The effect of local labour market, housing context and social services on well-being among youth in European cities

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Introduction (1)

Results from „Urban PoLicy Innovation to address inequality with and for Future generaTions (**UPLIFT**)", European Union's Horizon 2020 (GA 870898).

- For more information: https://uplift-youth.eu/

Aims of the project:

- Understanding the roots of the deprivations faced by vulnerable urban youth under increasing socio-economic polarisation and finding possible policy solutions.

- Assessing the opportunities of urban governments to reduce inequalities within their national welfare contexts.

- Pursuing methodological innovations in policy design for the Reflexive Policy Agenda: policy co-creation in four cities Amsterdam, Barakaldo, Sfantu Gheorghe, Tallinn.

Introduction (2)

D2.4 Synthesis Report: socioeconomic inequalities in different urban contexts

- Regional economic and welfare structures play an important role in the reproduction of inequalities.

- How well-being of the young is affected by characteristics of the urban environment?

- Economic competitiveness of cities: expected positive effects through labor market BUT potential negative effects through housing!

- Effective local policies and high quality local social services (eg. education, health, public transportation) is also expected to lead to higher well-being.

Data used

EC/DG REGIO, Perception Survey on the Quality of Life (QoL) in European Cities:

- waves used 2012, 2015, 2019

- representative sample of 700 (formerly 500) people each from 65 cities,

- all EU (except HR) but including CH, NO, UK and TR.

- age group 16-35 years

Contextual indicators:

- economic performance indicators from OECD FUA level database: GDP per capita, unemployment rate

- Indicators for housing: aggregated from database

- Indicators of local services: aggregated from database
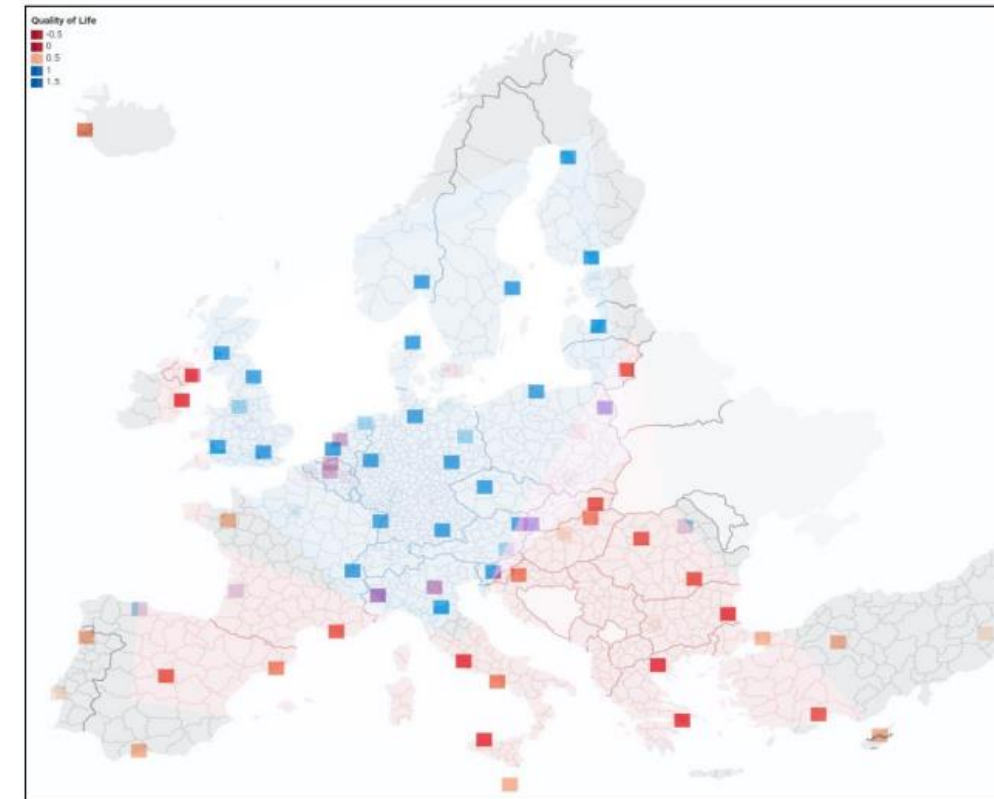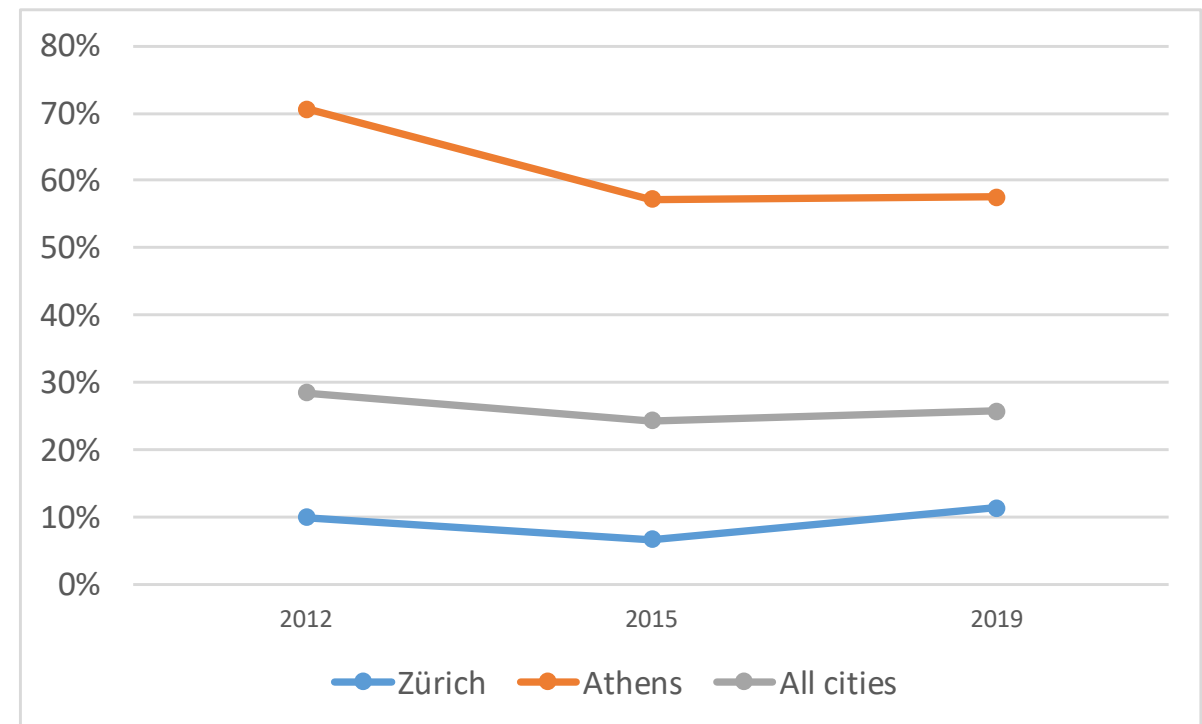
Dependent variable

Survey question:

„On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the financial situation of your household?"

Variable: Having low financial satisfaction
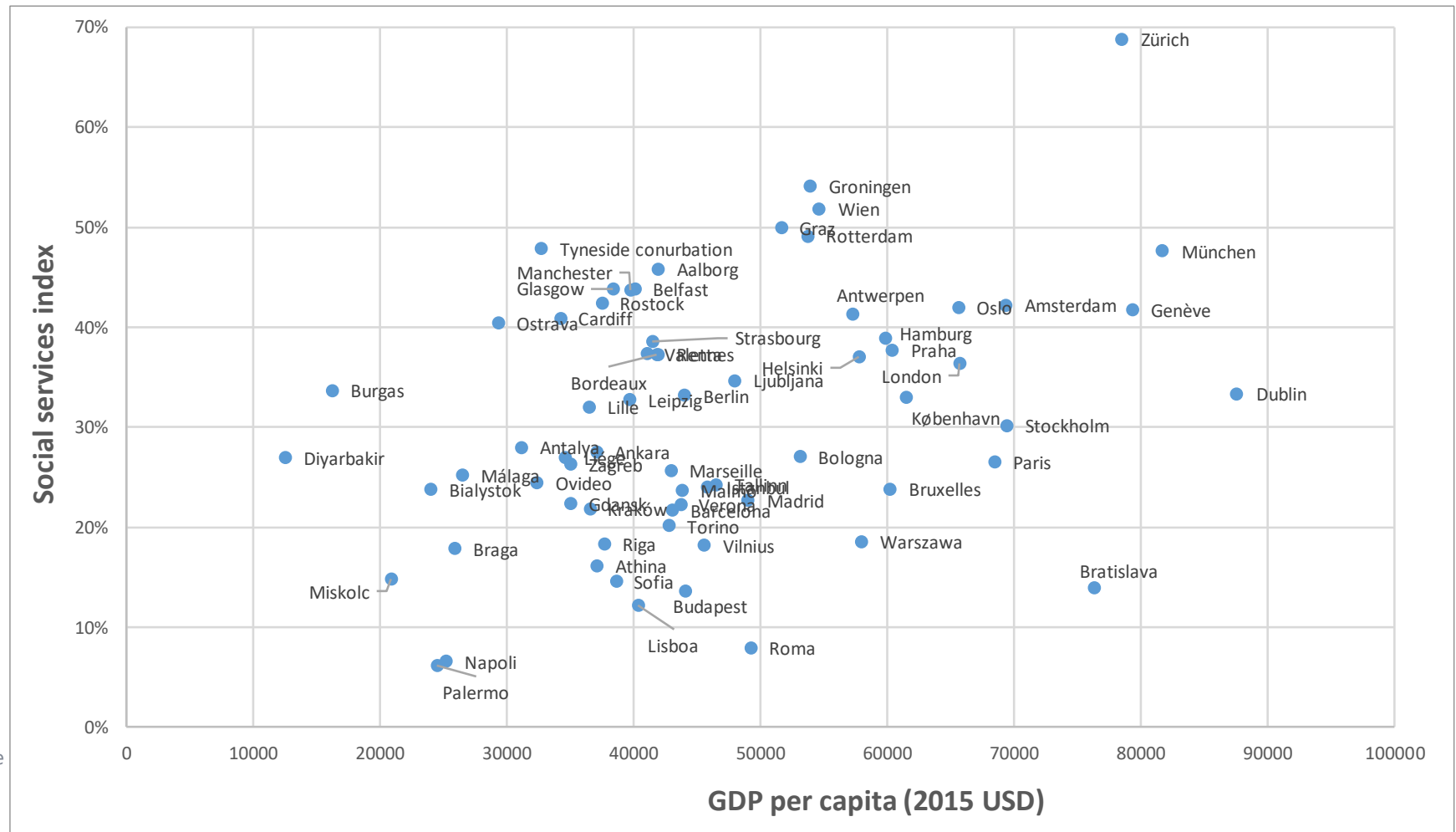
1-if not satisfied or not at all satisfied

0-otherwise

Fig. Percentage of young with low financial satisfaction

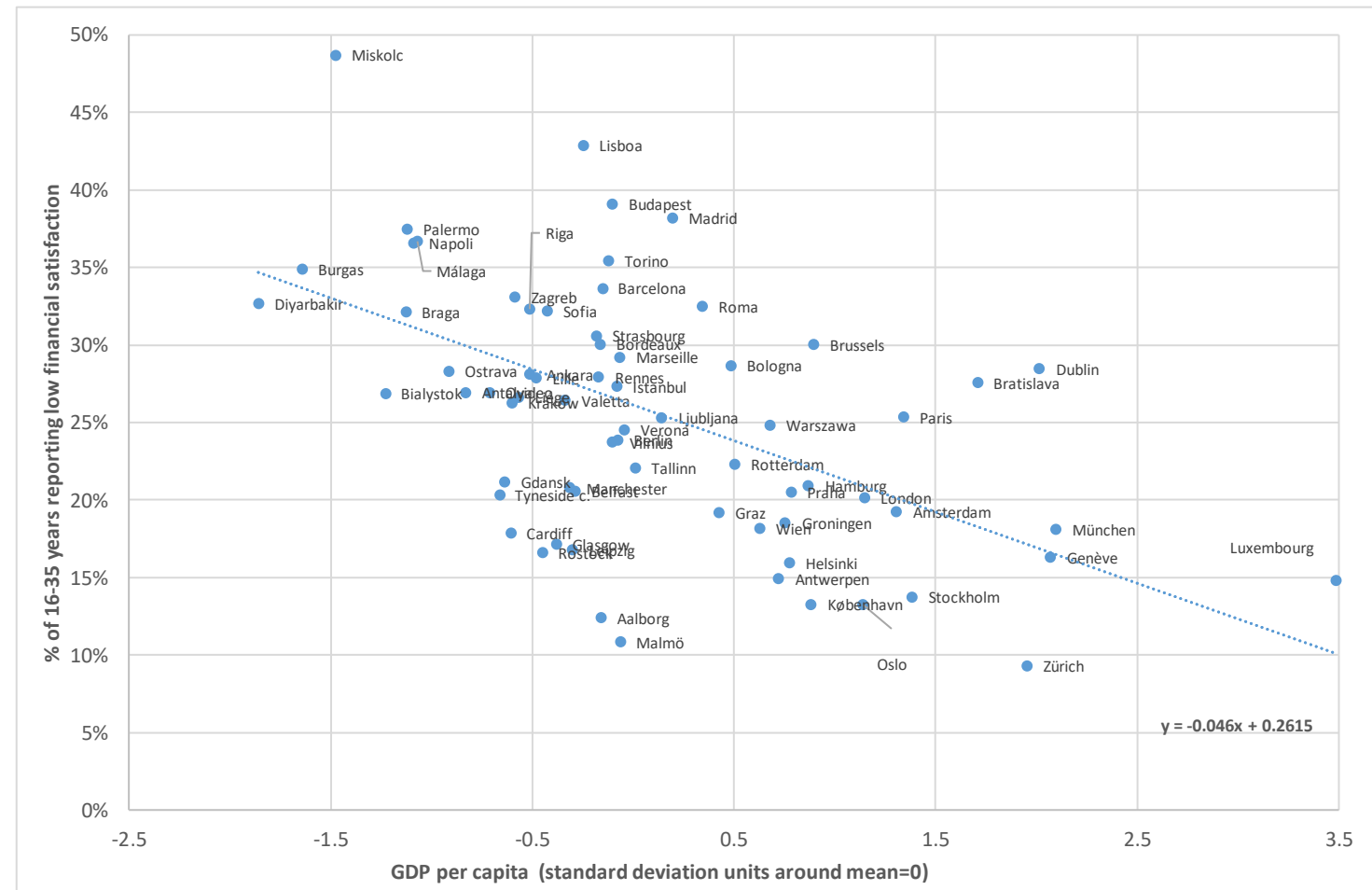
Zürich   Athens   All cities

Independent variables

Social services index: Average of % very satisfied with local education, health and public transport services in each city and year among all respondents in the city

Descriptive results (1)

% of 16-35 years reporting low financial satisfaction

GDP per capita (standard deviation units around mean=0)

y = -0.046x + 0.2615

Descriptive results (2)

Social services index:
Average of % very satisfied with local education, health and public transport services in each city and year among all respondents in the city
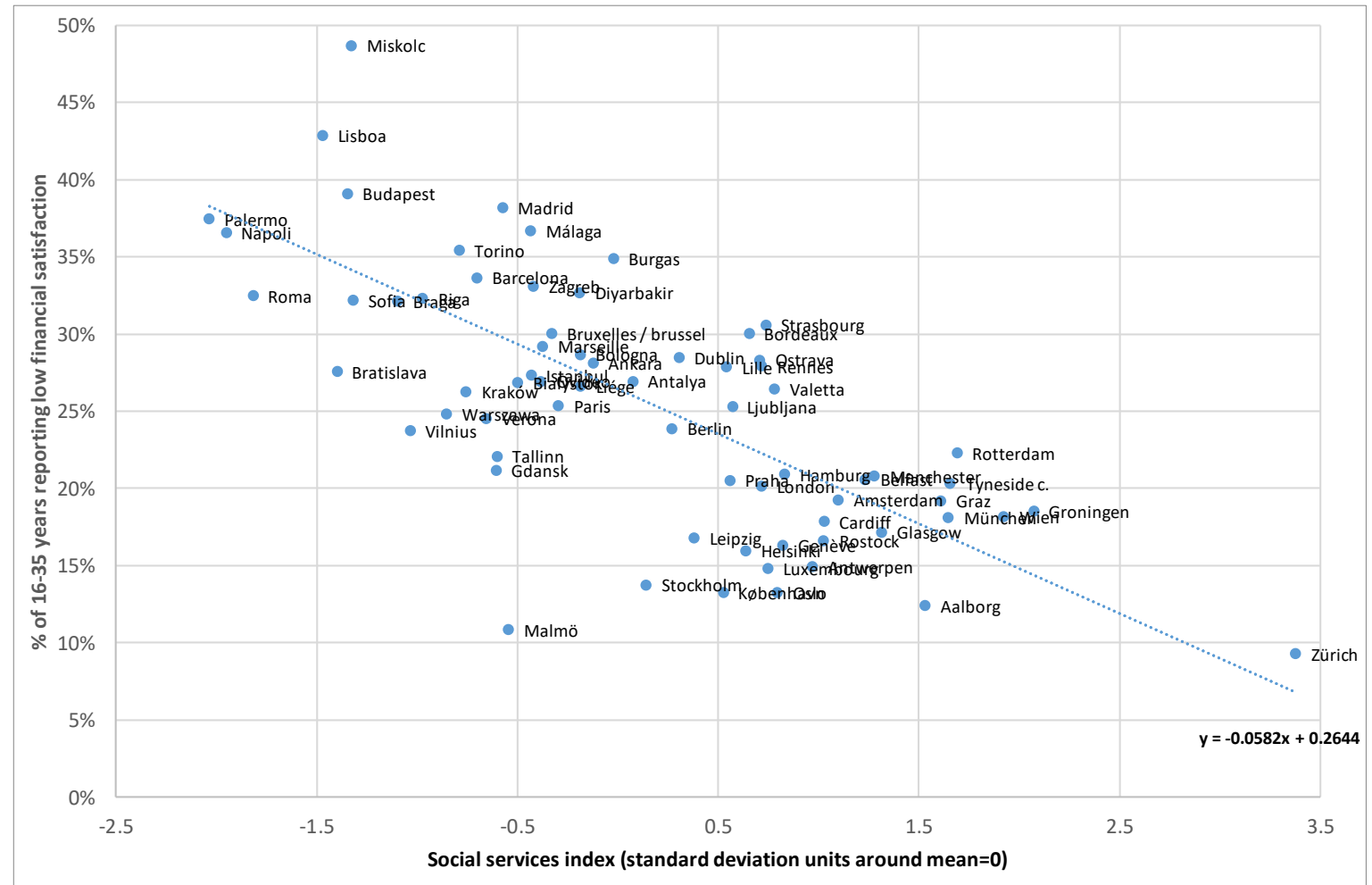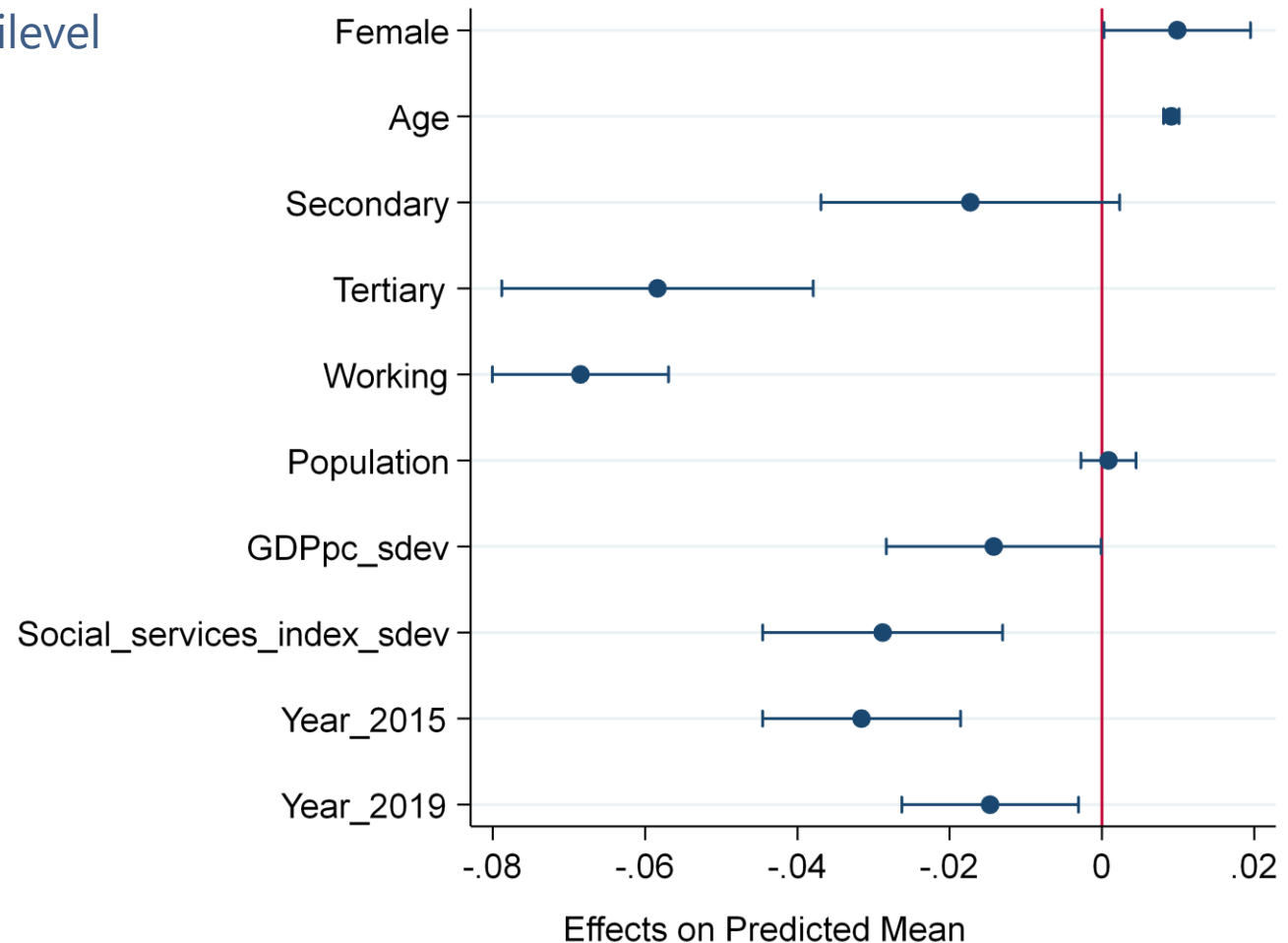
Multivariate analysis (1)

Fig. Average marginal effects from multilevel logit model,
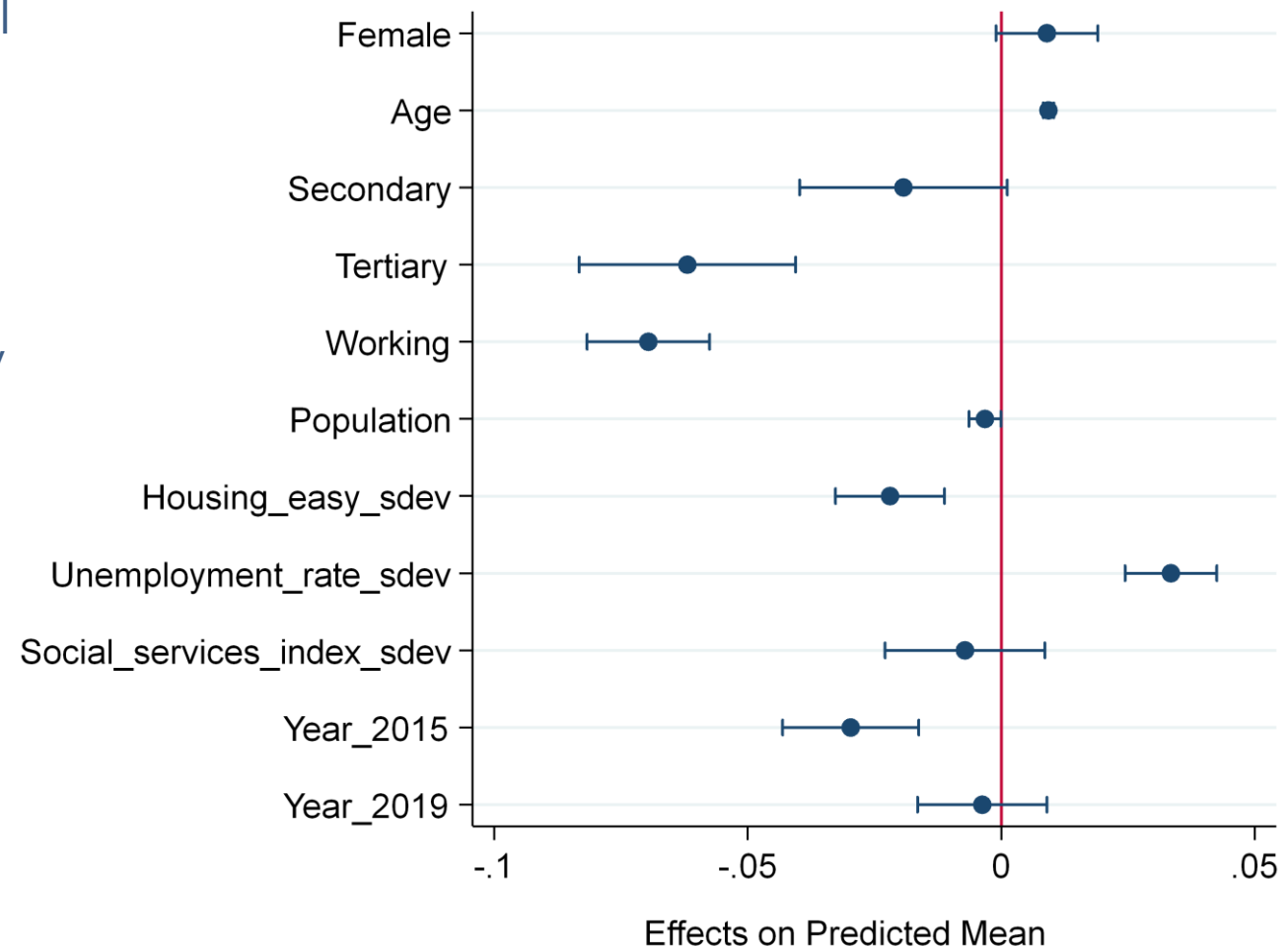
Dependent variable: having low fiancial satisfaction

Multivariate analysis (2)

Fig. Average marginal effects from multilevel logit model,

Dependent variable: having low fiancial satisfaction

Housing easy: average agreement in the city with the statement „It is easy to find good housing in my city at a reasonable price."

Typology of cities (1)

	Efficient employment programmes	Ineficient employment programmes
Strong market cities	Availability of job opportunities means that active labour market policy measures can effectively integrate vulnerable individuals to the local job market. FUAs: Amsterdam, Belfast, Tallinn	ALMP measures are underfinanced or missing, individuals are left alone. Increased significance of choices guided by e.g. family/neighbourhood patterns, FUAs: Bratislava, Bologna
Weak market cities	The scarcity of job opportunities limits the influence of strong ALMP measures. FUAs: Łódź, Borlänge, Chemnitz, Mulhouse	Scarcity of job opportunities and underfinanced/ missing ALMP measures. Pathways of social mobility are rather limited. FUAs: Pécs, Sfântu Gheorghe, Lom

Typology of cities (2)

	Efficient housing system	Inefficient housing system
Strong market cities	Increasing housing prices and rents. The social/affordable housing stock and the local housing allowance system serve well those in most housing needs. FUAs: Amsterdam, Bologna, Belfast	Lacking and inefficient social rental sector and housing allowance system contributes to widening inequalities. The role of intergenerational transfer of housing position plays a major role. FUAs: Bratislava, Leuven, Tallinn
Weak market cities	The fall in demand for housing increases the vacancy rate in the social sector, leading to the residualization of social housing and intra-sectoral segregation. FUAs: Chemnitz, Borlänge, Mulhouse	The lower average wages and the insufficient public housing system generates multiple disadvantages for vulnerable families, which provides further push for outmigration. FUAs: Sfântu Gheorghe Lom, Łódź, Pécs

Conclusion

- To analyse deprivation among the young we also need to uderstand the local context in which youth live.

- Both economic competitiveness and local policies matter!

- Economic competitiveness can also have negative effect on youth well-being in cities through rising housing prices.

- Formulating a typology of the local contexts provides important input when the aim is to find policy responses to deprivation among the young.

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Illustrative analysis

Dependent variable: satisfaction with personal job situation

("On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your personal job situation".)

First-stage (within city) regression models:

$Y_{ic} = \alpha_c + \beta_{1c}YEAR + \beta_{2c}GENDER_{ic} + \beta_{3c}AGE_{ic} + \beta_{4c}EDUC_{ic} + \varepsilon$ (for i individual in c city)

Second-stage: we explain **the disadvantage of the low educated** with city-level variables

-economic situation: GDP per capita (PPP) or GDP growth

-policy: quality of the education system: average satisfaction with educational services

("Please tell me if you are very satisfied, rather satisfied, rather unsatisfied or not at all satisfied with schools and other educational facilities in your city or area.")