



PROJECT MUSE®

Social Exclusion of Youth in Europe

Unt, Marge, Gebel, Michael

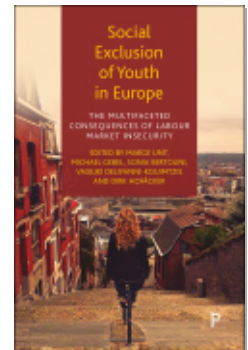
Published by Bristol University Press

Unt, Marge and Michael Gebel.

Social Exclusion of Youth in Europe: The Multifaceted Consequences of Labour Market Insecurity.

Bristol University Press, 2021.

Project MUSE. muse.jhu.edu/book/84920.



➔ For additional information about this book

<https://muse.jhu.edu/book/84920>

Housing autonomy of youth in Europe: do labour and housing policies matter?

Valentina Goglio and Sonia Bertolini

Introduction

Leaving one's home of origin is regarded as one of the key markers of the transition to adulthood (Shanahan, 2000; Corijn and Klijzing, 2001). Indeed, the individual life courses of youth are socially embedded in the macroinstitutional and structural as well as cultural context that defines the set of opportunities and constraints to which individual persons respond when making their life course decisions and transitions.

The factors that influence the means and timing of young people's housing autonomy in different institutional contexts are complex and interwoven. They include historical differences, social and cultural norms, institutional frameworks, and macrolevel economic factors such as the structure of labour markets and access to housing (Buchmann and Kriesi, 2011; Breen and Buchmann, 2016; Bertolini et al, 2019).

On the macrolevel, following Moreno (2012), comparative European research has shown the combined influence of the welfare regime on what some authors refer to as the transition regime (Walther, 2006), and of culture (Billari and Liefbroer, 2007; Giuliano, 2007; Goldscheider and Goldscheider, 1989, 1996; Surkyn and Lesthaeghe, 2004) on the diverse trends observed in the transition to adulthood in various European countries.

Macrolevel factors and labour market integration are not the only determinants of such a complex phenomenon as leaving one's home of origin and setting up one's own household. Indeed, there is a wide body of literature highlighting the role of other micro- and mesolevel determinants. Young people's opportunities and transition to adulthood are strongly influenced by the individual's original collocation in the class structure (MacDonald et al, 2005), resulting in

specific mechanisms of transition for different social classes (Bernardi and Poggio, 2004; Barbera et al, 2010). Gender is another important determinant: in certain contexts, employment and the level of earnings may be more important for men who are expected to be breadwinners, and somewhat less important for women who may rely on their partners' income (Aassve et al, 2001). The combination of gender and social class has also shown how British working-class women left the parental home for reasons that were different from those of men; and in the United States, how young women of Southern European and Hispanic origin lowered their nest-leaving expectations (Goldscheider and Goldscheider, 1989). Moreover, the general process of expansion in education in recent decades (Schofer and Meyer, 2005) has had the effect of postponing entry into the labour market and subsequent stabilisation (Mortimer et al, 2005).

However, this chapter will focus on one of the main determinants of the decision to leave the parental home: the level of individual economic resources directly available to young adults (Ermisch, 1999; McElroy, 1985). In this respect, the situation in the labour market and the consequent availability of economic resources coming from the job are important in structuring the decision to leave the parental home (Blossfeld, 1995; Galland, 2001; Heinz, 2001; Mayer, 1997; Scherer, 2004; Schizzerotto, 2002). If young people experience difficulties in labour market integration and perceive their situation as unstable and insecure, they may be relatively less willing to make such a step (Aassve et al, 2001). There is a large body of evidence confirming the importance of employment and the level of earnings for opportunities to leave the parental home and for feeling autonomous among youth (Aassve et al, 2001; Buck and Scott, 1993; Iacovou, 2010; Mulder et al, 2002; Mulder and Clark, 2000; Nilsson and Strandh, 1999; Vitali, 2010).

According to these studies, having a job is a prerequisite for establishing one's own household especially among individuals who, for various reasons, cannot expect to receive financial support from family members (Jacob and Kleinert, 2008; Vitali, 2010). Exit from the parental home reduces opportunities to receive material and emotional support from the family of origin. This makes the negative consequences associated with the risk of losing employment much stronger for those who decide to establish their own home (Aassve et al, 2007; Parisi, 2008). Unemployed or inactive youth may have very limited opportunities to leave the parental home due to their lack of economic resources. But opportunities for housing independence vary widely, including among those young people who actually are

involved in paid work. In particular, the attention of researchers has recently turned towards the role of stability of employment (Fernandes et al, 2008; Becker et al, 2010; Barbieri et al, 2014). Labour market positions with high degrees of economic uncertainty prevent youth from making blind long-term commitments (Oppenheimer et al, 1997; Mills and Blossfeld, 2003). Thus, irrespective of the level of income received by young adults, the expected variation in income may deter them from investing in household formation (Fernandes et al, 2008). Another important factor in this respect is that temporary jobs produce wage discounts, namely lower levels of income (due to lower bargaining power) and 'wage scars' through the employment history of individuals employed in temporary positions (for example, due to limited promotion opportunities) (Gebel, 2009). Yet, the role of employment and earnings varies across countries depending not only on the structure of the labour market and on the educational system (which may smooth the school-to-work transition) but also on the different welfare state regimes.

Previous studies have shown whether and to what degree labour market vulnerability affects decisions about leaving the parental home and forming a family; and they have indicated how this differs across countries and across different welfare state regimes (Aassve et al, 2002; Blossfeld et al, 2005; Müller and Gangl, 2003). Specific institutional configurations of the labour market and welfare state, as well as macrostructural conditions, are relevant explanations for country differences and for their impact on unemployed young people's decisions to leave home.

Country-specific institutional arrangements produce distinctive national responses to the global social processes (labour market flexibilisation and privatisation of social security), and different institutional settings are linked to different patterns of exposure to social risks (Bonoli, 2004; Rovny, 2014; Taylor-Gooby, 2004). Thus, for the purposes of this work, the focus is on institutional determinants, because national institutional backgrounds, and policies in particular, are expected to have a mediating effect on how young people's risks of labour market exclusion and job insecurity translate into risks of social exclusion (Mills and Blossfeld, 2003). In general, in countries that provide more generous support for youth, the impact of labour market weakness on housing autonomy is reduced. Nonetheless, it remains unclear what dimensions of the institutional setting may be most important when it comes to buffering labour market insecurity and fostering individual autonomy among young people.

Against this background, the intention is to study how macrolevel indicators can moderate the relationship between the individual labour market position and youth housing autonomy. In particular, the study focuses on labour market exclusion. This concept depicts a broad condition in which individuals are not integrated into the productive system, and this entails both the conditions of involuntary exclusion such as unemployment and voluntary conditions such as inactivity or being a student. This work narrows down the focus to the condition of unemployment alone (versus a situation of employment) but does not disaggregate the relationship between employment and housing autonomy further by distinguishing between permanent and temporary workers. This is because, although an important microlevel factor in the transition to housing autonomy, previous research using cross-sectional data has shown that the association between temporary employment and housing autonomy is weak and not significant for most EU28 countries (Baranowska-Rataj et al, 2016).

Youth autonomy has multiple definitions in the social sciences. Most of these are linked to the notion of becoming an adult in different aspects of life (Cicchelli, 2013). For instance, it involves the capacity to take steps towards independence from the parental household, the ability to create one's own universe, and the ability to govern one's own life through relevant choices. Housing autonomy, the condition in which young people live outside of the parental home, is a crucial step enabling other stages of the individual's life course. For this reason, the present chapter narrows the focus to housing autonomy alone. As far as macrolevel indicators are concerned, the focus is on two key macroindicators: employment protection legislation (EPL) and the amount of public investment in housing policies in the EU28 member states.

Indeed, a high level of employment protection can guarantee continuity of jobs and thus of income. However, for those who are excluded from the labour market, a high level of employment protection translates into increased difficulties of integration into the labour market. In the last few decades, many European countries partially deregulated the labour market by decreasing the restrictions on temporary work, often targeting this at young people (Baranowska and Gebel, 2010). However, doubts about the effectiveness of these reforms soon arose (Kahn, 2010; Noelke, 2016). As Gebel and Giesecke (2016) have shown, deregulating the use of temporary contracts increased the risk of temporary employment for young people, but did not reduce their risk of unemployment: for young men with a low level of education; it even increased it.

On the other hand, monetary transfers to support the costs of housing or policies that reduce the cost of housing itself decrease the economic burden of autonomous living that the individual has to bear. In particular, cash subsidies supporting rent have a positive effect on young adults' housing autonomy, especially for those with lower incomes who are exposed to income instability. Therefore, a lower cost of living can reduce the negative effect of the loss of income associated with job loss.

There is abundant literature on the direct effect of EPL on labour market opportunities for young people; however, the moderating role of this particular macrolevel factor on the relationship between the labour market and housing has yet to be investigated. Similarly, despite the growing literature on the problem of the affordability of homes on a family budget (particularly in the case of young people), there is a lack of studies that investigate the moderating role of state investment in housing policies.

This chapter is organised as follows. The next section frames the analyses in the existing literature, highlighting this study's innovative perspective. The following section describes the research design including the hypotheses, the data, and the method of analysis. This is followed by the research findings and some concluding observations.

Theoretical background

Countries differ significantly in the extent to which they provide security with respect to potential job loss and unemployment (Ebraliidze, 2011; Gallie, 2007). Specific institutional configurations of the labour market and welfare state, as well as macrostructural conditions, are relevant explanations for differences between countries and the impact they have on the decision to leave home for unemployed young people.

Regulation and social policies are expected to filter the impact of increasing labour market exclusion and job insecurity for young people in different ways (Blossfeld et al, 2012; Mills and Blossfeld, 2003), and this can impact on their decisions about leaving their parental home (Bertolini, 2021a, 2021b, 2018).

This chapter uses a two-step multilevel model (Bryan and Jenkins, 2013) to analyse the moderating role of EPL and of housing policies on the relationship between unemployment and housing autonomy of youth. It, formulates two main hypotheses. The first predicts that a high level of EPL for permanent contracts will negatively moderate the relationship between unemployment and housing autonomy. This is because a high level of regulation decreases the risk of losing a job

for those already employed (insiders); but, on the other hand, it may make it difficult for the unemployed (outsiders) to get into employment because employers tend not to hire outsiders when the costs of firing employees is high (Baranowska and Gebel, 2010).

The same hypothesis is used to test the moderating role of high EPL for temporary contracts on the relationship between unemployment and housing autonomy. The role of stricter regulation of temporary contracts, in particular restrictions on renewals, may be ambiguous: indeed, depending on the context, it may increase the chances of temporary workers ending up in unemployment (dead end) in labour markets with low mobility and in a situation of economic crisis, or ending up in permanent contracts (stepping stone effect) in efficient labour markets and a favourable economic situation. Because the time period covered by the analyses was characterised by unfavourable economic conditions, it is hypothesised that high EPL will have a negative moderating role on temporary contracts. Hence, stricter regulation of temporary contracts will make it harder for unemployed young people to get new jobs, even temporary ones, and thus harder for them to bear the costs of independent living due to lack of income.

The second hypothesis assumes that generous policies supporting the costs of independent living directly (with cash subsidies) or indirectly (with social housing policies) will positively moderate the association between unemployment and housing autonomy, thus reducing the negative effect of unemployment. This is because generous policies on housing help the individual to manage the costs of living autonomously even in the case of job loss. This lowers the pressure of housing costs for unemployed people who face reduced financial resources due to lack of employment income.

Because this chapter aims to address the role of the institutional setting and policies in association with labour market disadvantage and leaving the parental home, understanding the way labour protection is regulated is a good example of whether and how institutional regulation may play a role in moderating the relationship between individual labour market position and housing autonomy.

Indeed, many European countries have partially deregulated their labour markets by decreasing the restrictions on temporary work, and this is often targeted at youth (Baranowska and Gebel, 2010). However, doubts have been cast on the effectiveness of these reforms (Kahn, 2010; Noelke, 2016). As Gebel and Giesecke demonstrated (2016), deregulating the use of temporary contracts increased the risk of temporary employment for young people, but did not reduce the risk

of unemployment. High levels of EPL regulation may make it difficult for temporary workers to get a permanent job, increasing the fear of subsequent unemployment. In addition, high levels of employment protection will increase temporary employment rates, because it will be more efficient for employers to hire temporary staff whose contracts expire after a certain date, thus avoiding potential firing costs. This has the potential to change the profile of people in employment toward a greater number of temporary employees who are less likely to be able to achieve housing autonomy (Baranowska and Gebel, 2010).

As far as the level of regulation for temporary contracts is concerned, empirical evidence has contested the theoretical assumption that a low level of regulation of temporary contracts would be associated with a higher rate of temporary employment (Nunziata and Staffolani, 2007 in Baranowska and Gebel, 2010). Although loose regulation of temporary employment may appear to provide further incentive for employers to lower the potential cost of ending contracts that already contain a defined end date, empirical research has shown that there is no association between EPL and the incidence of temporary contracts (Booth et al, 2002 in Baranowska and Gebel, 2010).

When investigating the role of institutional factors in the relationship between labour market conditions and housing autonomy, one significant indicator is the level of expenditure specifically identified by states to help citizens with the costs of housing. Indeed, monetary transfer to support the cost of housing or policies that reduce the cost of housing, reduce the economic burden on individuals of living autonomously. In particular, cash subsidies to support rent have a positive effect on housing autonomy for young adults, especially those on lower incomes who are exposed to income instability. Indeed, generous public spending on housing may lower the cost of living, and this is particularly relevant for unemployed people who, compared to their employed peers, experience lack of income. If affordable housing is provided and/or costs associated with renting are subsidised, even unemployed people can meet the cost of housing, which results at the macrolevel in a reduction of the negative effect of unemployment on the chances of living autonomously.

Based on the literature presented in this section, two main hypotheses are formulated for this study regarding the moderating effect of institutional factors on the relationship between labour market exclusion and housing autonomy.

Hypothesis 1: Employment protection legislation will play a moderating role in the relationship between unemployment and housing autonomy. A high level of EPL for permanent contracts

(EPL regular) will negatively moderate the relationship between unemployment and housing autonomy, in other words it will increase the negative effect of unemployment. A high level of EPL for temporary contracts (EPL temporary) is also expected to negatively moderate the relationship between unemployment and housing autonomy.

Hypothesis 2: Public policies supporting housing will play a moderating role in the relationship between unemployment and housing autonomy. Generous policies supporting housing autonomy either directly (through cash subsidies) or indirectly (through social housing policies) can positively moderate the association between unemployment and housing autonomy – that is, reduce the negative effect of unemployment.

Data and methods

The multilevel analyses presented here are based on individual cross-sectional data from the European Statistics on Income and Living Conditions (EU-SILC) survey for the year 2014. The database contains individual-level observations for 28 European countries that qualify the data as multilevel, with individuals at level one nested in countries at level two. The sample used for the individual-level regressions is made up of individuals aged 16 to 29 years who are employed or unemployed (inactives and students excluded).

The dependent variable, housing autonomy, refers to the residential circumstances of the individual: an individual is considered as having housing autonomy when she or he lives in a household not including her or his parents (variable equal to 1 if parents are not members of the household, equal to 0 otherwise).

The main independent variable is labour market exclusion, operationalised as a dichotomous variable equal to 1 if the self-reported economic status of the respondent is unemployed, equal to 0 if employed.

The logistic regressions also include a set of control variables such as age, gender, immigrant status, level of education, and area of residence (urban or rural). Finally, housing autonomy is strongly associated with the presence of a partner (Holdsworth and Morgan, 2005; Iacovou, 2010; Ruspini, 2015), because living with a partner may work as the main driver of the decision to live independently and may also work as a buffer in the case of labour market exclusion. As a result, the presence of a partner in the household is introduced as a further control.¹

The macrolevel indicators used in the second-level regression are collected from official sources such as Eurostat and OECD. The

Employment Protection Legislation Index elaborated by OECD is used to test the moderating role of EPL separately for permanent and temporary contracts.

The moderating role of housing policies is tested with data on the amount of public expenditure on rent benefits (as a percentage of GDP) combined with the amount of general public expenditure on housing support (as a percentage of GDP) and public expenditure on housing and social exclusion recorded by Eurostat. All these measures indicate intervention by public authorities to help households meet the cost of housing, despite variations in implementation at the individual country level. The first measure refers to transfers granted by a public authority to tenants in order to help them with the costs of housing. The provision of the benefit is guaranteed for a limited period of time and access is conditional on meeting a qualifying criterion (means test) (Eurostat Glossary, 2018). The other two measures are part of the social protection framework that encompasses all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs (Eurostat Glossary, 2018) – in this case, housing risk, when housing and social exclusion are not classified elsewhere. For example, expenditure for housing benefits may refer to housing tenure in which the property is owned by a government authority and social housing benefit is given based on qualifying criteria based on income and employment. It may also refer to expenditure for housing and social exclusion not classified elsewhere. This refers to means-tested public schemes that also entitle individuals at risk of social exclusion, but are a residual category of need that differs from the other schemes (for example, old age, unemployment, disability). The macrolevel variables are summarised in [Table 7.1](#).

As for the method, the study applies multilevel analyses using a two-step approach. As recently highlighted in the literature (Bryan and Jenkins, 2013, 2016), this method turns out to be particularly useful when the researcher has a dataset characterised by a relatively small number of macrolevel units but a relatively high number of observations within each group (countries).

The first step consists in estimating separate individual-level regressions between the dependent and independent variable for each country. Such a coefficient becomes the dependent variable in the second step which entails the estimation of the effect of the macrolevel variable (independent) on the coefficient of the individual-level relationship (dependent variable) through a linear regression model. The process requires an additional adjustment for standard errors that, in the case of the estimated dependent variable, tend to be biased and

Table 7.1: List of macrolevel indicators

Macrolevel indicator	Source
<i>Employment protection legislation index</i>	Indicators of Employment Protection, OECD (https://www.oecd.org/employment/emp/oecdindicatorsofemploymentprotection.htm)
– Strictness of employment protection (regular contracts)	
– Strictness of employment protection (temporary employment)	
<i>Social protection benefits for housing</i>	Eurostat Tables by benefits – housing function (https://ec.europa.eu/eurostat/web/products-datasets/product?code=spr_exp_fho)
– Rent benefits (means-tested) as percentage of gross domestic product (GDP)	
Expenditure as percentage of GDP – HOUSE	
Expenditure on housing and social exclusion not classified elsewhere	

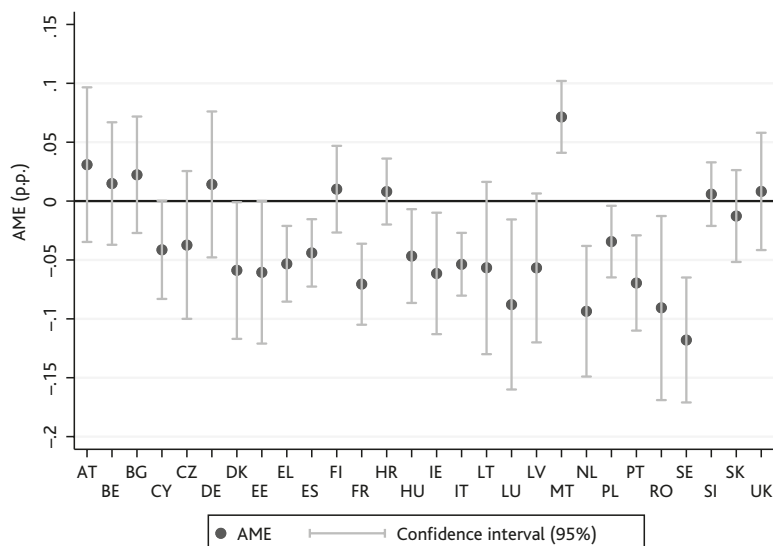
estimated inconsistently due to the heteroscedasticity of the first-level sampling error in which variance differs across observations (Jusko, 2005; Lewis and Linzer, 2005).

In this case the country-level logistic regressions are estimated first with being residentially autonomous (not living with parents) as the dependent variable and the proxy for labour market exclusion (being unemployed) as the independent variable with controls included. Then, the average marginal effects are estimated that, in the second step, turn into the dependent variable of a linear regression model in which the independent variable is the macrolevel indicator of interest (public expenditure on rent benefits as a percentage of GDP). Finally, standard errors of this second regression are corrected in order to take into consideration the uncertainty coming from using an estimated dependent variable. The error term of the second step regression includes a first component due to the individual-level regression (heteroscedasticity due to variance in the sampling error across countries) and a second component that is the country-level error term. Thus, standard errors of the second step linear regression model are corrected by adding a weight that is computed as in Huber (2005) and Baranowska and Gebel (2008).

Results

This section presents the results emerging from the two-step multilevel regression for the moderating role of selected macrolevel factors on the association between labour market exclusion and housing autonomy.

Figure 7.1: Average marginal effect (AME) of being unemployed (vs employed) on housing autonomy



Source: Authors' own elaboration on EU-SILC UDB, 2014 – version 2 of August 2016

First, results are presented from the logistic regressions run on the individual level separately for each country. [Figure 7.1](#) illustrates the average marginal effect of being unemployed (versus being employed) on autonomous living in all EU28 member states in the year 2014. The regressions show that in the majority of EU28 countries, being unemployed is associated negatively with autonomous living (compared to those who are employed). The association is substantial and statistically significant for half of the countries considered: in Denmark, Estonia, Greece, France, Ireland, Italy, Luxemburg, the Netherlands, Portugal, Romania, and Sweden, unemployed young people are between 5 and 10 percentage points less likely than employed people to live autonomously. This negative relationship is also observable in Cyprus, Hungary, Poland, and Spain, but with a lower gap (less than 5 percentage points) in the chances of living autonomously between the two groups. In contrast, Malta stands out as an outlier, indicating an advantage for unemployed people that might, however, be affected by the small sample size. The remaining countries show a non-significant relationship between unemployment and housing autonomy, with extremely low and non-significant coefficients.² As mentioned in the data section, the direct effect of the presence of a partner is associated

positively with housing autonomy in line with previous studies. The indirect effect of a partner, as a control variable in the relationship between unemployment and housing autonomy, tends to reduce the negative association with unemployment, but generally does not reverse the direction of the relationship.

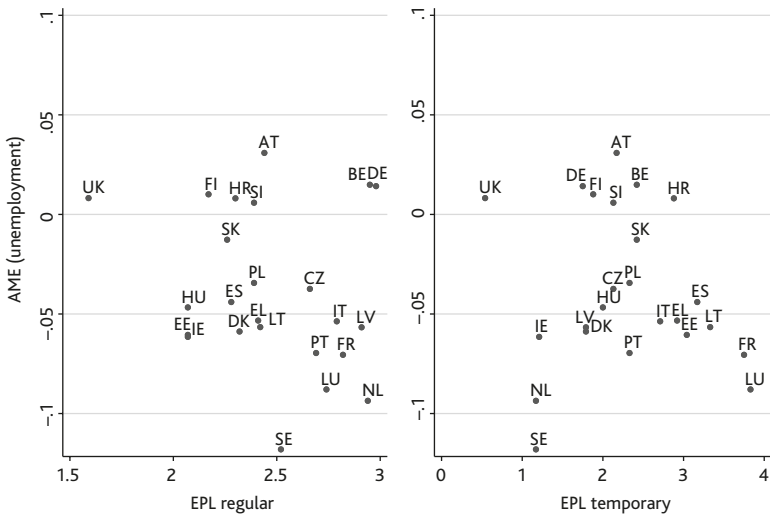
Given this overview of the relationship on the individual level (Step 1), the next step is to test whether some of the country variation can be explained by structural and institutional features.

One of the advantages of the two-step approach is that it provides a clear visualisation of the multilevel relationship between micro- and macrolevel variables in a simple scatterplot. Figures 7.2 and 7.3 plot the average marginal effects calculated on the individual level on the macrolevel indicators of interest for each hypothesis. The next section examines each of the hypotheses in detail.

Hypothesis 1: Employment Protection Legislation

The distributions of the macrolevel variables for the level of employment protection do not give a straightforward indication of the direction of the relationship with the variable of interest. A clear pattern does not emerge from the two panels in [Figure 7.2](#): the negative effect

Figure 7.2: Indicators of employment protection legislation (EPL) and average marginal effect (AME) of being unemployed on housing autonomy



Source: Authors' own elaboration on EU-SILC UDB, 2014 and OECD data

of unemployment on housing autonomy is observable not only in a country with high employment regulation such as France, but also in a country such as Estonia that, on the contrary, is characterised by a lower level of regulation.

Yet, some internal trends can be spotted. For example, in countries with high EPL (>2.5 points) for regular employment such as France, the Netherlands, Portugal and Sweden, being unemployed is associated more negatively with housing autonomy than in other countries with less strict regulation. However, there are also countries with a high level of EPL regulation (Belgium and Germany) and a non-negative association. At the same time, the opposite trend – low regulation/non-negative association – is not observable except in the United Kingdom (UK). A quite substantial group of countries with intermediate values for EPL (2 to 2.5 points) shows a non-negative association between unemployment and housing autonomy (Austria, Finland, Hungary, the Slovak Republic, and Slovenia).

In the case of temporary contract regulations (right-hand panel of [Figure 7.2](#)), the distribution takes an inverted Y shape providing a non-univocal pattern. Indeed, there are countries with a high negative association between unemployment and housing autonomy with high levels of EPL and others with relatively low levels for temporary contracts (Ireland, the Netherlands, and Sweden on the one hand, and France, Luxemburg, and Lithuania on the other). Testing this type of association with a linear regression model in the second step ([Table 7.2](#)) reveals that the association between the macrolevel variables (both for permanent and temporary contracts) is negative but non-statistically significant (Models 1 and 5). This indicates that a statistically robust moderating effect of EPL for both regular and temporary contracts cannot be observed: the level of regulation of employment is not statistically associated with a decrease or increase in the (mostly negative) association between unemployment and housing autonomy occurring on the microlevel. However, as mentioned in the theoretical section, the decision to leave the parental home and live independently from the family of origin is a complex transition influenced by several factors that can also influence the labour market condition itself. As an example, the macroeconomic situation on the country level is one of the key factors that may play a role in the association between unemployment and housing autonomy: a negative macroeconomic situation (for example, proxied by a high unemployment rate or low GDP growth) may make the situation of unemployed people even worse, overruling the level of EPL. Therefore, these two main indicators of labour market and economy conditions are added as

Table 7.2: Second step regression for macrolevel indicators of EPL and the association between unemployment and housing autonomy; linear regression coefficients

	EPL for regular contracts				EPL for temporary contracts				No control for partner	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EPL regular	-0.0326 (0.0230)	-0.0357 (0.0237)	-0.0358 (0.0235)	-0.0389* (0.0225)					-0.0598** (0.0270)	
EPL temporary					-0.00662 (0.00954)	-0.00646 (0.00997)	-0.00637 (0.00992)	-0.00378 (0.00983)		-0.00774 (0.0120)
Youth unemployment rate (15-25)		-0.000362 (0.000789)				-5.25e-05 (0.000834)				
Total unemployment rate (15-74)			-0.000795 (0.00185)				-0.000197 (0.00198)			
GDP growth				-0.00757 (0.00504)				-0.00608 (0.00541)		
Constant	0.0376 (0.0577)	0.0536 (0.0649)	0.0534 (0.0643)	0.0604 (0.0573)	-0.0288 (0.0230)	-0.0279 (0.0280)	-0.0274 (0.0285)	-0.0293 (0.0228)	0.0612 (0.0669)	-0.0685** (0.0286)
Observations	24	24	24	24	24	24	24	24	24	24
R ²	0.084	0.100	0.101	0.180	0.021	0.021	0.022	0.076	0.183	0.019

Note: Standard errors in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Source: Authors' own elaboration on EU-SILC UDB, 2014; OECD data and Eurostat data

control variables (Models 2 to 4 and 6 to 8). The estimates show that when controlling for the dynamism of the economy (namely, excluding the noise generated by the level of GDP growth), stricter regulation for regular contracts negatively moderates the association between unemployment and housing autonomy, further worsening the chances of housing autonomy for unemployed people. Indeed, estimates in Model 4 indicate that one unit increase in EPL for regular contracts intensifies the negative effect (as depicted by the average marginal effects in [Figure 7.2](#)) by almost 4 percentage points, and the relationship is significant within 90 per cent confidence intervals.

In addition, a sensitivity check was run without controlling for the presence of a partner (Models 9 and 10). The presence of a partner is a major predictor of housing autonomy and a confounder in the relationship between unemployment and housing autonomy. When removing this effect (that is, controlling for the presence of the partner), the net association between unemployment and housing autonomy decreases.

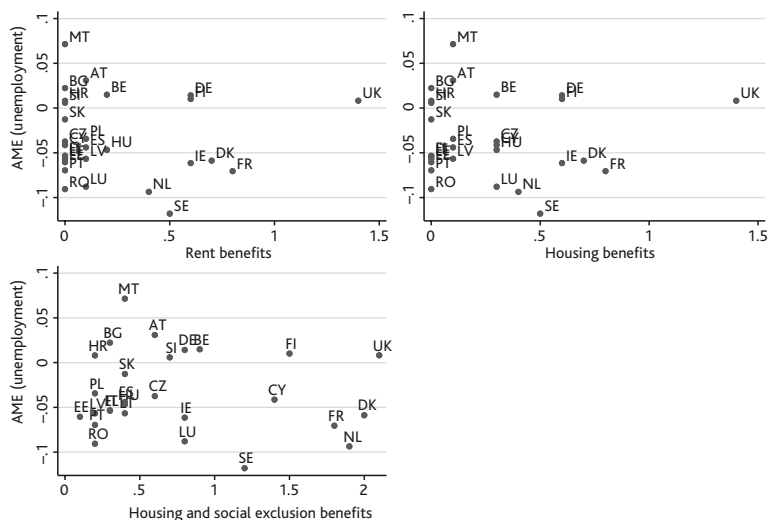
The models indicate that the (generally) negative association between unemployment and housing autonomy is further exacerbated when EPL for regular contracts is high (Model 4). When excluding the major confounder, the presence of a partner, and also the dynamics of the economy, the moderating effect of (stricter) regulation on a regular contract remains negative and is statistically significant.

Thus, Hypothesis 1 is partly verified, at least for the assumption of a negative moderating role of EPL for regular contracts when controlling for the dynamics of the economy. Where the labour market is divided into protected and non-protected segments (EPL for regular contracts is high), it becomes more difficult to find a new job for those who are outside, and the disadvantage of unemployed people in terms of housing autonomy is further exacerbated. A moderating role of EPL for temporary contracts, on the contrary, is slightly negative but the relationship is weak (less than 1 percentage point) and never statistically significant.

Hypothesis 2: Public expenditure on housing policies

This section repeats the same exercise using macrolevel indicators for public expenditure on housing policies. In this case, it is evident that no clear association can be observed for any of the three indicators ([Figure 7.3](#)). Indeed, in most countries, such benefits assume a very low level, and most of the dots are skewed to the left side of the graph near to zero. This is particularly the case for rent benefits (first panel

Figure 7.3: Indicators for expenditure on housing policies (rent benefits, housing benefits, housing and social exclusion benefits) and average marginal effect (AME) of being unemployed on housing autonomy



Source: Authors' own elaboration on EU-SILC UDB, 2014 and Eurostat data

in Figure 7.3) that are almost equal to zero (as a percentage of GDP) for most countries with the only exceptions being the UK, France, Denmark, Ireland, Finland, and Germany (and to a lesser extent the Netherlands and Sweden). However, for these countries, the relationship between unemployment and housing autonomy can also assume directly opposing outcomes: in Finland, Germany, and the UK, high expenditure in rent benefits (as a percentage of GDP) is associated with a neutral effect of unemployment on housing autonomy, whereas the association is negative for the other countries. A very similar pattern can be observed for housing benefits (second panel in Figure 7.3), with the same countries mentioned before in the same position, joined by a small group of countries – Cyprus, the Czech Republic, and Hungary – with a slightly negative effect of unemployment on housing autonomy (smaller than 5 percentage points). Again, most countries are skewed towards zero and no pattern can be identified.

As far as the indicator on expenditure for housing and social exclusion is concerned, a clear pattern is not observable. Nonetheless, two groups of countries seem to emerge (third panel in Figure 7.3). Indeed, no clear correlation can be spotted between level of expenditure and association

between unemployment and housing autonomy. However, there is a group of countries on the right side of the graph that is characterised by relatively high levels of expenditure (greater than 1 per cent of GDP). However, they show very different outcomes in terms of the effect of unemployment on housing autonomy.

There is a second group of countries characterised by a medium to low level of expenditure (between 0.5 per cent and 1 per cent of the GDP) that again show very different outcomes ranging from a negative, a null, or even a positive association between unemployment and housing autonomy.

However, it has to be considered that there may be a positive correlation between higher levels of expenditure for social exclusion policies and higher levels of poverty or social vulnerability in the country – in other words, the level of expenditure is not really high because policies are more developed, but because there is a high number of recipients due to diffuse social vulnerability. Such a situation may correlate negatively with unemployment, given that, in a situation of diffuse poverty and social vulnerability, such compensatory policies are not really able to tackle the dimension of housing autonomy, but can only satisfy basic needs. Hence, it emerges that the level of expenditure cannot play any moderating effect on the relationship between unemployment and housing autonomy.

In this respect, it would be interesting to further investigate the cases of Finland and the UK with more detailed qualitative data. These countries have a similar null association between unemployment and housing autonomy, but relatively high expenditure on rent and housing benefits. Moreover, Denmark, France, and the Netherlands also reveal a negative microlevel association and relatively high levels of public expenditure. For the remaining countries, the level of expenditure is extremely low, with the consequence that it cannot be expected to make any difference.

Second, as for other types of policies (for example, passive labour market policies), strict eligibility criteria may result in there being a very restricted number of people who can actually benefit from these measures. This may eventually exclude particular categories and result in subsidies being of a limited amount. For example, young people are generally excluded from social housing projects that tend to assign apartments to large families with dependent children, or they may be excluded because of fragmented and non-standard working careers that do not entitle them to access such benefits. Thus, from a macrolevel perspective, it is hard to grasp a possible moderating effect. This is also

Table 7.3: Second step regression for macrolevel indicators of housing policies and the association between unemployment and housing autonomy; linear regression coefficients

	Rent benefits	Housing benefits	Housing and social exclusion benefits
Expenditure on rent benefits	0.0122 (0.0248)		
Expenditure on housing benefits		0.0119 (0.0255)	
Expenditure on housing and social exclusion			-0.00201 (0.0143)
Constant	-0.0451*** (0.0106)	-0.0455*** (0.0113)	-0.0407*** (0.0139)
Observations	28	28	28
R ²	0.009	0.008	0.001

Note: Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

Source: Authors' own elaboration on EU-SILC UDB, 2014 and Eurostat data

influenced by the way such policies are designed, often leaving out the category of interest: young people.

Indeed, the associations using linear regression models in the second step of the multilevel approach (Table 7.3) show that indicators of public expenditure on housing policies have a weak moderating effect (about 1 percentage point – not statistically significant) on labour market exclusion and youth housing autonomy.³

Conclusions

Leaving the parental home is a crucial transition in the process of becoming an adult. It is also a complex decision involving several dimensions on the micro-, meso-, and macrolevels. Individuals make their decisions based on economic circumstances, cultural aspects, and personal preferences. However, they are also influenced by macrolevel factors determined on the institutional level that may make the transition smoother (or harder).

This chapter focused on the latter aspect and tested whether and to what extent a particular set of macrolevel factors may moderate the association occurring on the microlevel between labour market (involuntary) exclusion and the housing autonomy of young people in Europe.

Economic factors are not the only predictor of housing autonomy. In several countries, the presence of a partner, for example, is another strong determinant of the probability of living independently from the family of origin. Nonetheless, the job situation is important in structuring life courses, and the availability of economic resources from paid labour is the main source of income particularly for young people, providing them with the means to bear the costs of independent living. Moreover, this is a domain in which empirical research can provide targeted policy suggestions, and in which policies may intervene more effectively than in other domains (for example, in the cultural sphere).

Using microlevel data from EU-SILC and macrolevel data from OECD and Eurostat, this study tested whether institutional configurations such as the level of EPL for regular and for temporary contracts, and the level of public expenditure in housing policies, may moderate (worsen or loosen) the microlevel association between unemployment and housing autonomy. The microlevel association tends to be negative in most of the EU28 countries considered, indicating that unemployed individuals have lower chances of living independently from the family of origin compared to their employed peers. Findings from multilevel models indicate that a clear-cut moderating effect is not observable for any of the two measures taken into consideration. But there are some important differences.

Indeed, as hypothesised, a negative moderating effect is observable depending on the level of protection of regular contracts. A high level of EPL for regular contracts negatively moderates (worsens the mostly negative) association between unemployment and housing autonomy, indicating that in segmented labour markets in which regular employment is protected and it is harder for unemployed young people to get a new job, the negative effect of lack of job on the chances of independent living is further exacerbated. However, no significant moderating role is observable in this respect for the level of protection of temporary contracts. As far as the relationship between unemployment and housing autonomy is concerned, different degrees of regulation of temporary contracts are not associated with regular patterns of decreasing or increasing chances of independent living for young unemployed people. This is consistent with the ambiguous role of EPL for temporary contracts, as highlighted in the literature, which

is also tightly linked to the characteristics of the labour market. Indeed, restrictions in the use of temporary employment may on one hand lead to upward mobility to permanent jobs in efficient labour markets and under favourable economic conditions; on the other hand, however, they may lead to downward mobility and unemployment in conditions of low job mobility and an economic recession.

Similarly, the analyses show that public policies aimed at supporting housing do not significantly moderate the (negative) relationship between unemployment and housing autonomy for young people in Europe. Indeed, the level of public expenditure tends to be very low in many of the European countries considered. Its distribution divides into two main groups: on the one side, countries with very limited or even non-existent investment in housing policies; on the other side, a small group of countries with relatively generous spending (the UK, Denmark, Finland, France, Germany, Ireland, the Netherlands, and Sweden). Both groups however, show heterogeneous outcomes when the microlevel association between unemployment and housing autonomy is taken into consideration. In this respect, the two-step multilevel modelling becomes particularly informative insofar as it gives a clear picture of the ongoing trends and points to interesting cases that may be investigated further with qualitative data. As an example, further investigation of cases such as the UK and France (with relatively high expenditure) or Austria and Spain (with relatively low expenditure) but opposite outcomes on the microlevel, may provide interesting insights into the mechanisms behind the functioning of policies. Indeed, findings point to the importance of considering qualitative aspects such as the design of the policies, policy mechanisms, eligibility rules, and barriers to specific groups if one wants to fully grasp whether or not measures put into place to buffer microlevel events achieve their potential. Moreover, behind these aggregate data, other critical features may be at work such as the role of parental support (Ronald and Lennartz, 2018). Indeed, intergenerational support for housing (in the form of financial contributions or gifts, exchange, or housing inheritance) has emerged as an important alternative to (the lack of or underdeveloped) housing policies. Nonetheless, the growing role of family resources as a substitute for welfare for younger generations raises important issues of intergenerational equity and of widening social inequalities among the children of different families.

Notes

- ¹ Information about the partner represents an endogenous variable in the model that may create overcontrol bias because unemployment also affects chances on

the marriage/partner market. Therefore, findings with and without partner are compared in the results section.

- ² In this respect, it has to be considered that with cross-sectional data, one cannot get rid of a reverse causation problem, because although one is able to observe the characteristics of individuals who are already out of parental home, the conditions under which these individuals took the decision to exit the parental home are not known.
- ³ The association remains non-significant after recoding expenditure variables into dichotomous variables, as a further check due to the very low levels of expenditure that characterise some countries reveals.

References

- Aassve, A., Billari, F.C., Mazzuco, S. and Ongaro, F. (2002) 'Leaving home: a comparative analysis of ECHP data', *Journal of European Social Policy*, 12(4): 259–75.
- Aassve, A., Davia, M.A., Iacovou, M. and Mazzuco, S. (2007) 'Does leaving home make you poor? Evidence from 13 European countries', *European Journal of Population / Revue Européenne de Démographie*, 23(3–4): 315–38.
- Aassve, A., Billari, F.C. and Ongaro, F. (2001) 'The impact of income and employment status on leaving home: Evidence from the Italian ECHP sample', *Labour*, 15(3): 501–29.
- Baranowska, A. and Gebel, M. (2008) *Temporary Employment in Central- and Eastern Europe: Individual Risk Patterns and Institutional Context*. Mannheimer Zentrum für Europäische Sozialforschung, Working Paper 106, Mannheim: Mannheimer Zentrum für Europäische Sozialforschung.
- Baranowska, A. and Gebel, M. (2010) 'The determinants of youth temporary employment in the enlarged Europe: do labour market institutions matter?', *European Societies*, 12(3): 367–90.
- Baranowska-Rataj, A., Bertolini, S., Bolzoni, M., Goglio, V., Martino, S., Meo, A., Moiso, V., et al (2016) *Report on the Impact of the Institutional Setting and Policies on the Autonomy of Youth in Insecure Labour Market Positions in EU-28 & Ukraine*. EXCEPT Working Papers, WP No. 9, Tallinn: Tallinn University, Available from: <https://www.except-project.eu/working-papers/>
- Barbera, F., Negri, N. and Zanetti, M. (2010) 'Introduzione', in N. Negri and M. Filandri (eds), *Restare Di Ceto Medio*, Bologna: Il Mulino, pp 15–46.
- Barbieri, P., Cutuli, G. and Scherer, S. (2014) 'Giovani e lavoro oggi: uno sguardo sociologico a una situazione a rischio', *Sociologia del Lavoro*, 136: 73–98.

- Becker, S.O., Bentolila, S., Fernandes, A. and Ichino, A. (2010) 'Youth emancipation and perceived job insecurity of parents and children', *Journal of Population Economics*, 23(3): 1047–71.
- Bernardi, F. and Poggio, T. (2004) 'Home ownership and social inequality in Italy', in K. Kurtz and H.P. Blossfeld (eds), *Home Ownership and Social Inequality in Comparative Perspective*, Stanford: Stanford University Press, pp 187–232.
- Bertolini, S. (2018) *Giovani Senza Futuro? Insicurezza Lavorativa e Autonomia Nell'Italia di Oggi*, Roma: Carocci.
- Bertolini, S. (2021a) *Flessibilmente Giovani: Percorsi Lavorativi e Transizione Alla Vita Adulta Nel Nuovo Mercato Del Lavoro*, Bologna: Il Mulino.
- Bertolini, S. (2021b) 'La relazione tra flessibilizzazione del mercato del lavoro e formazione della famiglia: come si decide in condizioni di incertezza lavorativa', in M. Naldini, C. Solera and P.M. Torrioni (eds) *Corsi Di Vita, Generazioni e Mutamento Sociale*, Bologna: Il Mulino, pp 47–67.
- Bertolini, S., Goglio, V., Moiso, V. and Torrioni, P.M. (2019) 'Leaving home in insecure conditions: the role of labour market policies and the housing market in Europe', *Studies of Transition States and Societies*, 10(3): 9–27.
- Billari, F.C. and Liefbroer, A.C. (2007) 'Should I stay or should I go? The impact of age norms on leaving home', *Demography*, 44(1): 181–98.
- Blossfeld, H.P. (ed) (1995) *The New Role of Women: Family Formation in Modern Societies*, Boulder: Westview Press.
- Blossfeld, H.P., Buchholz, S., Hofäcker, D. and Bertolini, S. (2012) 'Selective flexibilization and deregulation of the labor market: the answer of Continental and Southern Europe', *Stato e Mercato*, 96(3): 363–90.
- Blossfeld, H.P., Klijzing, E., Mills, M. and Kurtz, K. (eds) (2005) *Globalization, Uncertainty and Youth in Society*, London: Routledge.
- Bonoli, G. (2004) 'New social risks and the politics of post-industrial social policies', in K. Armingeon and G. Bonoli (eds) *The Politics of Post-Industrial Welfare States: Adapting Post-War Social Policies to New Social Risks*, Abingdon: Routledge, pp 3–26.
- Booth, A.L., Dolado, J.J. and Frank, J. (2002) 'Symposium on temporary work: introduction', *The Economic Journal*, 112(480): F181–F188.
- Breen, R. and Buchmann, M. (2016) 'Institutional variation and the position of young people: a comparative perspective', *The Annals of the American Academy of Political and Social Science*, 580(1): 288–305.

- Bryan, M.L. and Jenkins, S.P. (2013) *Regression Analysis of Country Effects Using Multilevel Data: A Cautionary Tale*, IZA Discussion Papers, No. 7583, Bonn: Institute of Labor Economics (IZA).
- Bryan, M.L. and Jenkins, S.P. (2016) 'Multilevel modelling of country effects: a cautionary tale', *European Sociological Review*, 32(1): 3–22.
- Buchmann, M.C. and Kriesi, I. (2011) 'Transition to adulthood in Europe', *Annual Review of Sociology*, 37(1): 481–503.
- Buck, N. and Scott, J. (1993) 'She's leaving home: but why? An analysis of young people leaving the parental home', *Journal of Marriage and Family*, 55(4): 863–74.
- Cicchelli, V. (2013) *L'autonomie Des Jeunes: Questions Politiques et Sociologiques Sur Les Mondes Étudiants*, Paris: La Documentation Française.
- Corijn, M. and Klijzing, E. (eds) (2001) *Transitions to Adulthood in Europe*, Netherlands: Springer Netherlands.
- Ebralidze, E. (2011) 'Labor market regulation and perceived job insecurities in the early career: do Danish employees worry less?', in H.P. Blossfeld, D. Hofäcker and S. Bertolini (eds) *Youth on Globalized Labour Markets*, Opladen, Farmington Hills: Verlag Barbara Budrich, pp 93–118.
- Ermisch, J. (1999) 'Prices, parents, and young people's household formation', *Journal of Urban Economics*, 45(1): 47–71.
- Eurostat (2018) 'Social protection (spr)', Glossary, Available from: https://ec.europa.eu/eurostat/cache/metadata/en/spr_esms.htm [Accessed 12 November 2018].
- Fernandes, A., Becker, S.O., Bentolila, S. and Ichino, A. (2008) 'Income insecurity and youth emancipation: a theoretical approach', *The B.E. Journal of Economic Analysis & Policy*, 8(1): 1–42.
- Galland, O. (2001) 'Precarietà e modi di entrare nella vita adulta', in C. Saraceno (ed) *Età e Corso Della Vita*, Bologna: Il Mulino.
- Gallie, D. (2007) 'Welfare regimes, employment systems and job preference orientations', *European Sociological Review*, 23(3): 279–93.
- Gebel, M. (2009) 'Fixed-term contracts at labour market entry in West Germany: implications for job search and first job quality', *European Sociological Review*, 25(6): 661–75.
- Gebel, M. and Giesecke, J. (2016) 'Does deregulation help? The impact of employment protection reforms on youths' unemployment and temporary employment risks in Europe', *European Sociological Review*, 32(4): 486–500.
- Giuliano, P. (2007) 'Living arrangements in Western Europe: does cultural origin matter?', *Journal of the European Economic Association*, 5(5): 927–52.

- Goldscheider, F.K. and Goldscheider, C. (1989) 'Family structure and conflict: nest-leaving expectations of young adults and their parents', *Journal of Marriage and Family*, 51(1): 87–97.
- Goldscheider, F.K. and Goldscheider, C. (1996) *Leaving Home Before Marriage: Ethnicity, Familism, and Generational Relationships* (reprinted edn), Madison: University of Wisconsin Press.
- Heinz, W.R. (2001) 'Lavoro e corso di vita: prospettive di ricerca comparative', in C. Saraceno (ed), *Età e Corso Della Vita*, Bologna: Il Mulino, pp 335–55.
- Holdsworth, C. and Morgan, D. (2005) *Transitions in Context: Leaving Home, Independence and Adulthood*, Maidenhead: Open University Press.
- Huber, J.D. (2005) 'Institutional context, cognitive resources and party attachments across democracies', *Political Analysis*, 13(4): 365–86.
- Iacovou, M. (2010) 'Leaving home: independence, togetherness and income', *Advances in Life Course Research*, 15(4): 147–60.
- Jacob, M. and Kleinert, C. (2008) 'Does unemployment help or hinder becoming independent? The role of employment status for leaving the parental home', *European Sociological Review*, 24(2): 141–53.
- Jusko, K.L. (2005) 'Applying a two-step strategy to the analysis of cross-national public opinion data', *Political Analysis*, 13(4): 327–44.
- Kahn, L.M. (2010) 'Employment protection reforms, employment and the incidence of temporary jobs in Europe: 1996–2001', *Labour Economics*, 17(1): 1–15.
- Lewis, J.B. and Linzer, D.A. (2005) 'Estimating regression models in which the dependent variable is based on estimates', *Political Analysis*, 13(4): 345–64.
- MacDonald, R., Shildrick, T., Webster, C. and Simpson, D. (2005) 'Growing up in poor neighbourhoods: the significance of class and place in the extended transitions of "socially excluded" young adults', *Sociology*, 39(5): 873–91.
- Mayer, U.K. (1997) 'Notes on a comparative political economy of life courses', in L. Mjoeset, F. Engelstad, G. Brochmann, R. Kalleberg and A. Leira (eds) *Comparative Social Research*, Greenwich: JAI Press, pp 203–26.
- McElroy, M.B. (1985) 'The joint determination of household membership and market work: the case of young men', *Journal of Labor Economics*, 3(3): 293–316.
- Mills, M. and Blossfeld, H.P. (2003) 'Globalization, uncertainty and changes in early life courses', *Zeitschrift Für Erziehungswissenschaft*, 6(2): 188–218.

- Moreno, A. (2012) 'The transition to adulthood in Spain in a comparative perspective: the incidence of structural factors', *YOUNG*, 20(1): 19–48.
- Mortimer, J.T., Oesterle, S. and Krüger, H. (2005) 'Age norms, institutional structures, and the timing of markers of transition to adulthood', *Advances in Life Course Research*, 9: 175–203.
- Mulder, C.H. and Clark, W.A.V. (2000) 'Leaving home and leaving the state: evidence from the United States', *International Journal of Population Geography*, 6(6): 423–37.
- Mulder, C.H., Clark, W.A.V. and Wagner, M. (2002) 'A comparative analysis of leaving home in the United States, the Netherlands and West Germany', *Demographic Research*, 7(17): 565–92.
- Müller, W. and Gangl, M. (eds) (2003) *Transitions from Education to Work in Europe: The Integration of Youth into EU Labour Markets*, Oxford: Oxford University Press.
- Nilsson, K. and Strandh, M. (1999) 'Nest leaving in Sweden: the importance of early educational and labor market careers', *Journal of Marriage and Family*, (61)4: 1068–79.
- Noelke, C. (2016) 'Employment protection legislation and the youth labour market', *European Sociological Review*, 32(4): 471–85.
- Nunziata, L. and Staffolani, S. (2007) 'Short-term contract regulations and dynamic labour demand: theory and evidence', *Scottish Journal of Political Economy*, 54(1): 72–104.
- Oppenheimer, V.K., Kalmijn, M. and Lim, N. (1997) 'Men's career development and marriage timing during a period of rising inequality', *Demography*, 34(3): 311–30.
- Parisi, L. (2008) 'Leaving home and the chances of being poor: the case of young people in Southern European countries', *Labour*, 22(1): 89–114.
- Ronald, R. and Lennartz, C. (2018) 'Housing careers, intergenerational support and family relations', *Housing Studies*, 33(2): 147–59.
- Rovny, A.E. (2014) 'The capacity of social policies to combat poverty among new social risk groups', *Journal of European Social Policy*, 24(5): 405–23.
- Ruspini, E. (2015) 'Role and perceptions of women in contemporary Italy', in A. Mammone, E. Parini and G. Veltri (eds) *The Routledge Handbook of Contemporary Italy: History, Politics, Society*, London, New York: Routledge, pp 64–76.
- Scherer, S. (2004) 'Family and Work, in Changeequal Network: State of the Art Report', Available from: <https://cordis.europa.eu/>
- Schizzerotto, A. (ed) (2002) *Vite Ineguali: Disuguaglianze e Corsi Di Vita Nell'Italia Contemporanea*, Bologna: Il Mulino.

- Schofer, E. and Meyer, J.W. (2005) 'The worldwide expansion of higher education in the twentieth century', *American Sociological Review*, 70(6): 898–920.
- Shanahan, M.J. (2000) 'Pathways to adulthood in changing societies: variability and mechanisms in life course perspective', *Annual Review of Sociology*, 26(1): 667–92.
- Surkyn, J. and Lesthaeghe, R. (2004) 'Value orientations and the second demographic transition (SDT) in Northern, Western and Southern Europe: an update', *Demographic Research*, 3(3): 45–86.
- Taylor-Gooby, P. (ed) (2004) *New Risks, New Welfare: The Transformation of the European Welfare State*, Oxford: Oxford University Press.
- Vitali, A. (2010) 'Regional differences in young Spaniards' living arrangement decisions: a multilevel approach', *Advances in Life Course Research*, 15(2–3): 97–108.
- Walther, A. (2006) 'Regimes of youth transitions: choice, flexibility and security in young people's experiences across different European contexts', *YOUNG*, 14(2): 119–39.