



# Newsletter

No. 3 – July 2015

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## EDITORIAL

The consequences of the economic and financial crisis that hit Europe in 2008 are back on the political agenda. During the last few weeks all European states and their citizens watched with great interest the political developments in Greece and the negotiations at the European level aiming to find a solution to the debt crisis – a task which will be very challenging for the Greek people, the Greek Government, as well as for all EU member states.

In such times of economic hardship, the scientific mission of the CUPESSE project becomes even more relevant. We have therefore taken the decision to include a broader scope of topics that directly as well as indirectly tie into the study of youth unemployment. For example, in the last few months CUPESSE has made an attempt to better capture the various policy instruments offered by the EU that could help to combat youth unemployment. In this context, CUPESSE – together with its sister-project STYLE – has examined the role that structural funds can play in addressing youth unemployment. We found that structural funds – as the central instrument of EU cohesion policy – can indeed help to combat youth unemployment. The effect of the structural funds, however, depends on the long-term absorption behaviour of the member states, which should, in turn, be determined by their absorption capacity. As a result of this joint research by CUPESSE and STYLE, we can state that administrative support provided to the EU member states to ensure that they attain high fund accumulation levels seems to be an effective measure. This finding indicates that we should more systematically consider and incorporate states'

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administrative and bureaucratic capacities into the CUPESSE research agenda. This perspective will complement the insights we have begun to generate with regard to the perspective of young Europeans affected by unemployment, employers, and policy-makers.

## MEETINGS

### CUPESSE 2<sup>nd</sup> Progress Meeting in Prague

The team of the University of Economics (VSE) Prague welcomed the CUPESSE consortium on their premises for a two-days meeting on February 12-13, 2015. In addition to



the 13 CUPESSE partners, Giorgos Bithymitris from Panteion University, a new member of the CUPESSE Policy Advisory Board, participated in the meeting.

The meeting focused primarily on the planned CUPESSE survey of young adults in Europe. Many lively and productive discussions took place in small working groups on the content and organization of the questionnaire. The meeting also provided an opportunity to discuss the survey implementation strategy and survey modes with the entire CUPESSE team.



Many thanks to the Prague team for a memorable time and the opportunities to sample the local cuisine and to see some of the many sites the Golden City has to offer.

### CUPESSE 3<sup>rd</sup> Progress Meeting in Vienna

The CUPESSE team met in Vienna on June 18-19 for the project's third progress meeting. All CUPESSE institutions were present and were joined by Kyriakos Pierrakakis, one of the project's policy advisors and the Director of Information at Athens Information Technology as well as by Georgios Papanagnou, the Project Officer from the European Commission. At the meeting, great progress towards finalizing the survey instrument that will tap into young people's attitudes, motivations, and

expectations about employment was achieved. The family studies of multiple generations as well as the employer interviews, which will investigate the alignment of youth and employer expectations, also found space on the agenda. The CUPESSE consortium will reconvene again in Barcelona on 18-19 February of next year.



CUPESSE members enjoying the Austrian hospitality at charm at a "Heurigen"

## NEWS & EVENTS

### CUPESSE invited to Horizon 2020 kick-off meeting for projects on youth

The European Commission and the Research Executive Agency organized a kick-off event for new Horizon 2020 projects on "Youth mobility: opportunities, impacts, policies" and "Societal and political engagement of young people and their perspectives on Europe" in Brussels on 10 & 11 June 2015.

CUPESSE, as an example of a successfully up and running project, was pleased to be invited to this event. The new consortia can profit from CUPESSE's experience and it was a great opportunity to establish new networks in the respective fields.

Prof. Maurizio Caserta from the University of Catania represented the CUPESSE project on behalf of the consortium and presented some preliminary project results to the invited community.

The event was also a further opportunity to meet up with CUPESSE's sister project "STYLE", which was present at the kick-off meeting as well.

### Two Awards for CUPESSE scientists

#### Academic Achievement Award

Cristina Balea (CEU) is the recipient of the Central European University's Academic Achievement Award for First-Year Doctoral Students, a prestigious award recognizing outstanding performance of PhD students early in their doctoral career. While the award focuses on her performance in course work, her comprehensive exam and prospectus defense, Cristina's additional academic activities, namely her active



contribution to CUPESSE, was also considered by the committee when deciding to award her this prize. Congratulations to Cristina for the excellent work!

## Best Paper Award

Robert Strohmeier (UMA), researcher in the CUPESSE Project, and his co-authors - Assistant Professor Vartuhi Tonoyan from the Stevens Institute of Technology in the US and Professor Jennifer E. Jennings from the University of Alberta in Canada - have received the Best Paper Award at the Diana International Research Conference, Babson College, Wellesley, MA, 8-9 June 2015 for their study: *“Cross-country gender gaps in perceived start-up ease: Second-order effects of labour market segregation”*.



**Abstract:** The multi-level study examines the influence of an under-investigated ecosystem factor (an individual’s embeddedness within sex-segregated labor market contexts) on an attitudinal variable likely to affect nascent entrepreneurial activity: perceptions of how easy or difficult it would be to start a business venture. At the meso level, we suggest that the direct experience of vertical, horizontal and/or industrial sex-based segregation is likely to contribute to gender differences in perceived start-up ease. At the macro level, we propose that a country’s overall level of sex-based labour market segmentation is likely to accentuate the size of any observed gender differentials. We test the more specific hypotheses associated with these arguments on a very large dataset of over 16,000 individuals working within 22 European countries. Our findings reveal how sex-based segmentation in traditional labor markets exerts ‘second-order’ effects upon attitudes towards a more contemporary and increasingly encouraged form of labour: entrepreneurship.

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## Second Policy Brief released

CUPESSE released its second policy brief this past May. The policy brief series aims to summarize key results of the project and to develop policy recommendations for stakeholders and policy makers alike.

The second policy brief analyzes the impact of labour market policies on entrepreneurial activities.

As the levels of unemployment grew over the last five years, policy makers increasingly focused their attention on entrepreneurship as one promising means of reducing unemployment. However, policies focusing on the transition from unemployment to self-employment

have not always fulfilled expectations, with some studies even suggesting that more self-employment is not necessarily the best solution.

The policy brief aspires to explore questions regarding the factors influencing nascent entrepreneurship of the unemployed. It furthermore aims specifically at better understanding of the role of labour market policies and, on this basis, to present policy recommendations. The authors use individual-level data on unemployed individuals gathered in the frame of Global Entrepreneurship Monitor in 33 countries in the years 2006 to 2012 and combine them with country-level data on unemployment rates, entrepreneurship rates and labour market policy expenditures.

Using multinomial logistic regressions and fixed-effects panel regressions, the policy brief confirms the negative impact of unemployment benefits on solo entrepreneurship. On the other hand, the authors find a positive influence of active labour market policies on entrepreneurial activity that aim to create jobs. Surprisingly, high aggregate unemployment rates are found to encourage entrepreneurial activity of the unemployed. Nascent entrepreneurship of unemployed individuals was lower for women, youths and people with lower education. Particularly the young unemployed in the age group 18-24 have comparably lower entrepreneurial activity, with 3.07% of young unemployed being involved in early-stage entrepreneurial activities. By contrast, the entrepreneurial activity of unemployed people age 25 to 34 is the highest, with 5.27% being involved in early-stage entrepreneurial activities. These figures indicate that entrepreneurship promotion may have particular relevance for unemployed individuals in this age group. To that effect, the policy brief outlines useful policy implications for the transition from unemployment to self-employment, and in particular for 25 to 34 year olds.

As was shown in the first CUPESSE policy brief, active labour market policies fostering entrepreneurial activities currently play only a minor role in labour market policy making within the European countries, accounting only for 0.03% of the GDP, while the average overall spending on labour market policies amounts to 1.91% of the GDP. Accordingly, increasing the budget for active labour market policies and, more specifically, fostering entrepreneurship may prove to be one promising path out of high youth unemployment.

The full policy brief can be found here:

<http://cupesse.eu/publications/policy-briefs/Policy-brief-II.pdf>

## CUPESSE at the SASE Annual Conference

Several members of the CUPESSE consortium attended the Society for the Advancement of Socio-Economics' 27th Annual Conference which took place at The

London School of Economics and Political Science on 2-4 July 2015. This year's conference theme was "Inequality in the 21st Century" – a key socio-economic topic.

Within the SASE Annual Conference various mini-conferences took place, each focusing on a special topic. The CUPESSE team headed by Prof. Dr. Jale Tosun – together with our sister project "STYLE" – jointly organized a mini-conference on "Inequalities in Youth Labor Transitions" comprising several panels on various topics of youth labour policies. You can find further information on the talks and the papers of the mini-conference and the panels here:

[https://sase.org/2015---london/mini-conferences\\_fr\\_206.html#MC4](https://sase.org/2015---london/mini-conferences_fr_206.html#MC4)

### Events related to CUPESSE research

Papers related to the CUPESSE project have been presented among others at following events:

#### ICPP International Conference on Public Policy

1-4 July, 2015 – Milan

<http://www.icppublicpolicy.org/-Milan-2015->

#### 22nd International Conference of Europeanists

8-10 July, 2015 – Paris

<http://councilforeuropeanstudies.org/conferences/2015-ces-conference>

#### ECPR Joint Sessions of Workshops

29 March – 2 April – Warsaw

<http://www.ecpr.eu/Events/EventDetails.aspx?EventID=90>

## NEW CUPESSE PUBLICATIONS

The first two Working Papers of the CUPESSE WORKING PAPER SERIES have been published.

The first Working Paper, authored by the Vienna team, introduces the theoretical framework of the CUPESSE project.

### Cultural Pathways to Economic Self-Sufficiency and Entrepreneurship

*Julia Rita Warmuth, Bernhard Kittel, Nadia Steiber, and Monika Mühlböck, University of Vienna (UNIVIE)*

The Working Paper provides the background of the survey that will be implemented within the CUPESSE-Project as part of project objective 1. Overall, the CUPESSE framework describes a 'cultural pathway' to economic self-sufficiency that originates in the nuclear family (parental characteristics, parenting style, early socialization, resource endowment) and that involves the

intergenerational transmission of a set of individual characteristics that shape individuals' life course (e.g. certain attitudes, values and traits). This cultural pathway is conditioned by personal and societal context factors.

As outlined in the paper, transmission in this regard may work via diverse channels including socialization in the family, exposure to similar environments as parents, schooling, interaction with peers, and genetic heritage. To link all these dynamics to the individual, who represents the supply side of the labour market, a framework of individual-level career decision-making is elaborated, which is based on well-established theories of human behavior and career decision making (theory of planned behaviour by Icek Ajzen and Martin Fishbein and the social cognitive career theory developed by Robert Lent and colleagues).

The second Working Paper, authored by members of the Aarhus and Heidelberg teams, analyses the diffusion and effects of flexicurity labour market policies in Europe.

### Flexicurity policies in Europe – Diffusion and Effects of flexicurity labour market policies

*Christoph Arndt, Aarhus University (AU)*

*Felix Hörisch, Ruprecht-Karls-University Heidelberg (UHEI)*

This Working Paper gives an overview of the diffusion and the effects of flexicurity labour market policies in Europe. The description of the diffusion of flexicurity policies is split into three parts. First, a broad overview of labour market policies in the EU- and OECD-countries is given, showing that – on average – these countries spend more on passive than on active labour market policies and that active labour market policies that are aiming to foster entrepreneurship currently play only minor role in labour market policy making. Second, we take a closer look at and compare the spread of start-up incentives and training policies in these countries. Third, we describe recent developments and perspectives of labour market policy making as the labour market policy reactions to financial crisis. Fourth, we show that flexicurity policies have been adapted in various countries beyond the Danish and Dutch pathway cases. The implementation of flexicurity, however, was not always successful or effective, as existing labour market institutions in Mediterranean countries and a lack of trust between employer and employee organizations often prevented flexicurity adaption. In Mediterranean countries where flexicurity measures were introduced, they often failed to be effective. In conclusion, existing labour market institutions and corporatist structures constitute important context factors for successful implementation of flexicurity policies.

You can find the full versions of both working papers here:

<http://cupesse.eu/publications/working-papers/>

## PROJECT CONSORTIUM

### Advisory Board Member Dr. Valentine Henrard

We are happy to introduce a new member of the CUPESSÉ Academic Advisory Board: Dr. Valentine Henrard. She holds a PhD in Economics (University of Paris 1) and has extensive experience in conducting employment and social policy analyses. She is the head of the department “Transition to Work and occupational Trajectories” at the French Center for Research on Qualifications (Céreq). In her previous position she worked as a policy analyst at the OECD Directorate for Employment, Labour and Social Affairs. In particular, she prepared reviews on labour market and social policies in Israel and Slovenia, two countries that were, at the time, in the process of accession to the OECD. Prior to that, she was a policy analyst in the Labour Market and Employment Policy Division at the French Ministry for Economy, Finance and Employment. Her work focused on policy-oriented studies of labour market and employment issues and on evaluating the cost for public finances related to key government policies. She has also worked as a consultant for the International Labour Organization (ILO).



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### Advisory Board Member Dr. Marian Holienka

Dr. Marian Holienka is a Postdoc assistant professor of entrepreneurship and business administration at Comenius University in Bratislava, Slovakia, Faculty of Management, Department of Strategy and Entrepreneurship. His research focuses on entrepreneurship and SME strategy. He is a founding member of national Global Entrepreneurship Monitor (GEM) team in Slovakia, where his main focus is the entrepreneurial environment and business restart. He is also an investigator in the project aimed at development of inclusive entrepreneurship of selected disadvantaged groups in Slovakia, which has recently received support from a national research and development agency grant scheme. His personal research project was supported four times by university micro-grants for young researchers. Dr. Holienka has published more than 30 scientific and expert publications for both national and international audiences.



### *Development of inclusive entrepreneurship of selected disadvantaged groups in Slovakia (INCLUENT)*

Within the four-year research project, Dr. Marian Holienka and his colleagues will focus on inclusive entrepreneurship of selected disadvantaged groups in the country, namely youth, seniors, women and migrants. The main aim of the INCLUENT project is to create a comprehensive methodology for the development of inclusive entrepreneurship of selected disadvantaged groups in Slovakia (women, seniors, youth, migrants) on the national and regional level based on the analyse of international programs. The aim of the project is to verify and test the selected attributes of the methodology by means of pilot projects and quantification of their potential impact. The project activities will include the analysis and monitoring of inclusive entrepreneurship in the country, collection of relevant best and worst practices, and the creation and validation of the methodology for inclusive entrepreneurship development.

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### Project Partner Aarhus University

The CUPESSÉ team at Aarhus University consists of Prof. Carsten Jensen and Dr. Christoph Arndt. Both are employed at the Department of Political Science.

Carsten is a political scientist and an associate professor of Comparative Politics. His main research interests lie in the field of comparative welfare state studies, welfare state change, public policy analysis, and partisan politics. He has also published more than two dozen articles in English and Danish-language journals and two books in these fields. He is, along with other colleagues, also a principal investigator of the projects “Welfare state cutbacks and electoral punishment (2015-2018)” and “Universalism and the welfare state in Scandinavia (2014-2017)”.



Christoph is an assistant professor in Comparative Politics. His research interests include comparative welfare state studies, welfare state change, the political sociology of the welfare state as well as electoral behaviour and party politics. He has recently published articles in various English, German, and Danish-language journals in these fields and a book-length manuscript on the electoral consequences of welfare state reforms. He is also part of the project “Welfare state cutbacks and electoral punishment (2015-2018)”.



The Aarhus team is primarily responsible for work package 5. This work package comprises the analysis of the diffusion of flexicurity policies and the evaluation of their effects. Flexicurity has been regarded by the European Commission as a major labour market tool to address the problems of unemployment and, in particular, youth unemployment. As such, it is important that we evaluate the actual diffusion and adaption of flexicurity policies across the European Union's member states as well as their actual effects. In cooperation with the Heidelberg team, the Aarhus team is currently reviewing the respective findings from existing studies. We focus on whether member countries have integrated flexicurity solutions into their labour market policies as well as the success or failure of these measures. Moreover, we identify factors and conditions that account for successful and non-successful adaption across member states such as corporatist structures and institutions. The results of this review will, in a later step, be linked to the findings of the survey on young adults' attitudes towards economic self-sufficiency and entrepreneurship (work package 3 of CUPESSE).

The Aarhus team is also responsible for the implementation of the CUPESSE survey in Denmark, the respective data analysis, and dissemination of the main results.

Our tasks therefore aim to connect some of the CUPESSE project's main findings to real-world situations and to formulate some policy recommendations based on the results from the meta-analysis of flexicurity policies and the CUPESSE survey.

## Research interns

### Julia Weiß

Julia Weiß is studying political science in her second semester of the master's degree programme at the University of Heidelberg. Within the context of her CUPESSE research internship she is interested in better understanding what employers look for when they decide to hire young people. By conducting employer interviews, Julia and her colleagues seek to find out which skills matter for employers' recruitment strategies and decisions as well as the extent to which they matter. Julia has mentioned that the CUPESSE internship offers her a unique opportunity to gain first-hand insights into research projects.



### Flora Antoniazzi

Flora Antoniazzi is a bachelor's student of Political Science and Public Law at the University of Heidelberg. Her research interests are on welfare states and social policy. Within the CUPESSE project she is interested in learning more about the possible mismatch in existing skills of young applicants and the skills employers desire. She is active in the planning of the employer interviews and will also participate in conducting them.



### Mehmet Atci

Mehmet M. Atci (B.A.) is a master's student of Political Science and Economics at the University of Heidelberg. His studies focus on autocracy research and comparative politics.

In the CUPESSE project he will work on the effects of youth unemployment on entrepreneurship along with the analysis of youth unemployment in Europe regarding claims and expectations of young Europeans. He will also contribute to the empirical analyses and cross-country comparisons in the CUPESSE.



**The CUPESSE consortium partners:**



Heidelberg University



University of Granada



Mannheim Centre for  
European Social Research  
(MZES)



Pompeu Fabra University  
of Barcelona



University of Vienna



University of Bern



University of Economics,  
Prague



Koç University of Istanbul



Aarhus University



University of Newcastle  
upon Tyne



Central European  
University



European Research and  
Project Office GmbH  
(Eurice)



University of Catania