

**THE SOCIO-DEMOGRAPHIC DETERMINANTS OF YOUTH UNEMPLOYMENT
IN ITALY: EVIDENCES FROM NATIONAL LABOUR SURVEY****Giuseppe Terzo¹ and Cinzia Giaconia²****Abstract**

Italy is one of the European countries with the highest youth unemployment rate. According to Eurostat, in 2017 the unemployment rate of young people between 15 and 29 stood at 26,7% - corresponding to over one million people - a datum that is only slightly lower than those recorded in Spain (29,4%) and Greece (35,6%). A long-term permanence in a state of unemployment might generate a "scarring-effect" at the individual level, making the employment inclusion progressively more difficult. In fact, keeping young people at the margins of the labour market represents a waste of human potential (Brain Waste) that can negatively impact on Italy's economic development prospective. Given these premises, the present contribution intends to analyze the socio-demographic factors (gender, age group, marital status, citizenship, educational qualification, family conditions, etc.) that affect the unemployment within the Italian youth population (ages 15 to 29). This analysis will lead to the creation of an econometric models of logistic regression referred to 2017 micro-data of the "Labour Force Survey" produced by the Italian National Institute of Statistics (ISTAT) and will allow some reflections on how policy-makers can act in order to promote youth employment.

Keywords: Youth Unemployment; Labour Market; Brain Waste; Scarring Effect.

JEL Codes: J64 (Unemployment: models, duration, incidence and job search); J13 (Fertility • Family Planning • Child Care • Children • Youth); E24 (Employment • Unemployment • Wages • Intergenerational Income Distribution • Aggregate Human Capital • Aggregate Labor Productivity)

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1. The characteristics and the socio-economic costs of youth unemployment phenomenon.

A high level of unemployment is one of the main market macroeconomic failures, and leads to substantial economic and social costs. As claimed by Demidova et al. (2013), these costs are higher for specific categories of the population, considering how unemployment rate tends to differentiate on the basis of socio-demographic and territorial characteristics such as gender, age, nationality, country, region, etc.

In particular, unemployment tends to hit harder the younger cohorts of the population, which are more vulnerable to variations in economic conjuncture. This is demonstrated by the fact that the deterioration of the labour market in many European countries, determined by the recent financial crises, has led to a conspicuous growth of youth unemployment rates.

This greater sensitivity of the youth unemployment rates to cyclical economic variations is due to the increase of those structural problems that negatively affect the school-to-work transition processes during periods of recession (Bell and Blanchflower, 2011; Scarpetta et al., 2010). Specifically, the contraction in labour demand, determined by a decline of the GDP, implies that school leavers have less probability to get a job, because they have to compete for fewer vacancies with more expert job seekers who are preferred because - having comparatively accumulated more human capital - they can guarantee a higher productivity. Moreover, young people already on the labour market are generally the first to lose their jobs due to the high diffusion of temporary contracts (Choudry et al., 2012).

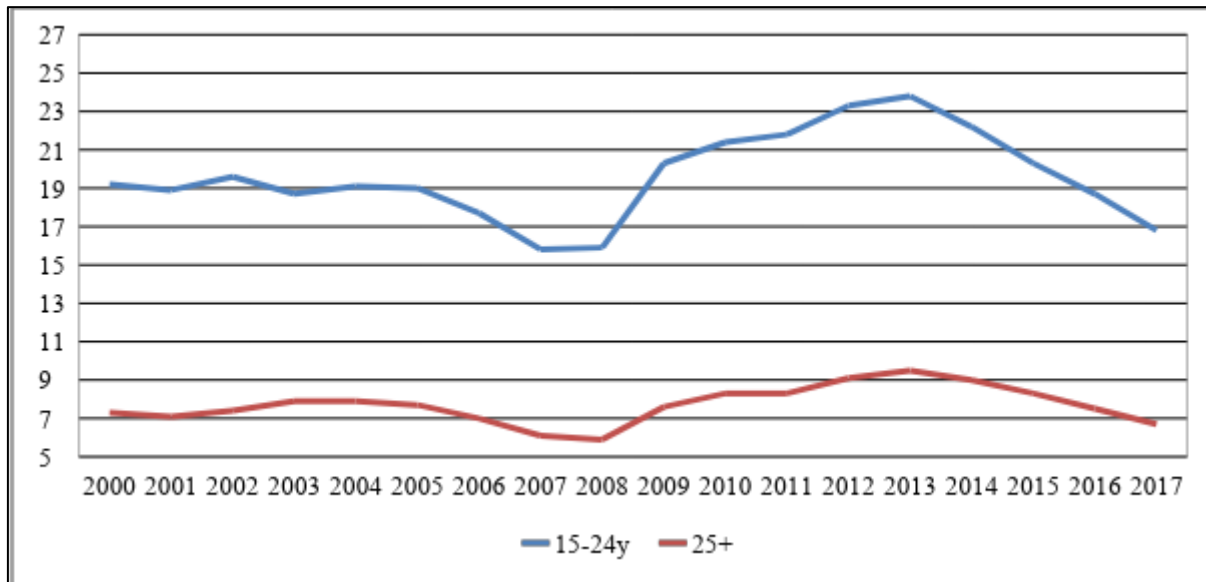
However, regardless of the economic conjuncture variation, it is important to observe that in the European countries the youth unemployment rate generally exceeds that of the adult generation, due to the fact that all youngsters face a critical entry barrier in the labor market (Eichorst and Rinne, 2016; Quintini et al., 2007; Caroleo and Pastore, 2007; O'Higgins, 1997).

In identifying the factors affecting youth unemployment, human capital is certainly a determining variable. In particular, young people with low human capital and inadequate skills are more exposed to the risk of long-term unemployment or unstable and low-qualified work (Oecd, 2005). Indeed, as pointed out by Choudry et al., (2012), the educational level is not the only variable measuring human capital; in fact, to analyze youth unemployment it is important to take into account two other important components of human capital; namely generic and job-specific work experience.

The trends previously described are shown in figure 1, which highlights how in the period 2000-17 the difference between the youth unemployment rate for people aged 15-24 and the population over 25 is never lower than 10%. Exception made in 2007, when the gap stood at 9.7%.

Moreover, it is easy to discern how between 2008 and 2013 - the time interval in which the financial crisis had its greatest effects on the real economy - the youth unemployment rate grew at a significantly higher rhythm than that of the population over 25.

Figure 1: youth unemployment rates for age groups in European countries (2000-2017)



Source: Authors' elaboration on Eurostat data

A large number of young people who stay on the margins of labour market represents a waste of human potential that negatively affects the economic development prospects of every country. In the era of “knowledge economy” - in which human capital plays a pivotal role in the economic growth dynamics - not including large sections of youth population in the production processes means not generating the necessary conditions to activate a virtuous circle able to combine individual fulfilment, social wellbeing and economic development (Rosina, 2015).

Eurofound (2012) has showed as persistently high youth unemployment causes significant economic costs for society. These costs have been estimated in about € 150 Billion in the EU-27 in 2011, or rather the 1.2% of GDP.

In addition, they represent an important subtraction of public financial resources from alternative uses for many countries that must respect stringent budget constraints. Resources that could be used for the promotion of young people's human capital, which is a strategic objective of economic policy to stimulate virtuous processes of sustainable and inclusive growth.

Besides, youth unemployment can also involve social costs, as it can lead to an impairment of social cohesion and an increased risk of political instability, having a negative influence on the dynamics of economic development.

At individual level, youth unemployment produces consequences that can negatively affect the future prospects of young people. For this reason, starting from the 80s, the contrast of this phenomenon - considered a serious social problem - has become a priority objective within the political agendas of many European countries (Eurofound, 2017).

In the school-to-work transition processes, spending a short period in an unemployment status could be physiological. However, if this situation persists in the long run, it could generate what is known as "scarring effect of unemployment": a vicious circle that leads to a progressive worsening of employment prospects - and thus to an increased probability to remain unemployed in the future - following the persistence of an unemployment situation (Heckmann and Borjas, 1980; Ellwood, 1982; Corcoran, 1982; Arulampalam, 2001; Gregg, 2001; Burgess et al., 2003; Nilsen and Reiso, 2013; Cockx and Picchio, 2013). In particular, there is a wide empirical evidence demonstrating that long-term unemployment determines a "wage penalty" on future earnings, and increases the risk to have a less stability in the workplace (Gregg, 1998; Nickell et al., 1999; Arulampalam et al., 2002; Gregg and Tominey, 2004).

According to D'Isanto et al. (2013), the "scarring effect of unemployment" is due to three fundamental factors:

- the depreciation of human capital in consequence of the long period spent outside the labour market;
- the fact that employers generally use the previous employment history as a sign of a worker's productivity;
- the fact that long-term unemployed workers are willing to accept jobs below their qualifications and skills (Overeducation).

As argued by Eurofound (2012; 2017), the concepts of "scarring effect of unemployment" and "wage penalties" are fundamental, as they imply that the unemployed status for a young person may not represent a temporary problematic situation, but may have a long lasting impact throughout his professional life.

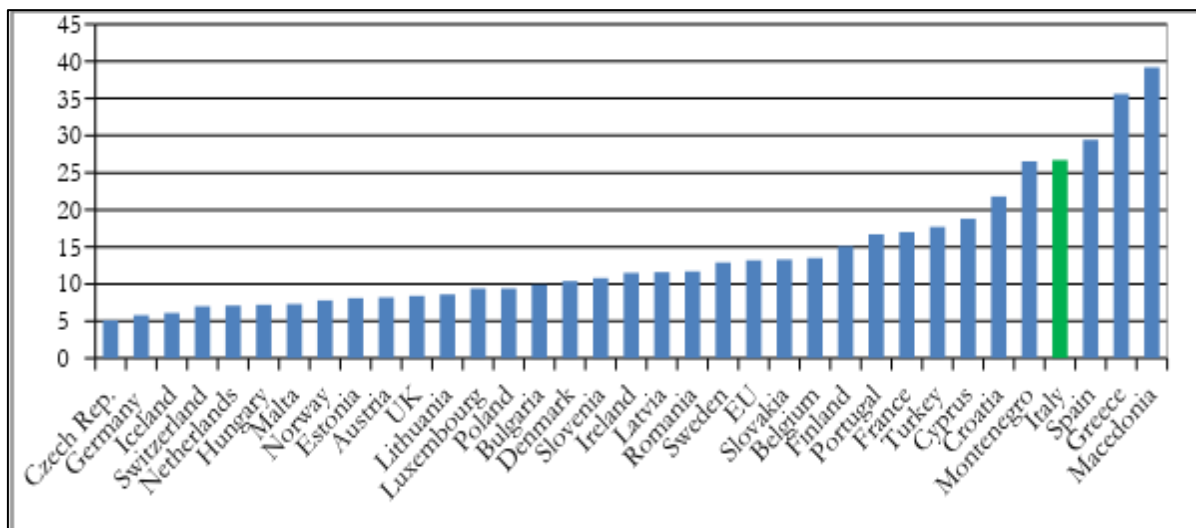
2. The criticality of youth unemployment phenomenon in Italy

Italy is one of the European countries with the highest youth unemployment rate³. According to Eurostat data, in 2017 it has recorded a 15-29 years unemployment rate equal to 26.7% (Figure 2) - which represents over 1 million of people⁴. Compared to the average of the considered countries, the Italian unemployment rate is higher by 12.7%, while the gap with the EU average is 13.5%. These data highlight a particularly critical contingency - only Spain (29.4%), Greece (35.6%) and Macedonia (39.2%) show a worse situation - in which the labour market struggles to absorb a high share of active youth population.

Figure 2: youth unemployment rate in Europe (year 2017)

³ In this analysis we have decided to consider even non-EU countries as Turkey, Macedonia, Switzerland, Montenegro, Iceland and Norway.

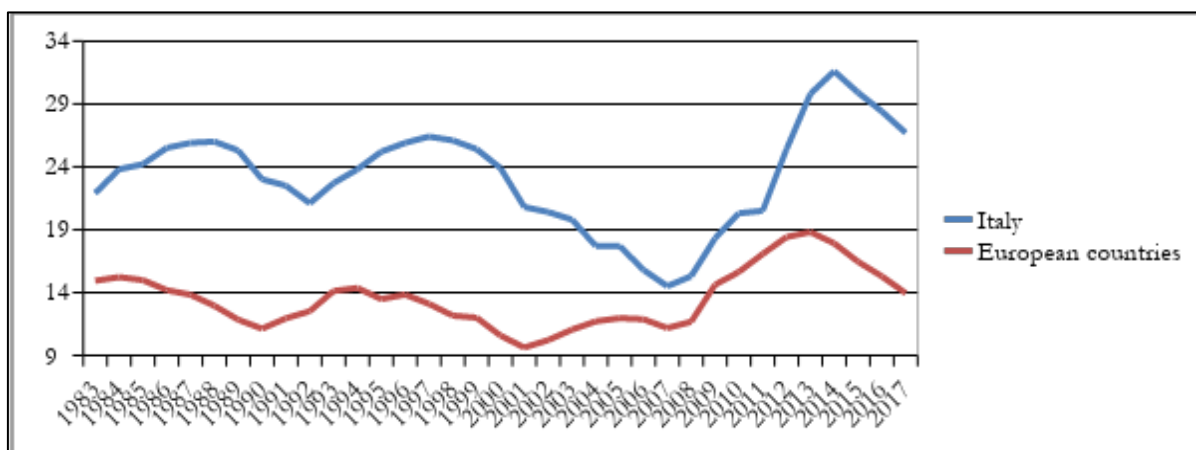
⁴ Taking into account how the "school to work" transition is a long and tough process for the Italian youth population, we have decided to analyze youth unemployment by referring to 15-29 age group and not to 15-24 age group.



Source: Authors' elaboration on Eurostat data

The high Italian youth unemployment is not determined by conjunctural factors, but rather represents a product of the structural problems afflicting the labour market and the educational system. Historically, regardless of the business cycle phases, the Italian youth population has showed difficult to easily complete the school-to-work transition. This is demonstrated by the time series illustrated in figure 3, which shows that in the time interval taken into consideration (1983-2017) the unemployment rate between 15 and 29 years has remained at fairly high levels, with a significant gap from the average recorded in the other European countries. Furthermore, as in the case of the financial crisis, the rate has had a considerable growth, reaching a peak of 31.6% in 2014. This confirms what has been repeatedly stated, that during recession periods the youth population is the most penalized, especially in those countries - such as Italy - characterized by important structural problems.

Figure 3: youth unemployment time series in Italy and in European countries (1983-2017)

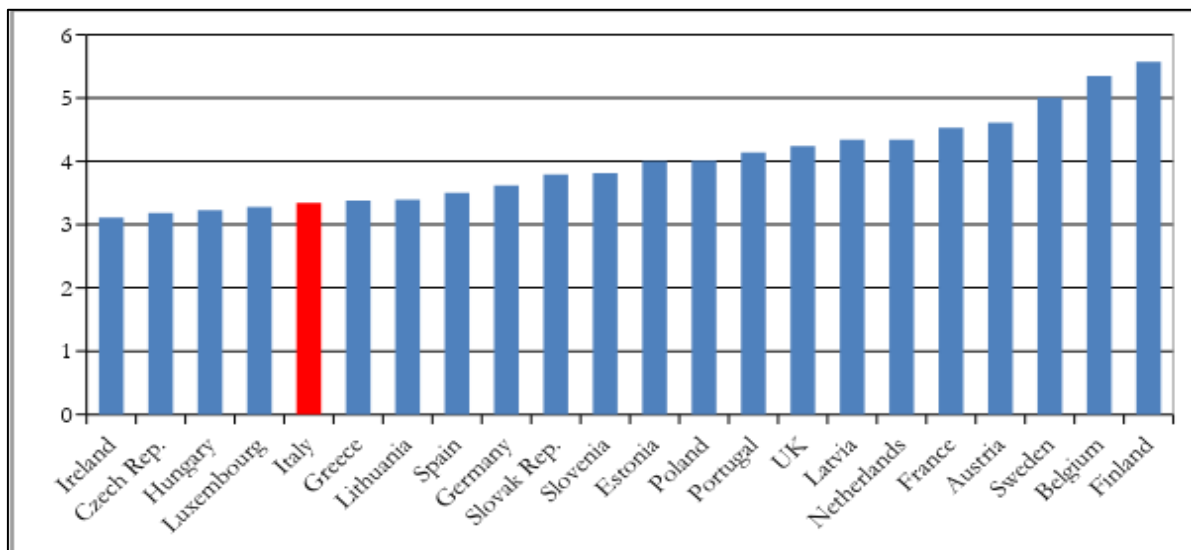


Source: authors' elaboration on Eurostat data

The problems that young people encounter in the school-to-work transition is also the result of the difficulties Italy is experiencing, more than other countries, in completing the transition to a dynamic society based on skills. In the era of knowledge economy, the modest skills performance is certainly one of the factors that most contribute to the country's economic stagnation. Indeed, Italy is trapped in a "low skill equilibrium"; a situation in which the low supply of skills is accompanied by a weak demand for them (OECD, 2017). Thus, this equilibrium generates the "skill mismatch" phenomenon - which occurs when the workers' skills are not aligned with those required to perform a specific job (Mavromaras et al., 2010), which is undoubtedly the result of a low quality educational system.

The low quality of the Italian educational system results from the lack of adequate public investment in education. In fact, as shown by Figure 4, Italy is one of the EU countries that spends less on education as a percentage of GDP, being its investment only of 3.34 %, against a European average of 3.99%. This expenditure is certainly the fruit of the spending review performed by Italy in recent years in order to contain the unsustainable public debt/GDP ratio. Indeed, the expenditure cuts have not spared a sector that should instead represent a priority within an expansive economic policy design that in the long run could be able to get the country into a virtuous development path.

Figure 4: Public spending on education in percentage of GDP (primary to tertiary) (2015)⁵



Source: authors' elaboration on OECD data

⁵ The data about Denmark's education public spending was not available.

3. The socio-demographic determinants of youth unemployment in Italy: a micro-econometric investigation

The descriptive analysis proposed in the previous page has allowed to provide a preliminary assessment of the context conditions useful to understand the overall dynamics that characterize the youth unemployment phenomenon in Italy. The objective to be pursued in this paragraph is to establish which social and demographic micro variables are more explanatory of this unemployed status, referring to the micro data produced by National Institute of Statistics (ISTAT) in the context of the Labour Force Survey. For this purpose, a binary logistic regression model was adopted, in which the dependent dummy variable is represented by the "unemployed/employed" condition of young people that were aged between 15 and 29 in 2017⁶. Considered with Y this condition, the reference function takes the following form:

$$(I) P = (y = 1/x) = G(\beta_0 + x\beta)$$

Where x indicates the set of available explanatory variables - also of dichotomous nature - that are described in the following table.

Table 1: explanatory variables of logistic regression model

Dimension	Variable
Gender	Female
Age	- 20-24 years. - 25-29 years (Reference variable: 15-19 years)
Citizenship	Foreign citizen
Education	-Possession of secondary school diploma. -Possession of academic degree. (Reference variable: qualifications lower than secondary school diploma)
Occupational status perceived during the year preceding the interview	-Employed. -Unemployed. -Homemaker. -Student. (Reference variable: first time job seeker).
Territorial area of residence	-Central regions. -Northern regions. (Reference variable: southern regions).
Contacts with Public Employment Services (PES)	Absence of contacts with PES.
Professional Training	Lack of participation in professional training courses.

⁶ To build the model we referred to "Binary Response Model Regression" described by Davidson and MacKinnon (2004).

Taking into account the explanatory variables listed above, the explicit expression of the model takes the following form:

$$(2) \text{ logit } (P_i) = y_0 + y_1 (\text{Female})_i + y_2 (\text{Foreigner})_i + y_3 (20-24_y)_i + y_4 (25-29_y)_i + y_5 (\text{Diploma})_i + y_6 (\text{Academic_Degree})_i + y_7 (\text{Employed_t-1})_i + y_8 (\text{Unemployed_t-1})_i + y_9 (\text{Homemaker_t-1})_i + y_{10} (\text{Student_t-1})_i + y_{11} (\text{Central_Regions})_i + y_{12} (\text{Northern_Regions})_i + y_{13} (\text{PES_contacts})_i + y_{14} (\text{Professional_Training})_i + e_i$$

Where the y_j coefficients represent the marginal effect of the variable x_j on this probability. The results obtained are shown in Table 2, where we also refer to the odds ratios, which provide a measure of the variation in risk for a young person aged 15 - 29 to fall into the category of unemployed at a change recorded in the variable at to which it refers.

Table 2: determinants of youth unemployment (N=16.830). Dependent variable: unemployed/employed

Variable	Coefficient	Standard Error	Odds Ratio
Female	0.088*	0.047	1.09
Foreigner	0.381***	0.070	1.46
Age (20-24y)	-0.379***	0.085	0.68
Age (25-29y)	-0.390***	0.090	0.67
Second. school dipl.	-0.456***	0.053	0.63
Academic degree	-0.501***	0.079	0.60
Employed (t-1)	-3.263***	0.068	0.03
Unemployed (t-1)	-0.470***	0.062	0.62
Homemaker (t-1)	-0.019	0.179	0.98
Student (t-1)	-0.497***	0.070	0.60
Central Regions	-0.571***	0.064	0.56
Northern Regions	-0.772***	0.052	0.46
PES contacts	-1.047***	0.049	0.35
Professional training	-0.933***	0.091	0.39

Significance level: ***0,01%;**0,05%;*0,10%.

Data source: Labor Force Survey 2017, National Institute of Statistics (ISTAT).

Analyzing the outputs of the model, the first observation that could be made is that women have a slightly higher likelihood than men to enter an unemployed status. This is a minimal difference that shows how - despite the important progresses achieved - being a woman continues to be a disadvantage factor in the Italian labour market. It is likely that the gender gap is more pronounced with reference to the inactivity rate, for many young Italian women do not actively seek a job. This, due to a voluntary choice or because they are unable to reconcile work and family life, since the caregiver responsibility continues to be a woman almost exclusive competence (Haar et al., 2018).

Also, holding a foreign citizenship is an element that certainly does not favour youngsters in their search for employment. Indeed, this is an evidence of the difficulties Italy is encountering

in favouring the integration of the immigrant population, which otherwise could represent a fundamental resource. In fact, young immigrants represent an important asset for countries that like Italy are experiencing a relevant phenomenon of population aging, with severe repercussions on the sustainability of the social security system, also endangered by the recently proposed social reforms. Furthermore, immigrants can be the bearers of a human capital stock that can significantly boost the Italian depressed national economy.

With regards to age, the model confirms the initial hypothesis of young people between 15 and 19 years to be more exposed to the risk of unemployment. In fact, it must be noticed that young people tend to exit the unemployment status as their age increases. In particular, the higher risk of unemployment for youngsters in this age range is due to the fact that many job seekers aged 15-19 have left the education system early or are still students. Consequently, not having gained adequate qualifications and professional skills, their inclusion in the labour market appears to be more difficult, contributing to increase the skill mismatch problem⁷.

The importance of an adequate qualification is demonstrated by the inversely proportional relation between qualification and unemployment, as holding a secondary school diploma or better an academic degree reduces the risk of remaining at the margins of the labour market. Specifically, holding a secondary school diploma decreases the risk of unemployment by 37%, while for those with an academic degree the risk is reduced by 40%. These data, as shown by the model, should serve the public decision – makers as a starting point to adopt policies aimed at improving youngsters education and professional skills.

Indeed, school drop-out is a serious problem in Italy, with a 13.8% of young people leaving their studies prematurely against an European objective set at 10%. This phenomenon is accompanied by a low number of graduates in relation to the total population. According to the OECD (2018), in the last ten years the number of Italian graduates has grown from 19% to 27%, but Italy remains far behind the average of OECD countries. In fact, only 4% of the population aged 25-64 holds a title of education beyond the secondary school diploma.

Moreover, in terms of human capital, it should be noted that the non – participation in professional training activities has a significant impact on the risk of unemployment. This means that on the contrary, improving professional skills and knowledge should be a priority for both the public decision-makers and youngsters, since avoiding human capital obsolescence is a strategic way to ensure a faster entrance in the labour market.

Particularly interesting results the datum concerning the contacts with Public Employment Services (PES). Indeed, it may result unexpected that those who turn to PES in order to enter the labour market present a higher risk of unemployment. However, this could be explained according to two main evidences. First, young people with higher qualifications have the necessary skills and knowledge as to self-orient their first steps into the labour market, together with the right social capital in terms of friendship and parental networks. Second, Italian PES

⁷ According to Mc Guinness et al. (2017), the term skills mismatch is very broad and can relate to many forms of labour market friction, including vertical mismatch, skill gaps, skill shortages, field of study (horizontal) mismatch and skill obsolescence.

are suffering of inadequate structures and under estimated employees, failing to guarantee an effective offer – demand match.

Also, an important role is played by the geographical location, with youngsters in the South registering a higher risk of unemployment. This circumstance is not surprising due to the critical socio-economic conditions and consequent lagging economic development in southern regions. Determinants variables of the young unemployment in the South are linked to inadequate educational system and professional training activities, inefficiency of the Local PES, low labour demand due to the limit economic growth. These limited employment perspectives lead to a massive migratory flow of the young population to central and northern regions in Italy and abroad, causing a significant and progressive depopulation and aging of the South, further decreasing the growth potential of this territory.

Finally, there is an important influence of what happened in the previous year over the outcome in terms of employment of the present one. As previously indicated the reference variable is represented by young individuals that have declared themselves as first time job seekers in 2017, and exactly for them the risk of unemployment results to be higher. This is to say that having been unemployed or out the labour market in the previous year determines a higher risk of maintaining this status in the following one. In this case, the discouraging effect of unemployment can be taken as an important explanatory element, since unemployed people tend to experience a pessimistic view of the future that can start a vicious circle that may conduct to inactivity.

3.1 The determinants of youth long-term unemployment

A binary logistic regression model that takes the same form of function (1) has been adopted in order to verify the factors that most affect the risk of long – term unemployment. The explanatory variables included in the model refer to the conditions perceived before starting the job search, these being: employed, homemaker, first time job seeker, other condition. The first time job seeker status represents the reference variable, while the dependent variable is constituted by the presence or absence of a long-term unemployment condition.

The explicit expression of the model takes the following form:

$$(3) \text{ logit } (P_i) = y_0 + y_1 (\text{Employed})_i + y_2 (\text{Homemaker})_i + y_3 (\text{Other_Condition})_i + e_i$$

The results obtained are showed in table 3 below, and provide a measure of the variation in the risk of long unemployment for a young person aged 15 – 29 at a change in the variable at to which it refers.⁸

⁸ According to Eurostat, with long-term unemployment we refer to individuals who have been looking for a job for more than a year.

Table 3: Determinants of long-term unemployment (N=4654).

Variable	Coefficient	Standard Error	Odds Ratio
Employed	-1,166***	0,072	0,312
Homemaker	-0,371***	0,131	0,690
Other conditions	-0,194**	0,095	0,823

Significance level: ***0,01%; **0,05%; *0,10%.

Dependent variable: Long-term unemployed/Not long-term unemployed.

Data source: Labor Force Survey 2017, National Institute of Statistics (ISTAT).

The model outputs confirm what was previously stated, showing that first time job seekers represent the category with the highest risk of long-term unemployment, while the risk decreases by 61% if the person has been previously employed. This is clearly due to the professional experience gained by those who have already had a job position, and therefore have accumulated a higher human capital that will allow them to attain a job in the short-medium term. In addition, a lower risk of long-term unemployment is registered for homemakers and other conditions. For the first, the lower risk could be associated with an intrinsic advantage of these people in terms of competences acquired in the sector of personal care and related services. A market this one in which the demand of labour has increased steadily in the last years, making new job positions available for experienced workers in the field.

It is important to notice that the high risk of long-term unemployment for the first time job seekers is an important evidence of the difficulties encountered by young Italians in entering the labour market after their education period. This disadvantage is clearly determined by the experience gap they have compared to adults. Indeed, in a context in which, due to structural problems, labour demand remains stably low, first experienced young people are penalized because companies prefer to rely on potential workers with greater professional experience. Moreover, this dynamic is enhanced by the skills mismatch determined by the lack of communication between educational and training institutions and the private sector, which leads to training programs that are not adequate to form human resources immediately spendable on the market, and contribute to the fatal waste of human capital Italy has been experiencing in the last years.

3.2 The scarring effect of unemployment for the first time job seekers

According to the objectives persecuted by the present work, once determined that the first time job seekers are the most vulnerable group in terms of unemployment risk, it will be analyse what effects a prolonged unemployment status carries with it. This to corroborate or discard the hypothesis that long-term unemployment generates a "scarring-effect".

Specifically, a logistic regression model has been developed along the lines of the previous elaborations, aiming at verifying how a delayed access into the labour market affects the workers satisfaction according with three fundamental variables:

- satisfaction with employment conditions;
- satisfaction with the wage received;
- satisfaction with employment stability.

For each of these items - included in the LFS - the respondents, based on a Likert scale, gave a score that varies from 0 (totally dissatisfied) to 10 (completely satisfied). Therefore, taking into account their ordinal nature, for each of these dependent variables it has been calculated a cumulative logistic regressions, which assumes the following form:

$$(4) \text{ logit}(y \leq i) = \alpha_i + \beta_{il}X_l + \dots + \beta_{im}X_m, \quad i = l, \dots, k$$

With regard to the independent variables, it has been considered the age at which the first access into the labour market took place, distinguishing in three age groups: 15-19, 20-24, 25-29. The individuals who obtained the first job after 30 years represent the reference variable.

The logistic regression model previously described explicitly assumes the following form:

$$(5) \text{ logit}(Y \leq i) = y_0 + y_1(15_19y)_i + y_2(20_24y)_i + y_3(25_29y)_i + e_i$$

Figure 4 below shows the outputs obtained from the calculations.

Table 4: Long-term unemployment incidence on employment prospects

Variable	<i>Employment conditions satisfaction</i>		<i>Wage satisfaction</i>		<i>Employment stability satisfaction</i>	
	Coefficient	St. Err.	Coefficient	St. Err.	Coefficient	St.Err.
15-19y	1,099***	0,164	0,297*	0,159	0,719***	0,159
20-24y	0,557***	0,166	0,183	0,161	0,457***	0,164
25-29y	0,459**	0,185	0,228	0,180	0,376**	0,181

Significance level: ***0,01%; **0,05%; *0,10%.

Data source: Labor Force Survey 2017, National Institute of Statistics (ISTAT).

In particular, data show a significant correlation between the permanence in the condition of first time employment seeker and the satisfaction with employment conditions and stability. Indeed, with the progression of the age in which individuals firstly enter the labour market, comes a lower satisfaction linked to the mentioned aspects. Instead, the relation with salary satisfaction is less clear, and the only statistically significant result shows that workers who obtained their first employment between 15 and 19 years present an overall greater satisfaction compared to those who entered the market at 30 or above.

The inverse relationship between the age of entrance into the labour market and employment conditions satisfaction and stability can be explained taking into consideration the over-education phenomenon. In fact, young people who enter the labour market in Italy after completing a college or university degree tend to accept jobs that require lower qualifications, as they seem to be their only option as to enter the labour market. Moreover, very often the contract type proposed is a traineeship or apprenticeship that does not guarantee any stability or adequate income, or again they find themselves in an irregular job position.

In general, these data confirm that the past unemployment history is a good predictor, if not the best, of future unemployment (Arulampalam et al., 2000; Burgess et al., 2003; Gregg, 2001; Narendranathan and Elias, 1993). In fact, young people who experience long-term unemployment - above all the first-time job seekers - don't accumulate adequate professional skills and suffer of obsolescence of their capabilities. Consequently, spending protracted time outside employment is likely to have lifelong negative outcomes, which take shape in a more unstable labour market attachment.

4. Concluding remarks

What has been elaborated in this work has allowed us to highlight how some socio-demographic factors can have a significant impact on the risk of youth unemployment. Age between 15 and 19 years, female, foreign nationality, residence in a southern region, low level of education; this is the identikit of a young person who is likely to remain in an unemployment state for long periods. A young unemployed represents an unexpressed resource for the country, which fuels that process of human capital depreciation that not only impoverishes the present, but also compromises the future prospects. In fact, the lack of inclusion of young people in decision-making and production processes, together with the progressive aging of the population (which poses serious problems of financial sustainability of the public welfare system) make of Italy a country with limited economic development prospects.

As shown by the model previously developed, the slow school-to-work transition process represents a structural problem. In fact, a large segment of youth population faces difficulties in finding a first job after completing their studies, running the risk of staying for long periods in an unemployment situation. Indeed, as emerges from the performed analysis, long-term unemployment can determine perverse effects on the future prospects of young people, for it leads to a progressive obsolescence of skills and to lower expectations on income, job stability and well-being. The risk Italy incurs is to be faced with a "lost generation", composed of those that Rosina (2015) has called "working dead", or young people who wander without having clear their role in society and in the labour market. Therefore, the contrast of youth unemployment is a priority policy objective, as it risks to jeopardize the stability and economic progress of the country. Concretely, it is necessary to devise policy interventions that can promote the autonomy and initiative of young people, reducing inequalities and minimizing the risk of situations of precarious work or long-term unemployment. To make this possible it is necessary for the country to invest massively in active labor policies, such as education, research and development. These investments represent the necessary precondition to favor the

expansion of young people's capabilities, so as to lay the foundations for their involvement in virtuous processes of employment inclusion that may have positive repercussions on the economic development prospects.

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