

# **The impact of active labour market programmes on young people's mental health: possibilities and limitations.**

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## ***Introduction***

This article addresses how active labour market programmes can influence the mental health of young participants. A theoretical framework is established in which both possibilities and limitations of active labour market programmes are discussed. The presented theoretical construct is analysed empirically by using survey data of an active labour market programme (ALMP) aimed at young people in Germany called JUMP. The research poses three questions. Firstly, can changes within the mental health of participants be traced? Secondly, which of these changes can be connected to the ALMP? Finally, are the limitations of the programme visible in changes to mental health? The research highlights differences between East and West German young people, and the limitations of the programme as a result of the labour market.

The relationship between unemployed young people and mental health has been the subject of extensive research (for literature reviews see Lakey et al., 2001; Kieselbach, 2000), but there has been little consideration of the impact of active labour market programmes on participants. In Germany, many young people experience the school-to-work transition as underemployment (Dietrich, 2001; Mansel & Hurrelmann, 1992) characterised by transitions between unemployment, employment, vocational training or participation in ALMP (Prause & Dooley, 1997, 2001). ALMP schemes have become a key governmental instrument in recent years to help young people enter the labour market. In the 1980s Carle (1987:147) argued that there was a need for research on the mental health of the 'permanent impermanent', but empirical studies in this field have primarily focused on the mental health of young people whilst unemployed (a recent exception being Dooley, 2003).

This chapter introduces a theoretical framework which describes the impact that participation in an ALMP can have on young people's mental health. In order to do so, firstly, the concept of mental health is discussed. Secondly, the possibilities to strengthen individual mental health by participation are examined. Thirdly, the limitations of ALMPs are introduced. The changes in the mental health of participants in the JUMP programme in Germany are then evaluated using the established theoretical framework. Here, a general introduction in evaluation techniques is given. After presenting the research design the results are interpreted. Concluding remarks will focus on the programme's limitations as a result of the labour market and the role of future prospects in changing individual mental health.

## ***A Theoretical Framework – Mental Health and Active Labour Market Programmes***

### **The opportunity to impact on mental health**

Most classical theories explaining the impact of the labour market on mental health start with the circumstances of unemployment and describe how this affects individual mental

health (e.g. Jahoda's deprivation theory (1981), Fryer's agency theory (1986), or Warr's vitamin approach (1987)). However, when studying young people in underemployment or in ALMPs, a different approach is necessary because they do not necessarily experience unemployment. To explore the possible impact of ALMPs on mental health means examining the concept of 'mental health' and establishing why changes in mental health occur so that the possibilities and limitations of ALMPs can then be considered.

Mental health can be defined as the ability to cope with external and internal needs. It expresses the ability of each individual to participate in the surrounding social life within their own capabilities (WHO Fact Sheet No 220, 2001). Mental health, therefore, not only describes the *state* of balance, but also the *ability* to achieve the balance of mental health and to cope with external and internal needs (Seiffge-Krenke, 1994). External needs in this context refer to interaction abilities. Internal needs result from the biological motivation system and an internal control system (Becker, 1992:67).

The state of mental health is not a fixed personality attribute, but an everyday and lifelong responsibility; it is a currently renewed and renewable balance (Hollederer, 2002). Mental health is the product of the adjustment process between individual needs and available resources to satisfy those needs. Satisfaction of needs leads to a state of balanced mental health. Mental health is consequently a product of the socialisation process: the adaptation process of resources and needs results in mental health as a property over a longer period of time (Seiffge-Krenke, 1994; Heinz, 1995). Changes in mental health depend on the ability to cope with the gap between needs and available resources to satisfy them. If the individual is regularly able to satisfy his/her needs for a period of time, balanced mental health as a personality property is constructed.

The ability to influence the gap between resources and needs leads to mental health as a personality attribute. Three possibilities<sup>1</sup> can be distinguished to actively influence the state of anomie<sup>2</sup>, being the result of a gap between needs and available resources:

- i. *Increase available abilities and resources* to satisfy given demands. Abilities and resources depend on personality attributes such as alertness, concentration, and self-consciousness. Knowledge of and trust in one's own capacities and the ability to solve problems can be seen as foundation layers to cope with demands/needs (Hurrelmann, 1998).
- ii. *Decrease of external and internal needs*. Using an anticipatory coping behaviour, the individual actively modifies the needs and adapts them to available resources (Hurrelmann, 1998).
- iii. Implementation of *moderating and mediating factors* to change the relevance of the needs. Moderators can act as a protection against anomie (Wacker, 1983).

Underemployment and problems in the school-to-work transition can be interpreted as a denial of entry into the adult world. Future prospects, especially within employment, are very important for young people (Shell, 1997) as they are still in the process of developing a career identity and a life plan. Vocational training and employment are two indicators of gaining independence, next to establishing intimate relationships and changing the relationship with parents (Bloom, 1990). Social psychologists emphasise a personality development that has to pass through different stages (Erikson, 1968). Also, unemployed young people may not be able to develop their abilities and competences in the same way as others (Kieselbach & Beelmann, 2000:120) and could experience 'learned helplessness'

(Seligman, 1975). Problems in mental health for unemployed young people occur because of disturbances in the course of non-participation in socially defined activities such as vocational training or employment. Thus, problems within the school-to-work transition have an impact on the mental health of young people. Therefore, the stabilisation of mental health has to be a prime aim of ALMPs along with the interrelated need to improve the employability of young people. The effects ALMPs can have on the mental health of young people will be explored further in the next section.

### **The positive impact of Active Labour Market Programmes (ALMPs) on mental health**

ALMPs aim to help young people find employment and to improve their employability. Schemes commonly supply work subsidies, vocational training or work experience. Participation in the programme can lead to a breakthrough in the vicious circle of underemployment, employment and poor mental health (Lakey et al., 2001, Behle 2005, 2007). Findings from previous research state that young people experience fewer mental health problems when participating in an ALMP compared with periods of unemployment (Haquist & Starrin, 1996; Novo et al., 2001; Hammarström et al., 2001; Stafford, 1982; Oddy et al., 1984). ALMPs represent an interesting middle path between unemployment and employment (Korpi, 1994).

The potential for the programme to influence mental health are discussed using the previously listed possibilities.

- i. Obviously, gaining an apprenticeship or a job as well as a vocational diploma can be interpreted as an increase in abilities and resources to satisfy the demand to hold or find employment. Other skills gained include the ability to write a CV or a job application.
- ii. Participation in the programme can also lead to a reassessment of occupational ideas and possibilities by comparing them with the reality. New or previously discarded occupational ideas and options can result in an adaptation of needs to available resources. Other possibilities to adapt needs include regional changes or returning to full-time education.
- iii. The implementation of moderating factors (e.g. relationships, peer groups) (Hammer 1993) have a positive impact on the mental health, but can further exclude the young person from the apprenticeship/ labour market<sup>3</sup>.

Taking part in the programme can change a young person's future prospects when reassessing their life plan. Changes in vocational ideas can (re-)initiate the occupational orientation process (Schober & Tessaring, 1993) in which young people consider both individual plans in terms of future roles and aims as well as the anticipated occupational labour market development. Participation in the scheme can lead to a review of vocational ideas based on experiences in a work environment.

### **Limitations of ALMPs**

Participation in an ALMP can also result in weakening mental health. The following individual and structural reasons can be identified. Young people might not be able to satisfy their individual every-day needs. Non-labour market related difficulties can add to a negative change mental health. Future expectations in terms of participation in the labour market might not be realised. For example, despite gaining a vocational qualification, no

entry to the labour market follows. Young people who bridged unemployment by participation in a scheme might realise that their job chances have not increased after the scheme.

Additionally, the structure of the labour market system limits the possibilities of ALMPs. Participation within an ALMP can result in qualification, work experience or contacts with employers. However, ALMP cannot actively influence the economic system and create apprenticeships or employment. There is no direct relationship between the two 'scheme' and the 'labour market' systems (Blaschke & Plath, 2000).

The effects of ALMP cannot be discussed without taking into account the limitations within the labour market itself. There is some evidence that when jobs are plentiful, unemployed individuals tend to be generally unemployable and the individual mental health status of unemployed people leads to their exclusion from the labour market. However, when jobs are scarce there is clear evidence supporting the exposure hypothesis, whereby the lower mental health status of unemployed people is seen as a consequence of unemployment (Winefield, 1995, 1997). These considerations are also thought to apply to the effects of underemployment (Winefield, 2002).

Germany is an ideal case in which to discuss the limitations of ALMPs for young people. Both East and West German young people face the same labour market regulations. However, there are regional variations in the supply of apprenticeships and jobs. These lead to differences in the social composition of young people experiencing problems in the school-to-work transition.

In West Germany, the labour market for young people is – in a European perspective – relatively moderate, with an average unemployment rate of 8.1 % in 2003 (Bundesagentur, 2004). Typical employment barriers for young people would include the lack of basic qualifications. Additionally, there are many young people with a migration background who lack German language skills (Dietrich, 2001).

In the East the situation is different, as there is on average a youth unemployment rate of 16.1% in 2003 (Bundesagentur, 2004). Many federal and regional ALMPs exist to help young people gain qualifications. Nevertheless, unemployment after vocational training or ALMP is a common experience for many young people (Konietzka, 2001, Westhoff & Ulrich, 1998). Also, labour market entry cohorts in the East are more extended due to GDR population politics. Reunification measures facilitating early retirement result in a youthful age structure within companies with few replacement demands (Lutz, 1996).

In summary, then, various factors result in differences in the social composition of young people with problems in their school-to-work transition. Young West German people are on average less well qualified and face many barriers to employment. East Germans, on the other hand, often hold vocational qualifications. Evidence from previous research (Winefield, 2002) has led to the assumption that the mental health of underemployed young people in the East is more stable than that of West Germans. Variations in mental health will moderate the possible impact of ALMPs.

In 1999, the Social Democratic-Green government introduced a new programme called JUMP, the 'immediate programme to reduce youth unemployment'. The aim of this programme was to help young people experiencing problems in the School-to-Work transition in either a vocational training setting or a workplace. The programme was built up in co-ordination with the European and national action plan (NAP) and partly funded by the ESF (European Social Fond). Five instruments were used by the programme: (i)

improving the supply-side of apprenticeship places; (ii) preparing for apprenticeships; (iii) apprenticeships with a providers; (iv) continued training for unemployed young people who had already finished apprenticeships; and (v) work subsidies. It aimed to improve young people's chances in the labour market by building up qualifications, work experience and connections to potential employers. Participation in JUMP was voluntary. However, if young people did not agree to take part, the job agency could withdraw their benefits. At the start of the JUMP programme, all five of these instruments were used more or less equally. In the following years, however, labour market differences between East and West Germany were reflected in changes in programme participation in the East. Whilst in the West all kinds of schemes still took place, East German young people were more likely to be placed in apprenticeships (with a provider) and employment with work subsidies. These kinds of schemes were installed for already trainable and employable young people.

Thus far, then, it has been established how changes in mental health can occur due to participation in an active labour market programme such as JUMP. The limitations of such programmes have also been identified. At this juncture, therefore, it is appropriate to apply the above-mentioned theoretical framework in an evaluation of the German JUMP programme.

## ***Analysing changes in Mental Health of JUMP – Participants***

### **Evaluating the aim 'Improving individual mental health'**

The underlying concept of evaluation of active labour market schemes is - in theory - logical. The result in terms of a previously defined aim (usually employment) after participation ( $Y_1$ ) is compared with  $Y_0$  (the result of a non-participant). In the concept, both results are compared and the difference  $\Delta$  is defined as a result of participation. The individual effect of participation in a scheme for a given person  $i$  can be defined as  $\Delta_i = Y_{1i} - Y_{0i}$ . (If the participants' structure was homogenous, the programme would have the same effect for all ( $\Delta_i = \Delta$ )). Therefore, the concept of evaluation uses a counterfactual situation in which the effects of ALMPs are assessed by differences between a given person  $i$  who is both participant as well as non-participant at the same time (Smith, 2000:348)

One way to solve the counterfactual situation is to control for the heterogeneous structure of participants and look at impact factors related to the scheme. The influence of the programme will be assessed according to the impact JUMP has on the labour market status after the scheme, changes in the attitude of young people towards work / work involvement, and their expectations for the future.

### **The JUMP survey, Mental Health and other Variables**

Changes in the mental health of young people were analysed using a JUMP participants' survey. Interviews of approximately 2,000 young people of the JUMP entry cohort 1999 were used to evaluate sustainable changes in their mental health. In addition to enquiring into their life course, participants were asked to answer questions concerning their socio-demographic characteristics, different attitudes, mental health and social background. The initial telephone interviews (CATI) took place from September 1999 to February 2000 and follow-up interviews took place one year after the individual's participation in the scheme had finished (in between December 2000 and July 2002).

Mental Health was operationalised using the Trier Mental Health Questionnaire, which contains a Likert scale consisting of 20 statements - each with four possible answers (Becker, 1989). A Mental Health index (MH) was duly calculated: this encompasses values between 20 and 80 - the higher the score the more balanced the observed mental health. Changes in mental health are described by a variable which calculates the score difference between the mental health during participation and one year after. The 'changes' variable can then take values between -60 (extreme destabilisation) to +60 (extreme stabilisation). A value of 'nil' indicates that no change in mental health has taken place.

The impact of JUMP is analysed using the current labour market status, the labour market status between interviews, work involvement, expectations for the future, and the type of JUMP scheme. In addition to that, mental health during the scheme, school qualifications, reason for participation, changes in household, social support, ethnic background, financial changes, changes in relationship and regional youth unemployment rates are duly controlled. Summarised below are some points of clarification

- i. *Current labour market status.* The current labour market status (vocational training, employment, unemployment, (further) scheme or another non-labour market status) is expected to have a massive impact on the mental health of young people (Strandh, 2000).
- ii. *The Labour market status between interviews* is also controlled. Here, the months spent between the first interview (during JUMP participation) and the second interview (one year after) is taken into consideration.
- iii. *Work Involvement.* Work involvement<sup>4</sup> describes the attitude towards work and is defined as the degree to which a person wants to be engaged in work (Warr et al., 1979). Work involvement was operationalised using the 'work involvement scale' (cf. Warr et al. 1979). ALMPs aim to increase and maintain work involvement for young people in order to intensify the incentive to find their own way out of unemployment (Hammarström et al., 1988, Fryer, 1997). During participation in JUMP an increase in the work involvement of young people is expected. Changes in work involvement will affect the mental health positively if young people find an entrance to the labour / vocational training market. In case young people are unemployed again after JUMP, a decrease in work involvement and in mental health can be expected.
- iv. *Expectation for future.* Young people were asked if they expected a personal improvement of their position in the labour market due to participation in current employment or training. Expectations for the future are anticipated to have an effect on changes in mental health as plans for the future are a vital element of adolescence.
- v. *Type of JUMP scheme.* According to their previous work and employment experience, young people were selected to participate in various types of schemes. 'Employment with Work Subsidies' is for employable young people lacking work experience. 'Provider-based Apprenticeships' is aimed at young people regarded suitable for apprenticeships, whereas others could take part in a 'preparation for apprenticeships' scheme. Some young people were included in 'continued vocational training'. Young people who had lost contact with the labour market could take part in 'special schemes for drop-outs'.

## Results

One year after participating in JUMP, changes in the mental health of both men and women can be seen. Values vary from -29 to 36. The average value for changes is 'nil'. This, however, is only realised in the case of approximately 7 % of young people. 47.4 % show stabilisation of mental health one year after the scheme. Meanwhile, destabilisation can be observed in 45.4 % of the young people. A high variance of approximately 46 indicates individual differences in realised changes in mental health<sup>5</sup>.

Variations exist between East and West German young people. Young people in the East display a significantly higher mental health score during the scheme compared to West Germans. After the scheme, on average a decrease in their mental health can be observed. However, their average score is still higher than those of West Germans. West Germans have a lower mental health score during the scheme and maintain their score after the scheme. This finding confirms the previously assumed connection between the density of the labour market and mental health. Also, it gives first evidence of the limitations and possibilities of active labour market schemes in relation to the nature of the labour market.

To gain further information on the impact of JUMP, multiple regression models (table 1 to table 4) were estimated using the variable describing 'changes in mental health' as the dependant variable<sup>6</sup>. Different models were calculated for East and West German men and women to describe the immediate impact on individual mental health changes of the current labour market, work involvement, the kind of scheme (model 1), the labour market status between interviews (model 2) and expectations for the future (model 3).

**Table 1: JUMP Influence on changes in mental health of West German Men**

		Non-standardised coefficients		
		Model 1	Model 2	Model 3
	(constant)	22.281***	22.601***	22.819***
JUMP scheme	Work subsidies	.847	.734	.718
	Preparation for apprenticeship	Reference category		
	Special schemes for drop-outs	1.659**	1.549*	1.543*
	Continued training	.851	.778	.824
	Provider-based apprenticeship	.303	.424	.402
Work Involvement (WIS)	Changes	.134**	.117**	.109*
	Previous WIS	.211***	.182***	.180***
	Changes WIS * Unemployment	-.096	-.080	-.075
Current labour market status	Vocational training	1.503**	.783	.307
	Employment	2.477***	1.831***	1.532**
	Unemployment	Reference category		
	(Further) scheme	1.298*	.758	.369
	Other	.714	-.240	-.402
Labour market status between interviews	Full-time employment (month)		.506	.637
	Apprenticeship/ qualification (month)		.408	.422
	Unemployment (month.)		-.393	-.300
Expectations for future	Significant improvement			.940**
	Little / no improvement	Reference category		
Key data	Adjusted R <sup>2</sup>	.231	.241	.244
	F	17.464	8.402	8.309
	df	14	33	34

Source: JUMP participant survey (IAB-Project 486-1), n = 814 \*\*\*  $\alpha \leq 0,01$ , \*\*  $\alpha \leq 0,05$ , \*  $\alpha \leq 0,1$ . Adjusted R<sup>2</sup> (Model MH1) = ,198 (Also controlled for: mental health during the scheme, school qualification, Reason for participation, changes in household, social support, ethnic background, financial changes, changes in relationship, regional youth unemployment rate).



**Table 2: JUMP influence on changes in mental health of East German Men**

		Non standardised coefficients		
		Model 1	Model 2	Model 3
	(constant)	22.644***	24.098***	25.048***
JUMP scheme	Work subsidies	-1.347	-1.537	-1.405
	Preparation for apprenticeship	Reference category		
	Special schemes for drop-outs	-1.144	-.239	-.226
	Continued training	-2.086	-1.630	-1.743
	Provider-based apprenticeship	-2.242	-2.114	-1.932
Work involvement (WIS)	Changes	.041	.039	.012
	Previous WIS	.080	.050	.048
	Changes WIS * Unemployment	-.089	-.062	-.048
Current labour market status	Vocational training	-1.299	-1.391	-2.787
	Employment	1.078	.818	.305
	Unemployment	Reference category		
	(Further) scheme	-.166	-.524	-1.292
	Other	1.869	1.448	.965
Labour market status between interviews	Full-time employment (month)		1.576	1.623
	Apprenticeship/ qualification (month)		1.064	1.383
	Unemployment (month.)		-2.592*	-2.737*
Expectations for future	Significant improvement			1.918**
	Little / no improvement	Reference category		
Key data	Adjusted R <sup>2</sup>	.154	.203	.218
	F	4.990	3.357	3.512
	df	14	33	34

Source: JUMP participant survey (IAB-Project 486-1), n = 324 \*\*\*  $\alpha \leq 0,01$ , \*\*  $\alpha \leq 0,05$ , \*  $\alpha \leq 0,1$ . Adjusted R<sup>2</sup> (Model MH1) = .148 (Also controlled for: mental health during the scheme, school qualification, Reason for participation, changes in household, social support, ethnic background, financial changes, changes in relationship, regional youth unemployment rate).

**Table 3: JUMP influence on changes in mental health of West German Women**

		Non-standardised coefficients		
		Model 1	Model 3	Model 4
	(constant)	26.346***	25.657***	25.722***
JUMP scheme	Work subsidies	-.666	-.315	-.091
	Preparation for apprenticeship	Reference category		
	Special schemes for drop-outs	1.445	1.718	1.782
	Continued training	-1.133	-.772	-.485
	Provider-based apprenticeship	-.186	.026	.109
Work Involvement (WIS)	Changes	.216***	.218***	.204***
	Previous WIS	.181**	.182**	.155*
	Changes WIS * Unemployment	-.466***	-.423***	-.440***
Current labour market status	Vocational training	2.595***	1.752	1.136
	Employment	2.692***	2.823***	2.481**
	Unemployment	Reference category		
	(Further) scheme	1.427	1.212	.368
	Other	-.195	-.779	-.813
Labour market status between interviews	Full-time employment (month)		-1.815	-1.885*
	Apprenticeship/ qualification (month)		.087	.051
	Unemployment (month.)		-.738	-.762
Expectations for future	Significant improvement			1.995***
	Little / no improvement	Reference category		
Key data	Adjusted R <sup>2</sup>	.296	.308	.323
	F	15.181	7.354	7.609
	df	14	33	34

Source: JUMP participant survey (IAB-Project 486-1), n = 503 \*\*\*  $\alpha \leq 0,01$ , \*\*  $\alpha \leq 0,05$ , \*  $\alpha \leq 0,1$ . Adjusted R<sup>2</sup> (Model MH1) = .267 (Also controlled for: mental health during the scheme, school qualification, Reason for participation, changes in household, social support, ethnic background, financial changes, changes in relationship, regional youth unemployment rate).

**Table 4: JUMP Influence on changes in mental health of East German women**

		Non-standardised coefficients		
		Model 1	Model 2	Model 3
	(constant)	22.488***	19.106***	23.115***
JUMP scheme	Work subsidies	.526	.517	.088
	Preparation for apprenticeship	Reference category		
	Special schemes for drop-outs	4.552	3.763	3.533
	Continued training	.292	-.037	-.763
	Provider-based apprenticeship	-.610	-.554	-.521
Work Involvement (WIS)	Changes	.084	.114	.017
	Previous WIS	.231*	.307**	.208
	Changes WIS * Unemployment	.218	.280	.344
Current labour market status	Vocational training	3.991**	2.894	2.061
	Employment	2.270**	1.742	1.660
	Unemployment	Reference category		
	(Further) scheme	-.086	-.698	-1.406
	Other	3.124**	2.202	2.261
Labour market status between interviews	Full-time employment (month)		-.985	-1.350
	Apprenticeship/ qualification (month)		-.513	.435
	Unemployment (month.)		-.995	-.040
Expectations for future	Significant improvement			3.519***
	Little / no improvement	Reference category		
Key data	Adjusted R <sup>2</sup>	.259	.225	.304
	F	5.609	2.680	3.448
	df	14	32	33

Source: JUMP participant survey (IAB-Project 486-1), n = 191 \*\*\*  $\alpha \leq 0,01$ , \*\*  $\alpha \leq 0,05$ , \*  $\alpha \leq 0,1$ . Adjusted R<sup>2</sup> (Model MHI) = ,187 (Also controlled for : mental health during the scheme, school qualification, Reason for participation, changes in household, social support, ethnic background, financial changes, changes in relationship, regional youth unemployment rate).

The influence of the *current labour market status*, especially employment, displays differences between East and West Germany. Although in all sub-samples the proportion of current employment is about 40 %, it only effectively influences changes of the mental health of West German young people (table1 and table 3). The mental health changes of

East German women are influenced by the current labour market status only as long as the status in between the end of the scheme and the interview is not taken into account. Changes of East German men's mental health are only negatively affected by unemployment in between the scheme and the interview, but not stabilised because of current employment.

Similar findings exist concerning *changes in work involvement*. An increase on the work involvement scale<sup>7</sup> results significantly in an increase in changes in mental health of both West German men and women (table 1 and table 3). However, neither changes in work involvement nor interaction with unemployment have a significant influence on changes in the mental health of East German men (table 2). For East German women, work involvement during the scheme has a significant influence on changes (table 4). On the other hand, the variable has a massive significant impact on changes in the mental health of West German women. Both changes in the WIS and the actual WIS-score during the scheme have a positive impact on changes in mental health.

Finally, the variable *future expectations* shows in all sub-groups a strong significant effect. In fact, the introduction of this (single) variable leads to an important improvement of the models (Adjusted R<sup>2</sup>). Partial R<sup>2</sup> were additionally calculated to assess the relevance of the variable. The introduction of the variable *expectations for the future* increased the zero model (in which only the mental health during the scheme was introduced) for West Germans by 21 % for women and 23 % for men. In the East, the variable had an even stronger impact on changes in mental health. The introduction of the variable increased the strength of the model by 47 % for men and 63 % for women!

## **Conclusion**

To summarise, one year after participation in JUMP, changes in individual mental health can be observed. No changes occur in only 7 % of participants. The analysis displays differences between East and West German young people. During the scheme, the mental health of East Germans is more stable than those of West Germans. After the scheme, less than half of the group shows stabilisation after the scheme, whilst about a similar proportion experienced destabilisation. The proportion of East Germans, where a destabilisation is observed, is higher than those stabilising the mental health. Nevertheless, East Germans still display a higher mental health score than West Germans. A connection of changes in mental health and participation in the programme can be traced. In West Germany changes in the mental health of participants are influenced by their current labour market status, changes in the attitude towards work and expectation for the future. In East Germany there is almost no connection between the scheme and changes in mental health. Changes in mental health are mainly influenced by future expectations.

This chapter has investigated the impact ALMP has on changes in the mental health of participants. It has addressed two scientific traditions: the psychological and sociological research of unemployment and mental health; and the evaluation of ALMPs. As participation in ALMPs plays an important role within the school-to-work transition of young people in Germany and beyond, the connection of both traditions is a valid method to track the development of adolescents.

In general, ALMPs can have an impact on changes in mental health - here defined as the ability to cope with the gap between needs and available resources. Participation in the programme can lead to the narrowing of the gap by helping the individual to adjust their

needs and gain resources. The limitations of ALMPs are mainly due to labour market circumstances. Unemployed or underemployed young people in a moderate labour market with middle to low unemployment can improve their employability by taking part in an active labour market programme. Additionally, empirical evidence suggests that a dense labour market can be associated with underemployed people with a more stable mental health. Here, the possibilities to impact positively on individual mental health by encouraging participation in an ALMP are limited. One could argue that the aim of participating in the scheme therefore has to be the maintenance of mental health. However, as the empirical evidence of JUMP participants' shows, young people are on average not able to keep their mental health status up and a decrease in mental health after the scheme results. There is a clear need for further research concerning the use of ALMP to bridge unemployment during periods of high unemployment. It could be shown that young people's mental health decreased during participation in East Germany. It is unclear, however, whether it would have decreased even more had they not participated in the programme.

Future prospects have a major impact on the stabilisation of the mental health of young people, especially in a scarce labour market. The result indicates that changes in mental health are related to the uncertainty faced by young people with problems in the school-to-work transition. This relates to previous research from Sweden, in which exit routes out of unemployment were assessed according to their possibility to solve economic difficulties and to gain control of the life course (Strandh, 2000). In the dense East German labour market, it is not the entrance to employment as such that leads to stabilised mental health. Only when a significant improvement in the future is expected do young people increase their ability to cope with external and internal needs.

The evaluation shows two main results: First of all, there can be an increase in mental health after programme participation. The example of West Germany shows that in a labour market where job entry is problematic due to a low level of qualifications, programmes can increase the level of qualification and build up work experience and connections to potential employers. Programme participation can lead to job entry and better future prospects, which again can lead to an increase in mental health. The vicious circle of unemployment and low mental health can be turned around. The research can be used to support current German and EU policy to offer unemployed young people at least some kind of programme.

The East German example, on the other hand, shows that in a denser labour market the situation looks rather different. Young people are denied entry to the labour market because there are not enough apprenticeship places and training positions. Although after programme participation roughly the same proportion of young people could be included in the labour market, this did not result in a significant increase in mental health. JUMP did not seem to be able to change future prospects. However, this cannot give any indication about the impact of JUMP on mental health. It is possible that without programme participation young people would have had even lower mental health scores. ALMPs in a dense labour market cannot necessarily improve young people's chances in the labour market. As stated before, there are limitations on the impact possibilities of ALMPs. As has been stated previously, ALMPs have no influence on the labour market as such.

Finally, the introduction of an evaluation of ALMPs according to changes in mental health has proved to be a useful addition to more traditional ways of assessing active labour

market schemes. Changes in mental health provide a sustainable possibility to assess changes in employability.

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- <sup>1</sup> These are comparable to Merton's (1961) possibilities to actively influence the state of anomie (innovation, ritualism, retreatism).
- <sup>2</sup> The original meaning (Durkheim, 1897/1989) of the term 'Anomie' refers to a society which is characterised by 'a gap between people's aspirations and their access to legitimate means of achieving the results in a breakdown of values, at both societal and individual levels' Garfinkel (1987:273). Many psychiatric concepts have also applied the term to individual well-being (Deflem, 1989).
- <sup>3</sup> The assumption that this adaptation is an unwanted effect is disputable. Some social workers suggest that coping with unemployment should be recognised as an aim of active labour market programmes, instead of motivating young people to try and get into employment (Kagan, 1987). The argument is based on the assumption that there is not enough employment available to supply everybody and young people have to be prepared to cope with unemployment. One way of coping is the implementation of moderators to weaken the relevance of the anomial situation (BAG, 1998).
- <sup>4</sup> Previous studies have successfully shown a connection between mental health and work involvement. Stronger work involvement results in unbalanced mental health during unemployment (e.g. Winefield et al., 1993, Ullah et al., 1985). Work involvement moderates the relation of unemployment and mental health unrelated to the current economic cycle (Novo, 2000). An additional question addresses changes in work involvement during unemployment. A lower level of work involvement can be understood as a reaction of young people to cope with the gap between needs and available resources. Fryer (1997), however, found high work involvement among young people even after long-term unemployment.
- <sup>5</sup> Key characteristics of the distribution are available with the author.
- <sup>6</sup> The mental health score during the scheme is used as an independent variable to take into account the level on which changes have taken part (analogous to Nordenmark/Strandh, 1999). This procedure results in the consideration of real net changes in the mental health (for further discussion see Jackson et al., 1983:528ff, Frese, 1994:195).
- <sup>7</sup> Work Involvement has generally been high with all sub-groups scoring on average in between 24.9 (West German men) and 27 (East German women) during the scheme. In all sub-groups, an average decrease of work involvement one year after the scheme can be observed, scoring from -0.47 (average West German men) to 1.5 (average East German women).