scope for more differentiation, not the least in education and active labour market policy measures.

## 7 Estonia: the familiarized youth welfare citizenship, but early home leaving; comprehensive skill system with very high overall average level of skills; expansion of ‘no clear employment status’ work

Estonia is a post-socialist country, often referred to as a Baltic country. Estonia went through social, political, and economic transformation in early 1990s opting for a very ‘thin’ state and orientating towards foreign investments. Since the late 1990s, in line with adjusting national institutions and legislation to the EU *acquis communautaire*, social rights were rapidly expanded, but the process came to an end by 2008 due to the financial recession. From 2009 onwards, social policies can be characterised by a workfare ideology and activation (Taru et al 2021). Between 2005 and 2018, Estonia had been among the European countries with a relatively low level of expenditures on social welfare in the areas of labour market policy (approximately half of the EU-28 average), social protection (67% of the EU-28 average), social exclusion (25% of the EU-28 average), and old age provision (67% of the EU-28 average). However, child and family policies have been approximately 40% above the EU-28 average (2.7 vs 1.7 % of GDP in 2018) (Eurostat 2020a, own calculations) (ibid.).

Thus, Estonia is the only country among our seven case studies where the welfare state expenditures are biased towards childhood. However, we need to note that Norway also invests a high percentage of public resources into the childhood group, but it does the same for other age groups as well. Estonia has very generous parental leave system, subsidized public childcare, and free education at all levels including university education. However, pension benefits are relatively low, with them being very close to the poverty threshold; this causes large ‘jumps’ in the share of AROP rates, as pension receivers position above or below poverty threshold is depending on the economic cycle and the change of the median wage. The pro-work support in the form of PLMP and ALMP and social protection has increased over the decades, but was very minimal as a starting point. The investments made by Estonia into the working-age population are also far below the EU average.

Estonia has often been considered as a ‘deviant’ case that does not follow any clear welfare regime pattern, but instead combines features from several. On the one hand, Estonia’s welfare regime is close to the liberal model with having low employment protection, applying strict criteria to unemployment benefits, having the benefit system being based on a means-tested minimum income far below the poverty threshold and short in duration, and providing few opportunities for early retirement (Unt & Saar, 2016). On the other hand, it resembles a ‘conservative’ regime by contribution-based unemployment insurance benefits which are generous; additionally, it includes lengthy maternal-leave benefits which depend on previous contributions made for the last 18 months, which creates a great incentive for parents, and often results in the mothers staying out of labour market for extended periods of time. Thirdly, it also has elements from the Nordic model as it includes public childcare from the age of 3, and free education at all levels is widely accessible, affordable, and of good quality.

## 7.1 The skills system and youth social citizenship

Estonia has a comprehensive public education system where private schools having a marginal role. At the secondary level, most pupils opt for general education. Estonia has one of the highest PISA performances in the world, outperforming all Western countries in reading, numeracy skills, and in science at age 15 in 2018 (Schleier, 2019, Table 8). Additionally, the share of youth with above basic overall digital skills is the highest together with the UK among the seven case studies (Table 9). While the United Kingdom has remarkable heterogeneity among schools and around average-level performance at age 15, Estonia has little difference between average performers and low performers, similar to Norway (Table 8). Estonia, similarly to the UK, has a low enrolment in education among the age group 20-29, but a very high share of people with a tertiary degree (43%). Both countries have an early-home-leaving norm, and the educational pathway beyond secondary education needs considerable personal investment via loans (the UK) or via side jobs (Estonia), which encourages youth to enter the labour market early and not to extend their studies.

In Estonia, youths leave the parental nest early, around age 22 on average. As higher education institutions are only in a few bigger cities, people living outside of larger cities need to move to study. However, parents still have the legal obligation to support their child while in education up to the age of 24 and also later if they are all living together (Table 4). Family allowances are delivered to parents having a child up to the age of 16 or up to the age of 19 when in education, but students are not supported by the state via their parental household. There is also tax relief for parents, but only up to age 17 (Table 6). Also, student support is related to parental income up to age 24, even if living separately, unless the young person is married or a parent, themselves. The study allowance is strictly means-tested and does not lift recipients out of the risk of poverty. However, higher education is without fees and student loans are offered but used by few (Table 7). To receive a student loan, there are two options: the co-signing of two people (income and ability to pay back is checked), or the mortgage on a real estate located in Estonia and that belonging to the student loan applicant or their parents is signed as equity. Additionally, the conditions of the student loan are not favourable, interest rate is as high as 5%. The Ministry of Education and Research has taken steps to increase access to student loans and make the interest rates lower, but these have not come into effect yet. Such conditions restrict the access to higher education, especially for students from less affluent backgrounds.

Therefore, we may classify youth social citizenship in Estonia as ‘familiarized’ one, especially for those in education. However, young people tend to leave home rather early (Table 5) similarly to Germany, but as there is no substantial support via family policies up to age 25, students are supported only in the case of severe need of the parental household; regardless, the level of benefit is low. Loans are hard to access by less privileged youth and have a relatively high interest rate (fixed 5%).

## 7.2 Youth at risk

Young people 18-24 are slightly above the average in terms of AROPE rate compared to the population. However, in the case of the smaller age group 16-24, youth are even slightly less exposed to risk of poverty when compared to the population because ‘younger young’ are more likely to be ‘shielded’ by families. The AROPE rate is slightly lower when compared to the population, as well, among the ‘older young’ age group 25-29, as they are already mostly integrated into the labour market. Severe material deprivation is marginal in Estonia, reaching 3,5% for the age group 15-24 in 2019. However, in-work-poverty has increased dramatically for youth compared to the situation ten years ago, reflecting the growing risk of youth entering low paying jobs (see also Table 10).

Due to minimal social welfare, the financial situation of people and households are foremost related to the integration into the labour market and to the economic cycle. The overall employment level is very high in Estonia during boom periods, but currently slowly decreasing due to the consequences of the pandemic. Estonia has a very low share of people under the age of 60 living in low work intensity households (5% in 2018). Once out from the labour market, people are at great risk of falling into poverty as the welfare state does not alleviate

the loss of job or income. Being unemployed really exposes a great likelihood for being at risk of poverty. In 2019, 53% of unemployed were at AROP. The highest absolute poverty is faced by the unemployed population which is as high as 13,9% in Estonia.

### 7.3 Policies to support youth at risk

Health insurance is not universal in Estonia. Social security is covered by the state under several conditions, for instance for children, for students, for officially registered unemployed, for parents on parental leave, for the disabled, and for retired people. According to an analysis by the Ministry of Social Affairs in 2018, 14% of the working age population (approx. 120 000 persons) does not have continuous health insurance in Estonia, which is alarmingly high. For females, the highest risk is the period after a child became 3 and they cannot find a job. For men, it is due to a series of short-term jobs which leads to fragmentary social insurance coverage; this applies especially those who have irregular, informal work or are unemployed and not officially registered, as they are less often covered by social security. There is also an emergence of new work forms, where employment status is not so clear, for instance while working via platforms like taxi driver, delivery person, gig-workers, and partly due to very limited income from these jobs, people opt to not paying taxes and do not have social insurance.

However, the support for living costs are minimal for youth and for families in general; as a result, being out of the labour market proposes a serious threat for well-being unless covered by unemployment insurance. Estonia has a rather generous unemployment insurance benefit (60% of previous salary for first 100 days, 40% afterwards) which is contributory and unemployment allowance accessible under less strict conditions which was around the same level as SB (189 EUR in 2020). There have been discussions at various levels on how to increase the coverage of unemployment insurance payments and/or increase the generosity of the unemployment allowance to better alleviate the risk of poverty when unemployed. Young people, especially, are exposed to a higher unemployment risk (and they mostly do not qualify for unemployment insurance due to the absence of a work career). From 2021, unemployment allowance was increased to 220 EUR.

In the case of being in higher education, a student allowance can be claimed if the parental household is in need. SA is small in amount (between 75-220EUR) which is around the same level as the substance benefit (150EUR for first family member) which is a means-tested “last resort” type of policy measure in Estonia. However, it is easier to apply for a student allowance, as one needs to apply twice a year; for SB, a monthly application must be submitted. The SB appears on the scene when all other measures have been proven not to be sufficient and when the household’s income is insufficient enough to cope.

The main wage-setting policy in Estonia which is relevant to the youths is the statutory national-level minimum wage. Since the average income is relatively low among youths (see Taru et al 2021) and the percentage of employees in this age group receiving the minimum wage is relatively high, the changes in the statutory national rate of minimum wage has a stronger impact on the youths. The ratio of the minimum wage to the national median wage

has increased year by year and moved from 44% in 2012 to 49% in 2019 (Customs and Tax Board, 2020), falling clearly below the relative poverty threshold (60% of median wage).

In Estonia, wage setting negotiations mostly take place at the company level through bipartite negotiations between the employer and the individual employee. The coverage of collective bargaining is low (only 3.9% of companies and 19% of employees were covered in 2015) and there are only two sectors (healthcare and transport) where sectoral minimum wage agreements are in place (Masso et al 2019). In these two sectors, 12% of 15-24 year old employees worked in 2019 (Statistics Estonia 2020), hence the significance of the company level wage setting being even lower for the younger population than average.

## 8 Hungary: the individualized youth welfare citizenship coupled with late home leaving; selective skill system with low overall average level of skills; low wage inequality

Hungary is a post-socialist country, often referred to as a Visegrád country which is a cultural and political alliance of four countries of Central Europe (Czech Republic, Hungary, Poland and Slovakia). Similar to Estonia, Hungary went through social, political, and economic transformations in the early 1990s, but opted for a different approach. Hungary's offer was similar to that of Germany's during unification, including early retirement schemes to absorb massive drops in employment. It seems that the Hungarian welfare system is targeted towards the adult population which is out of the labour market. According to Albert et al 2021:

Part of the massive drop in employment was absorbed by early retirement schemes; but as many of those pushed out were active-age, mostly low-educated people and they ended up in inactivity (Köllő, 2009). Badly calibrated labour market policies at the time kept large masses on welfare, creating inactivity traps for most of them, which – at the same time – put a strong pressure on the social welfare system.

The Hungarian welfare state has developed in waves closely related to the shift in political power, whether it has been held by a socialist or a conservative government causing clear shifts in approaches. According to Albert et al 2021:

A massive budget expansion implemented by the socialist government in the early 2000s that lead to increased real incomes, falling inequalities and reduced poverty (Fábián et al., 2014), proved unsustainable, given the low tax base caused by inactivity. Mounting deficits accumulated by both government and households into large piles of foreign debt, prompted austerity measures as early as 2006. As an immediate effect of this situation and that caused by the economic and financial crisis in 2008, Hungary faced a rise unemployment (especially among young people), drastic fall in GDP and net real incomes. Inflation, stagnating

wages, and cuts in social spending (including pensions) led to falling real incomes in this period.

The post-crisis period in Hungary was marked between 2010 and 2018 by a series of landslide victories of the conservative government, which brought a combination of unorthodox economic measures (e.g. special sectoral taxes, direct cuts in government expenditure) and of a sharp turn in social policy towards workfare/overcoming inactivity traps (e.g. enlarged public work schemes providing earnings below the minimum wage, but higher than the at that time minimum income level; focus on tax allowances; flat-rate personal income tax), while several items of the welfare system (e.g. cuts in social assistance, duration of unemployment benefit cut from nine months to three months) were weakened. From 1<sup>st</sup> of March 2015, the social assistance benefit, which constituted till that time the floor of minimum income scheme from central budget resources (provided through local governments), was switched to local level (Gábos and Kopasz 2018).

### 8.1 The skill system and youth social citizenship

Hungary had a traditionally strong focus on vocational education and training (VET) at the secondary level, but after the 1990s, the role of VET education has decreased and links with employers have become weaker (Kogan & Unt, 2005). Currently, the Hungarian skills system is characterized by a low average level of skills and high inequality. The percentage of early school leavers is 12% (Table 8) which is slightly higher than of Estonia, Germany and Norway (10%). Hungary is similar to Italy with a relatively low enrolment rate in education among the 20-29 age group with only one-quarter obtain higher education (ibid.). Together with Italy, Hungary has the lowest reading performance at age 15, and only 40% of 16-24 year olds have above basic overall digital skills.

Perhaps most worryingly, the inequality among students is striking, similar to Germany, in that the gap in reading performance between the 10% most socio-economically advantaged and the 10% most disadvantaged students was over 170 points – the equivalent of well over four years of schooling in the countries (Schreier, 2019). However, the difference is that a high overall average masked high inequality in Germany, but Hungary has a generally low skill level which threatens the youths' ability to exercise the duties and rights of their social citizenship.

Young Hungarians leave home when they are older, normally when they are around 27, which similarly to Spain and Italy. At the same time, youth social citizenship is clearly individualized, similar to other early-home-leaving countries like the United Kingdom and Norway. Albert et al (2021) explain:

The family is defined, in a narrow sense, as a 'nuclear' family or, more specifically, the head of the family, his/her spouse or cohabiting partner and children below the age of 20 years with no independent income (the age limit is 23 years for a child attending secondary school; 25 years for one in higher education; and there is no age limit for permanently sick, autistic or disabled children, provided their

condition existed before they turned 25). Thus the eligibility of any person over 18 years of age and living in the same household as his/her parents is independent of the income of the parents. If an adult child still lives with his/her original family, the parents' income should not be taken into account when assessing the child's entitlement.

## 8.2 Youth at risk

According to Albert et al 2021:

At-risk-of-poverty rate tends to be relatively low in Hungary, reflecting low inequalities in a European comparison (Fábián et al. 2013) severe material deprivation is among the highest reflect low real incomes and low levels of financial reserves of Hungarian households during this period. The trends in AROPE rates for young people (aged 15-29) are similar to that of the overall trend.

Unemployment, low education, household structure and ethnicity are the most important individual and household level correlates of the poverty outcomes (e.g. Gábos, Szivós and Tátrai 2015, Branyiczki and Gábos 2019; Branyiczki, Gábos and Szivós 2019; HCSO 2019). According to Eurostat figures, at least 7 out of 10 people in unemployment were at risk of poverty or social exclusion throughout the whole period of 2005-2018 (compared to about 3 to 4 out of 10 for the overall population). A peak in the AROPE rate of the unemployed is present between 2012 and 2015, with a figure close to 80%, followed by a slight decrease. The share of young people in unemployment was somewhat lower across the whole period, the AROPE rate among them varying between 60- and 70%, with some further decrease between 2016 and 2018. Single parent families and large families are at the highest risk of poverty when household structure is taken into account (Gábos, Szivós and Tátrai 2015).

In Hungary, the strongest direct and indirect effect (through other states like unemployment, rural settlement type, Roma ethnicity) on the risk of poverty or social exclusion is exerted by education level. People living in households with a low educated household head have about 10 times higher risk of living in poverty compared to those living with a household head with a diploma, *ceteris paribus* (Gábos, Szivós and Tátrai 2015).

Thus, due to relatively compressed wage structure, the relative poverty has decreased considerably. Also in-work-poverty is not widespread; on the contrary, it is visibly the lowest in Hungary among the seven country cases presented (at only 6%). Although severe material deprivation has decreased remarkably during the last decade, when compared to other case study countries, severe material deprivation among the youth is still the highest in Hungary. In numbers, almost one-quarter of youths age 15-24 in Hungary experienced severe material deprivation in 2008; this extraordinarily high percentage has fallen to 10% by 2018 (Table 10). The welfare state here is not able to alleviate the poverty risk of being unemployed.

## 8.3

## 8.4 Policies relevant to support youth at risk

Formerly there were more regulations to enhance the transition to employment. At the beginning of 2009, the social and employment legislation (2008. CVII. Law) was modified within the framework of the Pathway to Work programme. This change aimed to activate the working age population. In accordance with the programme, working-age individuals in the labour market may obtain entitlement to benefits for persons in active age instead of regular social allowance. In many cases, it also means involvement in public work (ibid.). Albert et al (2021) provides more details on it in context:

The contribution-based unemployment benefit (now called job-seeking allowance [ *álláskeresési járadék*]) is available for a maximum of 90 days – the shortest duration of such provisions in the EU. Its amount is capped at a maximum of 100% of the effective minimum wage. After 90 days, unemployed people may apply only for the *benefit for people of active age*. If found capable of work, they may receive *employment replacement subsidy* (which is fixed, irrespective of the number of members and composition of the family, and which currently amounts to 80% of the statutory minimum for old-age pensions, which is HUF 22,800 a month - currently equivalent of EUR 65) (Albert et al 2021).

The role of ALMP is clearly to foster a ‘work first’ principle. The exception is individuals who have not completed compulsory education. A ‘train first approach’ applies to young people under 35 who have not completed the 8th class of primary school. In such cases, with a view to prevent permanent dependency on welfare benefits, the citizens’ key obligation is not to participate in public work but to attend training. The monthly amount of the availability support is fixed. The support, irrespective of the number of members and composition of the family, is equal to the current smallest monthly old-age pension (ibid.).

## 9 Italy: the familiarized youth welfare citizenship, selective skill system with relatively low overall average level of skills, strongly segmented labour market; expansion of welfare state

In line with the familialistic southern model of welfare, anti-poverty and more general social assistance measures have traditionally been underdeveloped in Italy. According to Arciprete et al (2021):

In line with the “double distortion” (i.e. functional and distributional, cf. Ferrera et al. 2012) of the Italian “unbalanced welfare state” (Ascoli 1984, Ferrera 1984), both social assistance (SA) and labour market/unemployment policies have traditionally been dramatically underdeveloped. In the field of social assistance, anti-poverty measures remained extremely weak, characterized by limited generosity, low coverage and expenditure as well. The attribution of competences in the field to the regions (partial competence in the 1970s, then exclusive full

competence in 2001) contributed to the emergence of a patchwork of diverse, residual anti-poverty measures in the last four decades (Fargion 1987, Madama 2010). Most importantly, national anti-poverty measures were all categorical – i.e. targeting specific groups such as elderly (social pension) - and often contributory (family allowances), a means-tested minimum income schemes lacking until 2018. Moreover, these were mostly categorical and contributory, as well as characterized by extreme institutional and territorial fragmentation.

A means-tested minimum income scheme, designed in accordance with the principle of “selective universalism,” was lacking until 2018, despite increased attention on the issue of poverty and attempts to introduce it since the mid-1990s. As a result, the welfare state is currently expanding in Italy and culminating with the introduction of the first national MIS in 2018 (Inclusion Income, REI) and subsequent expansion in 2019 (Citizenship Income, RdC) (ibid.).

### 9.1 Skill system and youth social citizenship

Youth social citizenship is guaranteed via the family and not viewed as independent by welfare state. Similar to Spain, Italy has a familiarized youth social citizenship, as parents have maintenance obligations towards their children as long as they are in the process of reaching financial independence. This is accompanied by a late home leaving regime (Table 4).

Based on PISA results at age 15, the Italian skills system is characterized by a low average level of skills and high inequalities. The share of early school leavers is one of the highest at 14%, with Spain at the top with 17% (Table 8). Italy is similar to Hungary with relatively low enrolment in education among the 20-29 age group and one of the lowest percentages of 25-34-years old with tertiary education- slightly over one-quarter (ibid.). Together with Hungary, Italy has the lowest reading performance at age 15 and only 40% of 16-24-year olds have above basic overall digital skills. It is worth outlining that the numeracy performance was much higher than reading performance. According to numeracy performance, Italian youth has the same average skill level as Germany and Norway.

In addition to the fact that a very high share of Italian youth have basic or low digital skills, 9% of 16-25-year-olds do not use Internet daily. In cases where youth do not have access to the internet in combination with low reading and digital skills, this can drive differences in life chances and threaten the Italian economy. Low digital skills have probably heavily impaired the youth’s possibilities for learning remotely during the time of home schooling under the Covid-19 related lockdowns.

### 9.2 Youth at risk

The youth situation is obviously closely related to the overall social challenges faced by Italy and during the last decade, the share of people at risk of poverty and social exclusion has increased in the aftermath of the 2008 financial crisis.

According to Arciprete et al (2021) The *at risk of poverty and exclusion* (AROPE) rate is well above the EU average, but it has not increased in the last decade, sitting at 31% (it was 32%

in 2008) for youths in the 16-24 age group. You people are especially at risk of relative poverty. The risk is smaller for other age groups, especially the elderly, showing the generational differences in welfare provision. Interestingly, however, both AROPE and Severe Material Deprivation (SMD) rates for the unemployed are only slightly above the EU-28 average – (65.8% vs 64.5% for the AROPE; 23% vs 21.5% for the SMD) whereas it is below the EU-average in the case of AROP (45.9% vs 48.6%), all these indicators possibly suggest an improved protective capacity of unemployment benefits in Italy (Arciprete et al 2021). Lastly, very strong regional inequalities in youth outcomes persist (ibid.).

Arciprete et al (2021) underlines that in-work poverty should be clearly separated from the low-paid work of an individual as it is a household level concept. In fact, being in a low-paid and low-quality job does not necessarily lead to risk of in-work poverty if it is an additional household income. First, all age groups experience a deterioration of the economic and social position of employment, as the risk of in-work poverty increases for all. Indeed, research in Italy shows some apparently puzzling results: young people and women, who are usually regarded as the weaker segments of the Italian labour market, show a lower risk of in-work poverty than middle-aged people and men, respectively (Barbieri, Cutuli and Scherer 2018 via Arciprete et al, 2021). The puzzle is solved if we move from individual to household level. In Italy, young people tend to stay with their original family until the late 20s or even early 30s, thus enjoying household protection from poverty even if they are employed in low-paid and low-quality jobs. This is because their income adds to other household earnings (ibid.).

Arciprete et al 2021 provide more details about the mechanisms behind the in work poverty risks for different age groups:

The younger age group (16-24) in employment (rather than education) is probably part of disadvantaged households, so that their economic contribution is important though not always sufficient to avoid poverty, as the rate in 2005 seems to suggest. The economic crisis had an impact on this marginal share of the labour market, but the main negative effects were on households formerly 'protected' by the employment in core sectors of mainly male workers. This can be seen directly through the deterioration of the position of the 25-54 age group and indirectly in the remarkable increase of the 25-29 age group. In this latter case, the concentration of low-paid and low-quality among younger people made their earnings no longer sufficient to reduce the risk of in-work poverty.

Household's characteristics are a key driver of IWP, as confirmed by the distribution of IWP risk by household type showing that risk - never negligible in Italy - steeply rises when there are dependent children living in household, and when household work intensity is low. However, non-standard employment affecting individual's earnings is a further driver of IWP, as confirmed by the much higher IWP risk for fixed-term employees (22.5% in 2017) – vs employees on open-ended contracts (7.8%) - and part-time workers (18.6%) - vs full-time workers (11.1%).

### 9.3 Policies relevant to support youth at risk

According to Gallie & Paugam (2000), support from the household and the family residence model is crucial to protect against misfortunes in the labour market. This family-based approach is playing an increasingly important role in Italy. This statement is confirmed by Arciprete et al (2021):

Rudimentary social assistance went hand in hand with underdeveloped unemployment benefits (UB) and Active labour market policies (ALPMs) until the 2008 global economic shock. Such weak model of protection for individuals and workers against the risks of poverty, social exclusion and unemployment, was at least partly compensated by the protective labour market regulation until the late 1990s, as well as the key role of households, kinship networks and confessional charities in providing last resort assistance in accordance with the Southern model of welfare (Ferrera 1996, Saraceno 1997).

Since the end of the 1990s, the government adopted contributory unemployment benefits that provided protection for core workers. The reforms of the unemployment benefit system introduced in 2012 and 2015 may have a more direct impact on younger workers, although still affecting in-work poverty indirectly. Such reforms, in fact, increased the generosity and the coverage of the unemployment schemes, extending it to some types of non-standard workers, like apprentices and collaborators, which mostly involve younger workers (Arciprete et al 2021).

Lately, very substantial changes in Italian welfare have taken place as the role of social welfare in alleviating poverty has been expanded considerably. The varying political coalitions in power still question the sustainability of this new, chosen approach. Due to the very recent nature of the policy reform, it is not possible to fully assess the consequences for youths' overall poverty risks and in-work poverty risk. According to Arciprete et al (2021) the current reforms can be conceptualized as *path departure* – from the traditional familialistic model of fighting poverty – *policy expansion* and, lately, *institutionalization*. In detail, Arciprete et al (2021) explain:

Initially, however, the centre-right Berlusconi government stressed the virtues of the traditional “subsidiarity model” - based on the key role of households and faith-based associations in fighting poverty in Italy - and introduced only minor emergency measures between 2008 and 2011. After “earthquake” political elections in 2018 and the establishment of Conte I Government (M5S-The League), Law Decree No 4/2019 introduced the Citizenship Income (RdC), replacing REI since April 2019. This is a measure which might have a direct impact on in-work poverty, although not focused specifically on younger people. The citizenship income is a means-tested measure in favour of households with economic difficulties. It provides a variable income-support measure, which varies depending on the size of the household, the presence of rent disbursements and the level of the household income (which is detracted from the nominal amount of the subsidy). The duration of the citizenship income is 18 months; it can be renewed, after one month of suspension. The provision of the citizenship income

is accompanied by specific employment support measures for the working age family members. Besides the economic criteria, residence in Italy for at least 10 years, of which the last two must be continuous, is a mandatory requirement. This makes it more difficult for immigrants to gain access to this measure. Since poverty levels among immigrants are higher than for natives, this is regarded as a significant obstacle to effectively fight poverty and risk of in-work poverty. [] The divergence of the relative poverty and severe material deprivation measures seems to suggest that the citizenship income may have reduced the severity of poverty, but, so far, it has probably had only negligible impacts on the risk of in-work poverty.

At the same time, RdC is characterized by even stricter conditionality rules for beneficiaries and a very strong ‘work-fare’ activation profile than REI, although the implementation of activation services is still in its infancy and the pandemic impacted negatively on this process. Actually, the effectiveness of the active labour market policies accompanying the provision of the citizenship income has been questioned in the public debate.

The current pandemic in fact constitutes a dramatic “stress test” for the Italian system of social protection which already presented imbalances and structural weaknesses, despite some important measures aimed at “recalibrating” the Italian welfare states along the functional dimension have implied (since 2015) the reinforcement of traditionally underdeveloped sectors such as unemployment benefits, minimum income protection and family policies.

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## 11 Spain: the familiarized youth welfare citizenship; selective skill system with relatively low overall average level of skills, but above average digital skills; strongly segmented labour market; expansion of welfare rights for most vulnerable

Ibáñez et al, (2021) characterizes the Spanish welfare state:

As typical of the Southern model, which is biased towards the elderly — especially through contributory old age pensions. Altogether, by EU standards, the redistributive capacity of social transfers (other than pensions) is very limited, among countries with the lowest impact in reducing poverty (EC 2020b). The social protection system is particularly inadequate in addressing child poverty due to the high fragmentation of the system that protects families with children (Ayala and Cantó 2018; Cantó and Ayala 2014). Further, it must be noted that the majority of income benefits in the Spanish case are contributory in nature, which means that assistance benefits have been occupying a very residual place in the overall social protection scheme (AIReF, 2019) and this occurs despite high levels of severe poverty and risk of social exclusion (Noguera, 2019).

Be it for the lack of political consensus or for budgetary constraints, the main policy strategy to reduce poverty, during the last 20-30 years, has been to encourage people from poor socio-economic backgrounds to accept low-paid

employment. This strategy centred on the growth in the number of precarious temporary contracts and a progressively embedded dualization of the labour market. During the boom years of the economic cycle (1994-2007), a low-paid temporary contract was the main step out of poverty for many women, as well as most migrants and young people. While the economy was growing, most of these jobs led to situations of relative poverty, but, as soon as the economy started to falter, they fast led into unemployment, little or no benefits, and poverty.

### 11.1 Skill system and youth social citizenship

Similar to Italy, Spain has the familiarized youth social citizenship, as parents have maintenance obligation towards their children as long as they reach financial independence. This is accompanied by late home leaving regime (Table 4). However, the minimum age requirements may vary between regions, stretching between 23-26 years old, but are always higher than in the United Kingdom or Norway, in which both countries have individualized youth social citizenship as the civil majority age of 18.

The share of early school leavers is the highest in the EU, 17% (Table 8), with wide variations across regions and especially high for students with disabilities and a non-EU born background (Ibáñez et al, 2021). Based on PISA results at age 15, the Spanish skill system is characterized by a low average level of skills in numeracy, and unfortunately the necessary data is missing for the reading performance. Next to less encouraging numbers of early leavers and general skill levels in age 15, youths in Spain have rather good digital skills, almost 70% of age group 16-24 have above basic general skill levels (Table 9). As outlined in the section below on policies supporting youths, Spain has launched several large scale programs to support digital skills. Perhaps this is one of the reasons why Spain remarkably outperforms Italy in youth digital skills by 30pp.

While Spain has relatively one-third of the 25-34 age group with some level of tertiary education, the access to a master's degree is much more restricted. Master's degrees are expensive (a one-year master's degree fees are more than the total fees of a 4-year university degree) and not publicly funded (Ibáñez et al, 2021).

### 11.2 Youth at risk and macro-economic trends contributing to it

As a result, since 2008, children and working-age adults have been facing some of the highest risks of poverty or social exclusion in Europe. By 2019, all Spanish regions have recovered to a certain extend, but all poverty indicators are still higher than in 2008. It is the only country among current case studies where severe material deprivation is higher in 2019 than 2008 (6.4% vs 4.9%), but it is still at the same level as severe material deprivation with Italy and the United Kingdom. According to Ibáñez et al. (2021), the lack of funding for social protection mechanisms (other than pensions for older adults) is aggravated by regional disparities, inter-territorial coordination problems, and bureaucratic procedures in guaranteeing access.

The persistence of income inequalities, even when employment rates started to rise after the economic recession, help to explain why In Work Poverty (IWP) rates have increased in households with a medium to high work intensity; this shows the weakness of the Spanish social protections system in supporting the incomes of people in work. In-work poverty risk is much higher for fixed-term than for permanent workers (21.3% and 7.3% in 2018 correspondingly) (EC2020b).

It is not obvious how we should understand the dynamics of IWP by age groups. According to Ibáñez et al, 2021:

There was the rise in IWP in the 16-24 age group between 2012 and 2015 was particularly rapid: in three years the rate doubled from 12.3% to 24.7% (we have not yet found a detailed explanation for this radical growth. Besides other factors, it could be also the combined result of exiting the crisis and the labour market (LM) reforms made in the 2010-2014 period, which favoured the growth of low-paid, temporary and part-time employment among young workers). Third, there was a sharp drop in the IWP rate in the 16-24 age group between 2015 and 2018, from 25% to 15% (which also deserves close attention). As of now, we are not sure to what extent this is the result of specific 2016 reforms, the general evolution of the LM, or changes in how young people from 16-24 participated in employment and/or education). Moreover, and perhaps more puzzling, this decrease for the 16-24 group went together with a significant growth in the IWP rate for the 25-29 age group, whose sustained growth since 2013 (with no decrease in 2015-2017) is more consistent with the combined effects of exiting the crisis and the 2010-2014 deregulatory reforms. The 16-24 and 25-29 age groups have a significantly higher IWP rate (around 17%, in 2018) than the other main age groups (25-54: 13%; 55-64:10% for the same year). This is in line with the precarious employment situation that many young people were suffering even before the 2007 crisis, the embedded dualization of the Spanish labour market, and LM access after the post-crisis deregulatory reforms.

The dualization and segmentation of the labour market is indeed a main factor behind this situation: insider-outsider effects, disproportionate weight of seniority, and the need of a growing number of working years for young peoples' salaries to be more than the minimum wage (which is low, below 50% the average income) (Rodríguez Cabrero et al. 2019, Cebrián and Moreno 2019, Felgueroso et al. 2017).

### 11.3 Policies relevant to support youth at risk

Since the 1990s, Spanish labour market policies (implemented by both centre-left and centre-right governments) have had little effect in modifying this precariousness suffered by young

people. The post-crisis reforms (2010-onwards) may have favoured the creation of employment, but most of the new jobs created included worse employment conditions.

If many young workers suffer from low income jobs and poverty (20% in 2019), the situation is much harder for those out of work. Family benefits and income guarantee schemes have a weak poverty-reduction effect according to Ibáñez et al, 2021. Youth usually do not qualify for contributory unemployment assistance. Non-contributory unemployment assistance is low and fragmented into different schemes.

However, there are recent positive developments in minimum income scheme to provide for households' minimum level of income to those who are in need. According to Ibáñez et al, (2021):

Before May 2020, when the Ingreso Mínimo Vital ('Vital Minimum Income' was approved, there was no minimum income scheme at the national level; only highly diverse regional schemes. The minimum income scheme in Spain (IMV) is configured as the subjective right to an economic benefit that guarantees a minimum level of income to those who are in a situation of economic vulnerability. It is not a universal basic income, but is a non-contributive benefit with a permanent character as a social security benefit, and responds to the need to establish a homogeneous and coherent solution for the entire Spanish territory, addressing most of the limitations of the regional level MIS (Monereo, 2020). It is related to activation measures, the beneficiaries must comply with certain requirements. For instance, they must be registered as jobseekers and to participate in the social inclusion strategies. Furthermore, participation in the labour market will be encouraged with incentives. For instance, when the holder of the benefit does not have a job, and he/she finds it, part of his salary will be temporarily exempted in the calculation of the benefit (Monereo, 2020).

So far, Spain has spent below the EU average on ALMP. However, there are several initiatives-many which were launched recently. Part of ALMPS have been focused on training activities and internships, but these programme activities are not systematic and the impact is not closely monitored. However, some specific steps have been taken to support the real value of training schemas. According to Ibáñez et al, 2021:

As for unpaid work practices and internships, they are often devoid of any training activities, many do not follow any kind of accreditation or validation procedures, and they are not part of any traceable pathways towards a position. Instead of that, many of these internships are just a provision of services, much like an employment service, but without any formal employment status, income and rights (MITRAMISS 2018). The 2018 National Plan for Decent Work (*Plan Director por un Trabajo Digno 2018-2020*, MITRAMISS 2018) aimed to tackle the misuses

with specific measures: an anti-fraud programme in the field of training and practices, and more training for labour and Social Security inspectors and sub-inspectors.

The government has also launched several programs to increase the digital skills of youths. Digital skills seems to be on the ALMP agenda much more than in Italy, for instance. The initiatives are mostly part of the national implementation of the European Youth Guarantee initiative, which includes: 1) Digital skills training programme for Young Professionals (2017); 2) Digital training for young people provided by the EOI (Industrial Organisation School), with the support of the European Social Fund and in collaboration with Google; 3) The 2019-2021 Action Plan for Youth Employment (*Plan de Choque por el Empleo Joven 2019-2021*) which was approved in 2018 by the centre-left government to foster young people's access to training and decent stable jobs, with a focus on digital skills and adaptation to technological change (based on Ibáñez et al, 2021).

Next to supply side measures, the successive national governments have introduced demand-side measures over the past years to tackle youth unemployment. According to Ibáñez et al., 2021:

In 2018, Spain launched a new wage subsidy programme for 10,000 unemployed 18-29 year-olds. It also adopted a reduction in the social security contributions for 3 years for firms that transformed training contracts into open-ended ones, and introduced new wage subsidies for first-time hiring by young entrepreneurs (up to 35 years) (EC 2019c). However, the impact of 2010-2016 hiring subsidies for quality youth employment seem to be limited (EC2020, FUNCAS 2018, Jansen and Troncoso-Ponce 2018). By 2020, the EC 2020 Country Report still found that hiring subsidies absorbed about 40% of active labour market policies (ALMP), and they were not very effective.

According to Ibáñez et al, 2021, the measure with the highest impact in reducing IWP was the increase in the minimum wage to 900 euros in 2019, moving it closer to 60% of the Spanish average salary. Currently, the youth employment rate has not risen, contrary to some experts' opinions. It will be a tough challenge for the Spanish labour market to sustain this trend in the post-COVID-19 scenario (ibid.).

## 12 Conclusion

The current report outlined one possible approach to examine the social citizenship of 'youth' as a transitional life phase. Following Chevalier (2016), we differentiated if youth are considered to be children that belong to their parental household beyond the civil age of majority, or if they are treated as individual adults by the welfare state. Norway, as an example of the Nordic world, and the United Kingdom, as example of the Anglo-Saxon world,

are early-home-leaving countries characterized by individualized youth social citizenship. On the contrary, Germany, as a classic example of the Continental world, and Italy and Spain, as examples of the Mediterranean world, exhibit late-home-leaving countries with familiarized youth social citizenship. By incorporating a broader set of countries than the ‘usual suspects’ in the welfare policy literature, namely Estonia and Hungary, it was not so straightforward to conclude if youth social citizenship is individualized or familiarized. Estonia has clear elements of a liberal welfare regime similar to the United Kingdom and youths leave home early. However, youth social citizenship is connected to the family up to the age of 24 where minimal social support is provided, resembling Southern Europe. In contrast, Hungary is an example of late-home-leaving country which does not put maintenance obligations for a family beyond age 20, but in reality youths are not able to be financially independent and are closely tied to their parental households until their late 20s or longer.

We also shed a light on the skill regimes, concentrating more on the level of education and general skills, including digital skills enabling youth to navigate through the growing complexity in their intertwined everyday life and digital reality. Estonia and Norway stand out as high skill level with comprehensive school systems that provide good general skills. Germany and the United Kingdom have different economies and different set ups of their educational systems, but their educational systems, on average, still equip youths with high levels of general skills by age 15, at the same time masking relatively high inequality behind the relatively high average performance. Spain, Italy, and Hungary were worrisome in this aspect as they had high percentages of early leavers from the formal school system and low average levels of reading or numeracy performance. Furthermore, Italy and Hungary stood out with very low levels of digital skills among high proportions of youths, further threatening their life chances in a more and more digitalized world.

The policy interventions can be summarized as *a growing push towards activation and conditionality in all countries*. However, very important variances remain in the amount of resources that are targeted towards ALMP and also in orientation into public work, training, or work subsidies. However, even in Norway, the trend is clearly pointing towards labour-market-oriented training, moving away from the approach to provide overall general skills to low-educated youths.

In the report, we only marginally outlined the demand side, but we acknowledge that if-and-how the skills can be used at the labour market depends strongly on the growth regime, labour relations, the occupational structure, and on the economic cycle in a given country.

Table 4 Maintenance obligations in EUROSHIP countries

Country	Max age limit under common law to be considered a child	Age	Conditions of payment for children of age	
			To be in education	To be financially dependent
Norway	18	no	yes	No
Italy	None	no	no	Yes
Estonia	18	21	yes	No
Germany	None	no	yes	Yes
Hungary	18	20	yes	No
Spain	18	no	yes	yes
UK	16	20	yes	no

Source: European Commission (2020), EUROSHIP country reports

Table 5 Age limits for family and social allowances in EUROSHIP countries, average home leaving age

Country	Family allowances: every child	Family allowances: students only	Social assistance	Average home leaving age, 2019
Norway	18	18	18	?
Italy	18	21	none	30.1
Estonia	16	19	24	22.2
Germany	18	25	15	23.7
Hungary	18	20 (23 if special education needs)	18	27.2
Spain	18	18 (no age limit if severely disabled)	25	29.5
UK	16	20	18	24.6

Source: MISSOC (2020), Eurostat (2019)

Table 6 Tax relief for families in EUROSHIP countries

Country	Type of tax relief	Max age limit	Main condition to be able to benefit from tax relief
Norway	No	No	No
Italy	Tax deduction	No	Education
Estonia	Tax deduction	26	Education
Germany	Tax deduction Family allowance	25	Education
Hungary	No	No	No
Spain	No	No	No
UK	No	No	No

Source: European Commission/EACEA/Eurydice (2018)

Table 7 Percentage of first-cycle full-time home students receiving universal or needs-based grants and taking out publicly-subsidised loans in EUROSHIP countries, 2017/18

Country	Fees	Grants: % of students	Loans: % of students	Publicly-subsidised loans available	Grants awarded
Norway	No	49	66	yes	yes
Italy	Yes	11.6	1	yes	yes
Estonia	No	23	6	yes	yes
Germany	Yes	22	22	yes	yes
Hungary	yes for privately funded students	24	18	yes	yes
Spain	Yes	28	0	no	yes
UK (England)	Yes	-	94 (fees) 90% (living costs)	yes	no
UK (Wales)	Yes	100 (living costs)	97 (fees)	yes	yes

Source: European Commission/EACEA/Eurydice (2018)

Table 8 Skill distribution and levels in EUROSHIP countries

Country	Early leavers	Enrollment rate in education	25-29 with tertiary education	Mean reading score	Mean numeracy score	Inequality in reading score*	Variation in reading**
	18-24, 2019	20-29, 2018	2019	2018	2018	2018	2018
Norway	9,9%	32,2%	37%	Level 3, 499	Level 3, 501	Low	Within
Italy	13,5%	24,6%	28%	Level 2, 476	Level 3, 487	High	Between
Estonia	9,8%	24,4%	43%	Level 3, 523	Level 3, 523	Low	Within
Germany	10,3%	34,1%	33%	Level 3, 498	Level 3, 500	High	Between
Hungary	11,8%	22,5%	28%	Level 2, 476	Level 2, 481	High	Between
Spain	17,3%	31,5%	33%	-	Level 2, 481	-	-
UK	10,9%	20.1%	44%	Level 3, 505	Level 3, 502	Average	Within

Source: Eurostat (2019), OECD.Stat (2018), OECD (2018; 2020), Schleicher 2019

\*Based on OECD, PISA 2018 Database, Table IIB,1,2; Figure II.2.2 – whether the gap in mean performance in reading between bottom decile (low performers) and middle decile is smaller or higher as OECD average or about the same level.

\*\* Variation in reading is separated into two: whether it stems primarily from within or from between school variation.

Table 9 Digital skill level and access to Internet in EUROSHIP countries

Country	Individuals' level of digital skills, 16-24 yo, % of individuals, individuals who have above average overall digital skills <sup>2</sup> 2019	Daily use of internet, 16-25 years-old % of individuals 2019
Norway	67%	98%
Italy	39%	91%
Estonia	76%	98%
Germany	64%	98%
Hungary	40%	97%
Spain	68%	94%
UK	75%	100%

Source: Eurostat (2019) ISOC\_SK\_DSKL\_I, ISOC\_CI\_IFP\_FU

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<sup>2</sup> Digital skills indicator used here is a composite indicator which is based on selected activities related to internet or software use performed by individuals in four specific areas (information, communication, problem solving, software skills). It is assumed that individuals having performed certain activities have the corresponding skills. Therefore, the indicators can be considered as a proxy of the digital competences and skills of individuals. According to the variety or complexity of activities performed, two levels of skills ("basic" and "above basic") are computed for each of the four dimensions. Finally, based on the component indicators, an overall digital skills indicator is calculated as a proxy of the digital competences and skills of individuals ("no skills", "low", "basic" or "above basic") (Eurostat, 2021).

Table 10 AROPE, Severe material deprivation, IWP and Income Inequality, 2008-2018/9

		AROPE		Severe material deprivation		In-work-poverty		Income inequality (S80/S20)
		All	16-24	All	15-24	18 and over	16-24	
European Union	2008	23,7%	28,3%	8,5%	10,9%	8,6%	10,9%	5,01
European Union	2019	21,4%	27,7%	5,5%	6,6%	9,2%	11,7%	5,09
<b>Norway</b>	2008	15%	36,7%	2,0%	2,9%	5,4%	27,5%	3,73
	2019	16,1%	37,1%	2,0%	3,0%	6,3%	23,7%	3,81
<b>Germany</b>	2008	20,1%	24,7%	5,5%	6,9%	7,1%	10,3%	4,76
	2019	17,4%	20,7%	2,6%	2,6%	8,0%	11,7%	4,89
<b>The UK</b>	2008	23,2%	26,0%	4,5%	8,2%	8,5%	8,2%	5,63
	2018	23,1%	30,5%	4,6%	7,4%	10,3%	12,7%	5,63
<b>Estonia</b>	2008	21,8%	17,9%	4,9%	4,1%	7,3%	3,3%	4,99
	2019	24,3%	22,1%	3,3%	3,5%	10,0%	16,4%	5,08
<b>Hungary</b>	2008	28,2%	36,7%	17,9%	23,4%	5,8%	6,9%	3,60
	2019	18,9%	23,5%	8,7%	9,7%	8,4%	6,0%	4,23
<b>Italy</b>	2008	25,5%	31,6%	7,5%	11,1%	9,0%	9,1%	5,21
	2019	25,6%	30,5%	7,4%	6,9%	11,8%	15,4%	6,01
<b>Spain</b>	2008	23,8%	26,0%	3,6%	4,9%	11,3%	13,3%	5,59
	2019	25,3%	32,8%	4,7%	6,4%	12,7%	20,2%	5,94

Sources: own elaboration from EC 2020b, EC2020, EUROSTAT

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