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Comparative Analysis of Transitions from Education to Work in Europe

The Position of Young People and New Entrants in European Labour Markets

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WORKING PAPERS

Introduction

The aim of this chapter is to present a broad descriptive overview of patterns and labour market outcomes characterising the school-to-work transition in European Union countries. Numerous studies have already dealt with these issues, both in national research and in comparative analysis (e.g. Shavit and Müller 1998, Hannan, Raffe and Smyth 1997, Hannan and Werquin 1999, Hannan and alii 1999, Ryan 1999). They single out the large variety of possible patterns and outcomes of the school-to-work transition. Firstly, they point out the possible linkages between the labour market and the education and training system. Secondly, they focus on the labour market integration of young inexperienced people, by analysing job access conditions and the resulting unemployment risks as well as investigating the specific instability of jobs held in the transition process. Thirdly, they focus on the job specificity of young inexperienced people. Their occupational attainment as well as the nature of firms hiring them appears to be more or less distinctive. Meanwhile, the blurred nature of the transition concept emerges as its changing outlines and characteristics across European countries are underlined. As a result, no common and comprehensive definition of that concept is sufficiently developed to pinpoint, in a single and straightforward fashion, key events delimiting the timing of the process and the individuals involved (Rose 1998, Vincens 1997, 1998).

Although researchers do not fully agree on a precise definition of the transition, they still permit a loose identification. Broadly speaking, youth transition from school-to-work can be summarised as the passage from school to a relatively stable position in working life. It is thus a dynamic process where individuals are singled out by their leaving position from the education and training system and also by their entry position on the labour market. This phenomenon has implications at the micro level and at the macro level. At the individual level, this phase corresponds to the process of acquiring experience on the labour market. Education and training qualifications are thus converted into working abilities and job positions. At the macro level, transition is a blurred period where birth cohorts, previously linked by their collective participation in the education and training system, become separated. At the two levels, the process is present in all the EU countries. But it takes various forms, depending on the characteristics of the national educational system and their interactions with

labour market organisation. Thus, the biographical timing of the transition process and the associated forms of activity are likely to differ from one country to another.

The following presentation is based on the European Union Labour Force Surveys of 1995, 1996 and 1997. These surveys essentially collect cross-sectional data with information available by age¹. In the first part, we intend to delimit the biographical timing of the transition in order to empirically delineate its outlines. This leads us to a description of some cross-national differences in transition features. Then, we introduce the notion of new entrants as a more useful category in analysing the transition process than birth cohorts. In the third part, we present some major characteristics of LM outcomes for new entrants. The conditions of their integration on the LM are presented with a particular focus on the mobility issue. The quality of jobs they held is also investigated. The last part is devoted to a brief reminder of the role of educational attainment in transition outcomes.

¹ The reader should keep in mind that all indicators presented by age group are constructed from data collected on different birth cohorts. Thus, interpreting what is observed at the moment as what is expected to happen to a birth cohort in the course of its life is based on the assumption of a certain permanency of institutions, regulations and agents' behaviours on the labour market and in the education and training system.

The ‘youth’ perspective : biographical timing of the labour market entry in Europe

Different patterns of ending participation in education and training system (ETS)

Compulsory school is a common feature across all European countries and, although the minimum age varies between countries, it warrants that almost every young person under 14 attends some kind of course. Beyond that stage, participation in the ETS² follows a linearly declining trend as age increases (Figure 1). Finally all national situations converge toward a residual level of participation in ETS. But the whole process leading from a starting point with everybody in ETS to an ending point with a stabilised residual level of participation is dramatically differentiated between countries.

National peculiarities are present in all the main features of the process. The starting point and the pattern of leaving ETS vary strongly. The process has already started at 15 in certain countries (Greece, Italy and Portugal) while it has hardly begun at 18 for others (Belgium, Denmark, Germany and France). The pattern itself is far from being regular between as well as within countries. Some countries seem to show a slow decrease in participation among the youngest age cohorts, then a dramatic fall to finish with a smooth slip down (e.g. Belgium). Others show a quick fall that slows down as age increases (United Kingdom). For some countries, the participation rate may temporarily halt its decline (e.g. Austria or Sweden). In the same way, the ending point of the leaving process shows important variations. The age showing a stabilisation to a residual level of participation in ETS (a maximum variation in the participation rate of 2% between two successive age cohorts) ranges from 24 (United Kingdom) to 30 (Italy).

The dramatic variety across countries can be underlined by the minimum and maximum participation rates observed for every age among the 15 EU countries. The gap between the two curves is never lower than 17% between the 15 years-old age cohort and the 26 years-old age cohort. It rises to about 40% for the 19 years-old age cohort, contrasting France (80.5%) and the United Kingdom (42.8%). Another way to underpin the dramatic differentiation of national patterns is to single out the age range in the leaving process. The passage from a 90%

² Whatever the nature of ETS track, including lower secondary education and training courses, higher education courses and apprenticeship.

participation rate in ETS to a 10% rate ranges over 8 year groups in Belgium (from 18 to 25) while it ranges over 16 year groups in Italy (from 15 to 30).

The differentiation of the leaving process described above mainly has its origin in the variety of national organisation of the ETS. Leaving points correspond to the attainment of different education and training routes offered to pupils, students, trainees and apprentices. However, many reasons contribute to explaining the rather smooth curves of the participation rate that are observed rather than successive 'jumps' corresponding to leaving points. Inside the ETS, the differentiation of tracks and curricula contribute to a multiplicity of exit points. The existence of linkages between tracks and curricula is another source of age variation at a given leaving point. Repeating a year is another factor increasing the range of ages when leaving ETS.

Beyond the differentiation of routes within the ETS, the issue of possible prospects open to ETS participants is the next issue to be dealt with. A first clear alternative is offered to young people: entering the labour market as part of the labour force or staying out of it.

A linear rise in the activity rate among youth

Between the ages of 15 and 30, most of the young choose to enter the labour market. This decision may occur during the course of their studies. But more often, it happens after they have left education and training programmes. Indeed, through age cohorts, the activity rate rises as participation in education/training declines. For young school leavers, staying out of the labour force is a marginal behaviour as indicated in figure 2. The proportion of people who are inactive apart from educational participation remains low, although it increases gently but continuously with age.

Beyond these common trends, diversity between European countries is even wider than for training participation. The minimum and maximum activity rates observed for every age among the 15 EU countries show wide gaps (around 20% or more) through 15 to 25 with a maximum interval of about 70% at 17 contrasting Belgium (3.1%) and Denmark (73.0%). Again, the dramatic differences in national behaviour are underpinned by the age range in the activity increase. The passage from a 10% activity rate to a 75% rate ranges over 5 year

groups in Denmark (from 15 to 19 years old) while it ranges over 16 year groups in Italy (from 15 to 30 years old).

So, three profiles of the development of labour force participation can be briefly identified. The first profile aggregates countries where there is an important association between an increase in activity and a decline in training. The second profile is quite similar to the first but the increase in activity is tempered by the early role of inactivity not associated with ET participation (Greece, Italy and partly Sweden). The third profile is rather different. Countries belonging to it show dramatic increases in activity before the fall of training participation. The explanation lies in the existence of situations where training participation is combined with having a job. These combined situations have different origins and intensity in the EU countries but they all share the common feature of being transitory events related specifically to young people.

Specific transitory intermediate statuses: the combination of working and training.

A first specific feature of youth participation in the labour market consists in borderline situations bordering on one side the trainee, pupil or student status and on the other side the worker status. These situations imply simultaneous participation in the two activities, albeit patterns of combinations vary strongly. The scope of combinations can be ordered according to the respective importance of each activity to the young. It ranges from a school-dominant position associated with a working student profile to a working-dominant position associated with a training worker profile. Extreme positions can be illustrated by the secondary role of the minor activity. In the first case, working tends to be a subsidiary function in order to ensure the continuity of the training process. In the latter case, training tends to be an enhancement pattern of job skills scheduled by the employer. Between these positions, apprenticeship stands out as a more balanced profile that links training and working activities as joint elements of qualification production.

Practically, however, grouping the combined statuses according to the link between the two activities can be hard to establish in surveys like LFS. Nevertheless, the overall importance of those combined situations reveals that the European Union can be split into two groups of countries. The first group aggregates countries where these situations have a rather weak

impact on the pattern of transition (figure 3). In these countries, the combined status of worker and trainee is infrequent, never exceeding 10% for an age group. The link between training and working can be viewed mainly as a turning point between the two activities. The second group aggregates countries where those situations have a more extensive impact on the pattern of transition. The set of countries is more restricted. It includes Denmark, Germany, Netherlands, Austria, Sweden and United Kingdom. The importance of combined status rises to 20% for some age groups and can reach far higher levels. The nature of such situations is transitory, as shown by the limited range of age groups involved. This range is at its greatest in Denmark with 10 year groups (15 to 24) being above the 20%-share of combined status among them. However, that doesn't mean these countries have close patterns of combining the two activities. Germany and Austria, with well-developed apprenticeship organisation, can be contrasted to the Netherlands and Sweden with dominant non co-ordinated combinations of training and working. Both types of combinations are present in Denmark and United Kingdom.

Combined training and working situations represent a first specific feature of the youth transition from school to work. This feature is not the only one to be considered, as entering the labour market does not necessarily mean access to a job. Unemployment can be viewed as another transitory situation, although it also concerns experienced workers.

Access to jobs: unemployment as an initial rough measure of difficulties in entering companies

The ultimate aim of young people in the transition period is to obtain a good employment position. This process can in some cases start -and succeed- before the end of schooling, but it usually extends beyond this time. Unemployment simply describes the situation of young people seeking a job. This is not a situation specific to young people but, in their case, it assumes a specific level and reaches a momentum that singles out young people from other labour force groups. Moreover, the nature of this momentum is essentially transitory, as is the case observed for intermediate statuses combining training and working.

There are two ways to measure the importance of unemployment among different age groups. First, the unemployment rate can be interpreted as a risk indicator as it compares the

unemployed to the total labour force. Second, the unemployment proportion can be interpreted as an extent indicator as it relates the unemployed to the whole population. The first evaluates the intensity of difficulties on the labour market while the second measures the global impact of unemployment among different age groups³. The way the two indicators combine together leads to different macro economic interpretations of young people's LM position. For example, a proportionately high level of unemployment indicates that a large group of young people is facing difficulties in accessing jobs while a significant difference between the unemployment proportion and rate indicates enhanced risks to a restricted subgroup.

Figure 4 shows the two indicators' evolution among age groups and also depicts EU minimum and maximum points of unemployment proportions. No common tendency across Europe can be established. On the one hand, quasi-constant and low levels of youth unemployment can be found in Denmark, Germany, Austria and to a certain extent the Netherlands. The two measures remain close at every age over 17. In these countries, young people do not seem to have specific difficulties in accessing and remaining in jobs. On the other hand, the early increase and later progressive fall of the unemployment proportion indicate a transitory regime applying to youth unemployment. The peak and the spread of such a regime vary between countries. It is particularly noticeable in some countries (Greece, Spain, Italy, France and Finland), less pronounced in others (Ireland, Sweden, Portugal and United Kingdom). The most extreme situation applies to Spain with unemployment proportions peaking at 25 years old and still declining after the age of 30. This feature indicates widespread difficulties throughout youth in accessing jobs. Meanwhile, the unemployment rate reaches high levels early with a peak between 15 and 20 years-old, topping 60% or more of young actives in some countries (Finland, Spain). Then it rapidly decreases to converge towards the unemployment proportion. This feature highlights transitions occurring at early ages as highly risky events and points out early school leavers as a disadvantaged category on the labour market. Among countries fitting this profile, United Kingdom is a borderline case as it shows a limited extent of unemployment, a slight decline as age increases and a rapid reduction in unemployment risk.

³ The unemployment rate is always higher than or equal to the unemployment proportion and the two tend to converge as the activity rate rises. They become equal among groups when everybody is active.

Having detailed the main possible positions for young people in and out of the labour market, a brief summary of national situations would help to highlight some national specific characteristics of school-to-work transition.

Figure 1: Proportion of people attending an education or training programme - average 1995-1997

Figure 1a : “OLM-type” countries

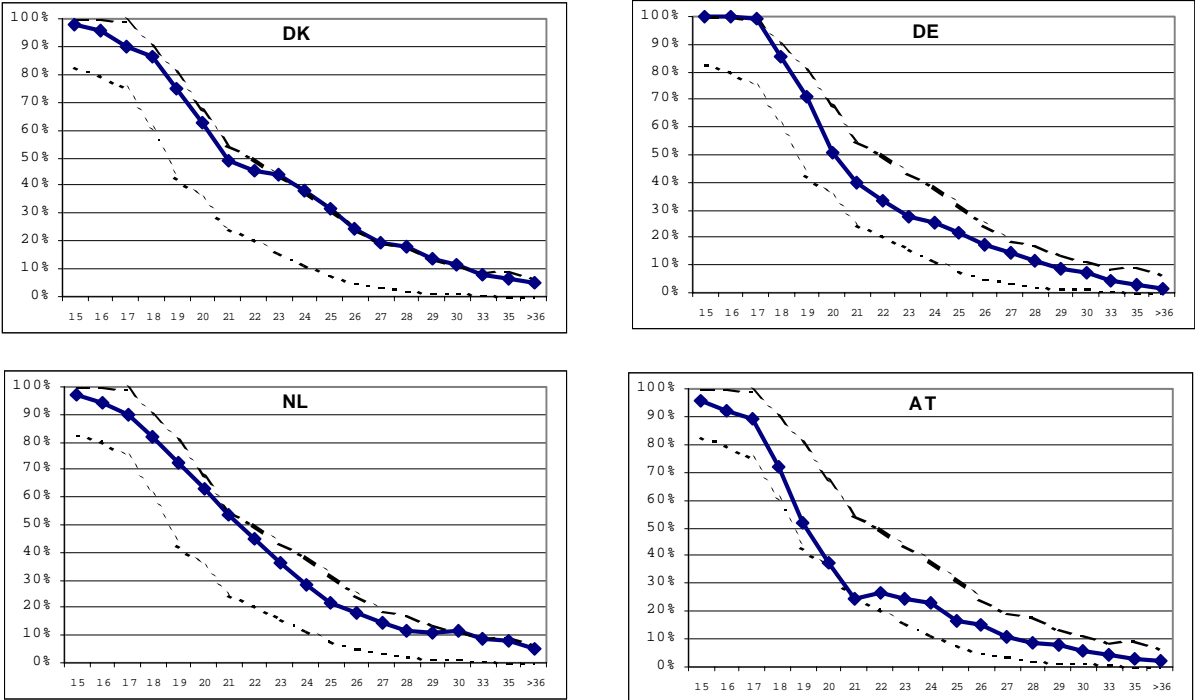


Figure 1b: Southern countries

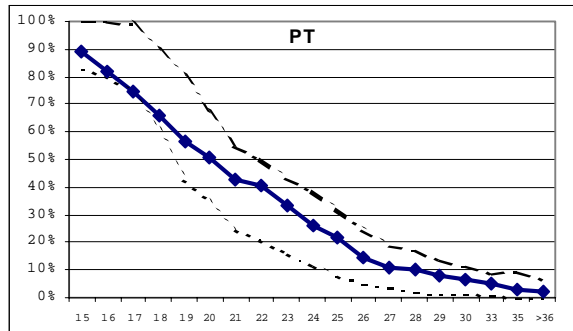
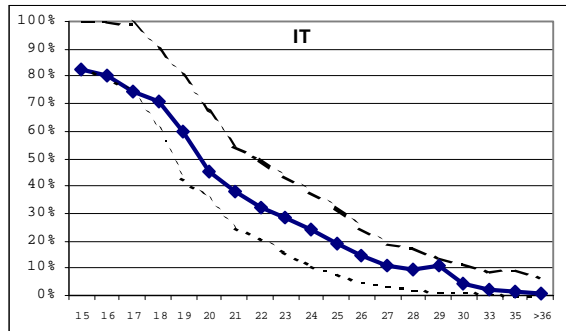
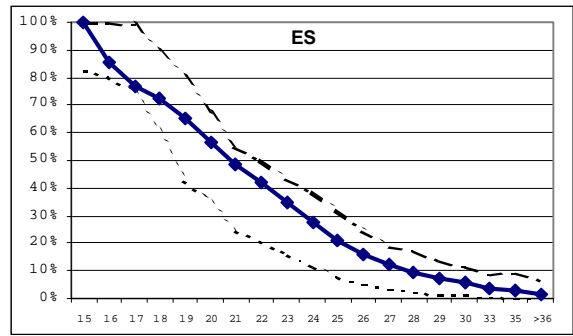
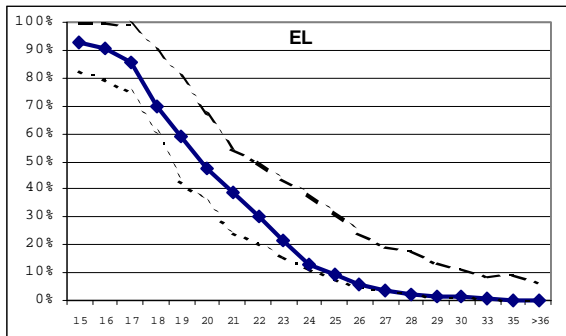


Figure 1c: Other countries

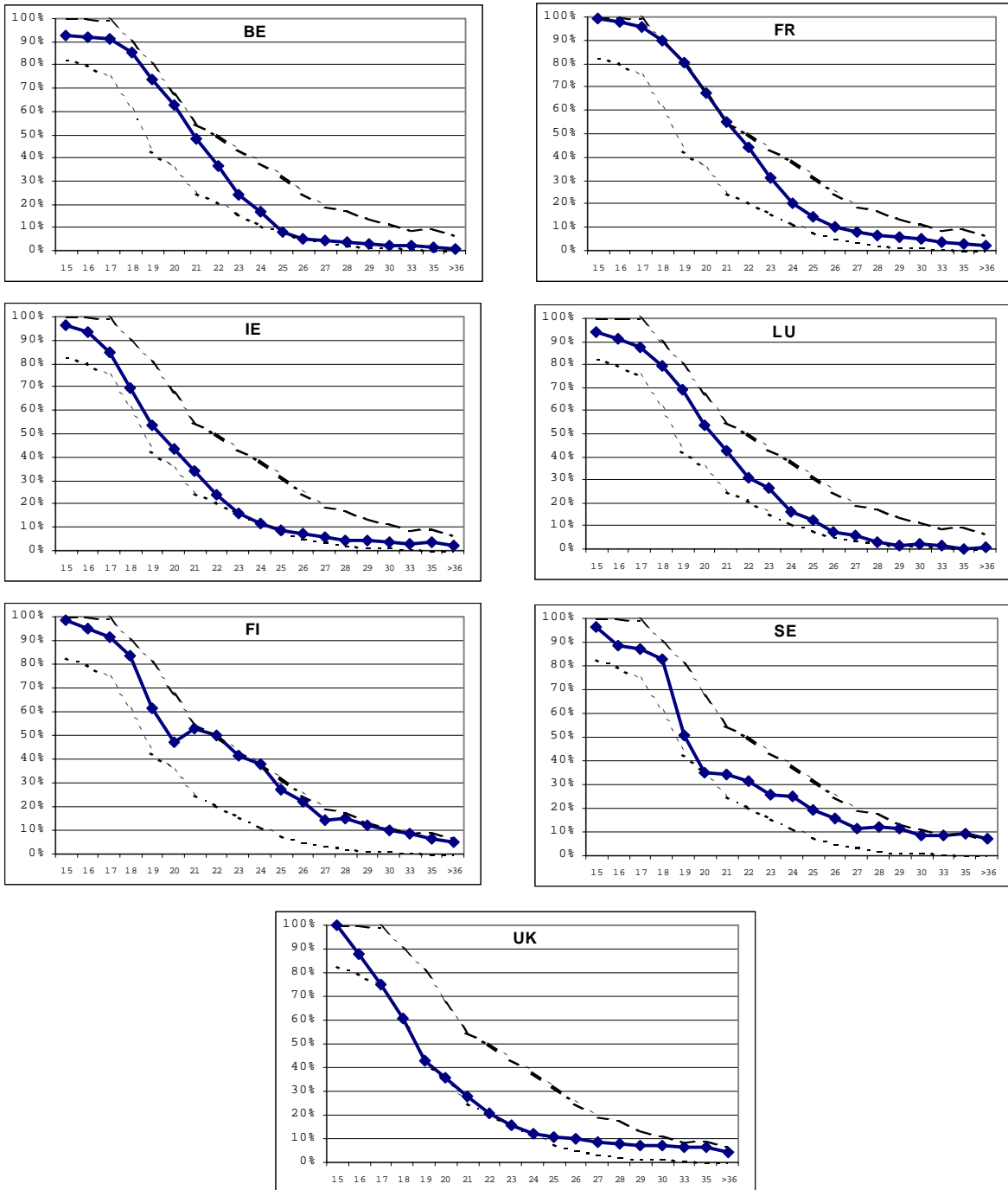


Figure 1d: European Union (EU-15)

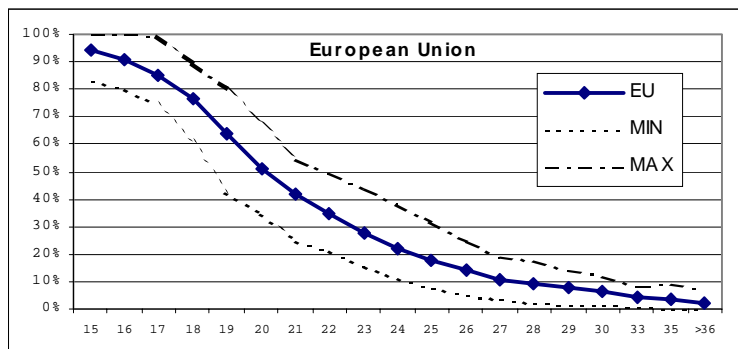


Figure 2: Proportions of active and inactive people, by age - average 1995-1997

Figure 2a : “OLM-type” countries

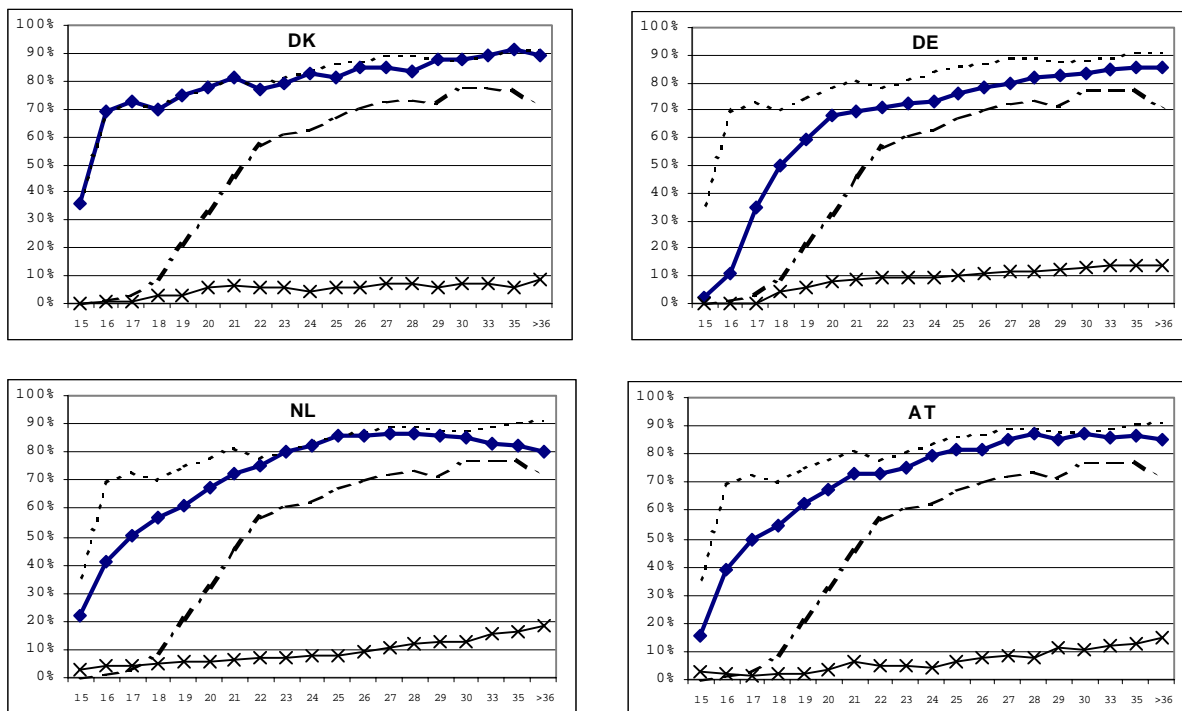


Figure 2b: Southern countries

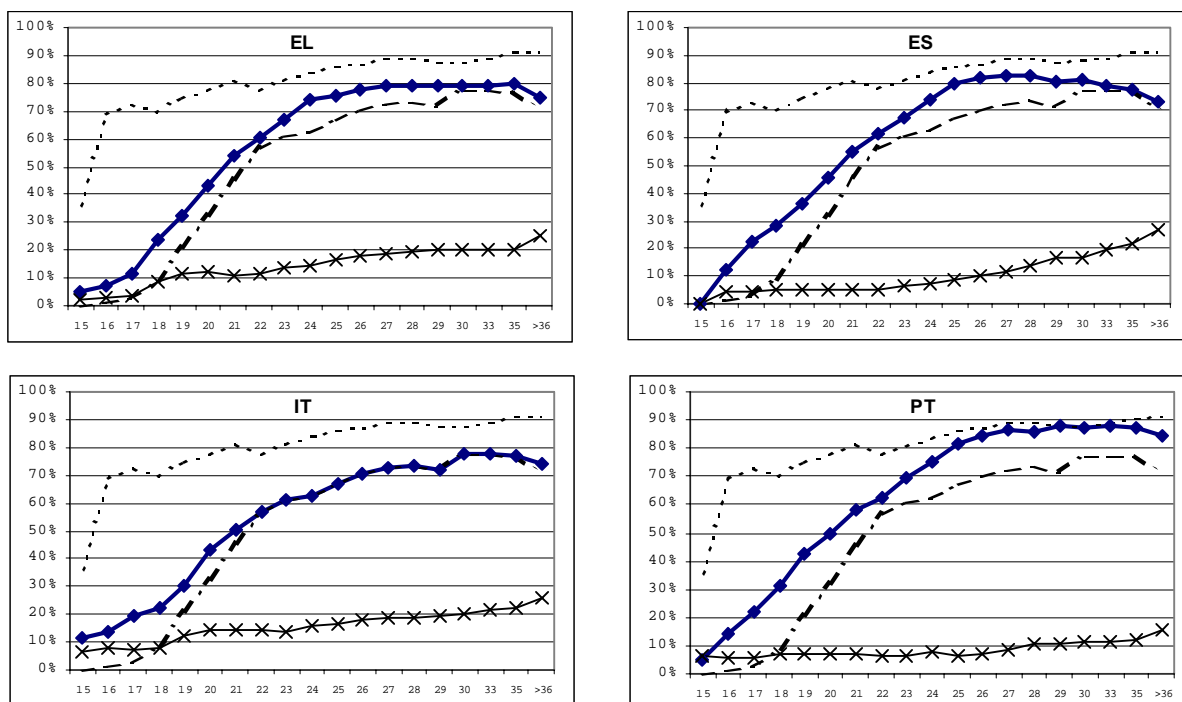


Figure 2c: Other countries

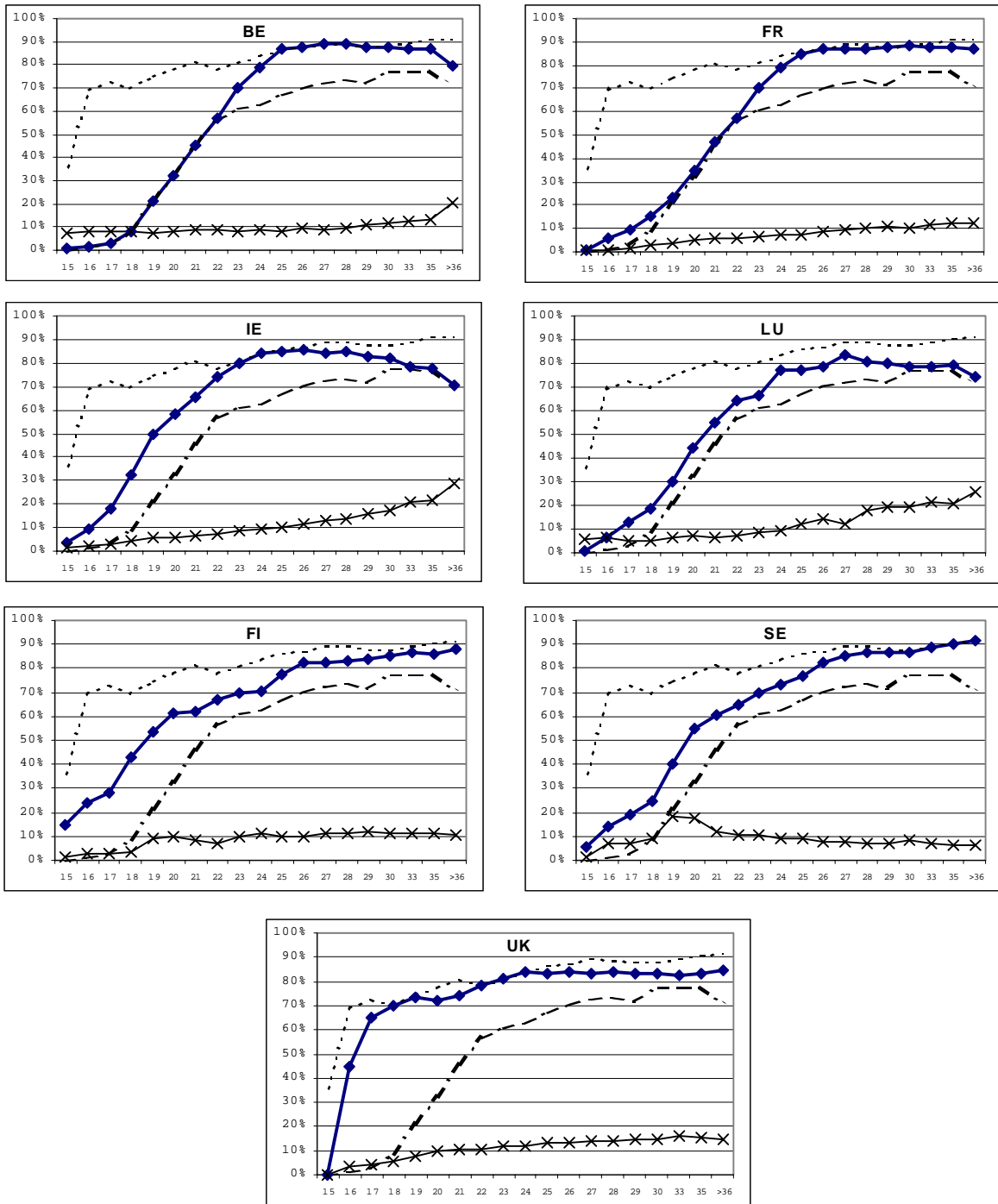


Figure 2d: European Union (EU-15)

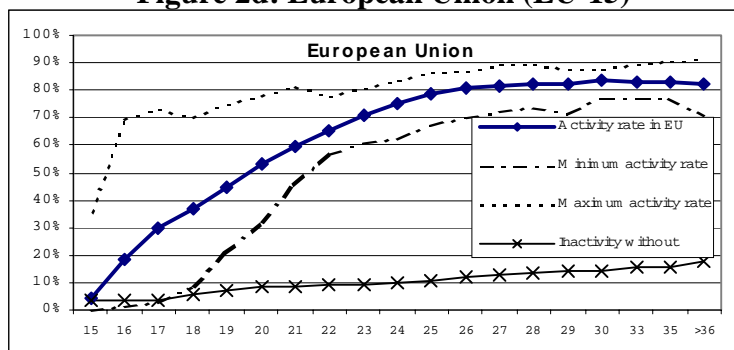


Figure 3: Situations combining employment and training by age - average 1995-1997

Figure 3a : “OLM-type” countries

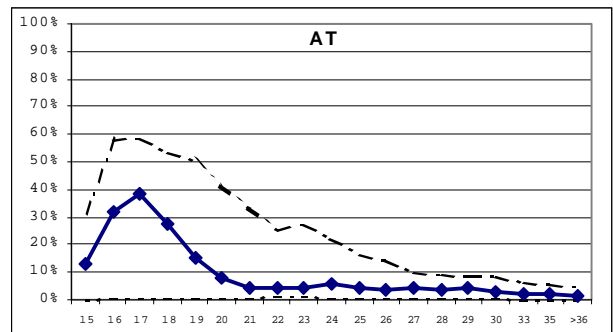
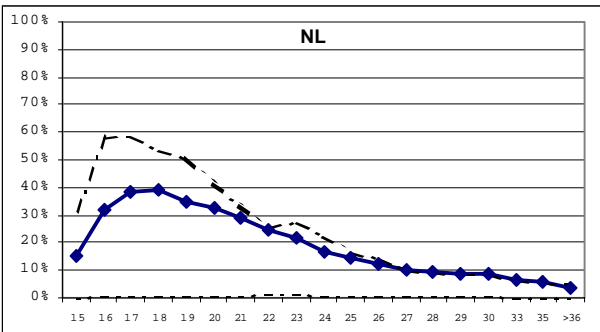
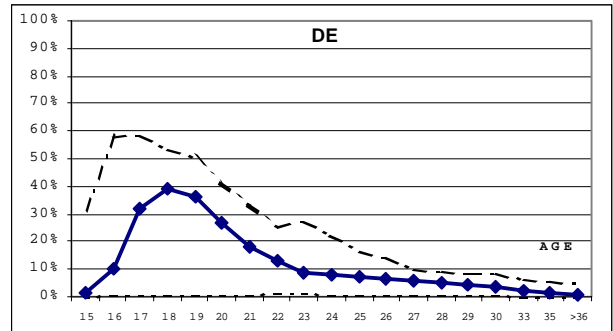
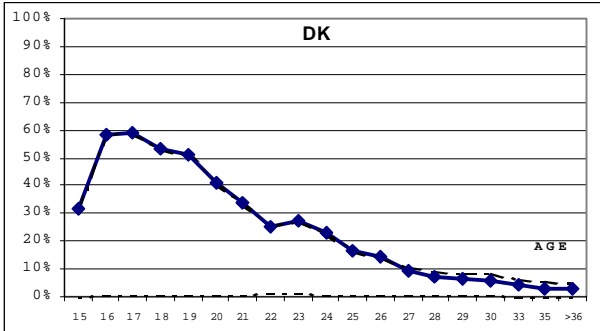


Figure 3b: Southern countries

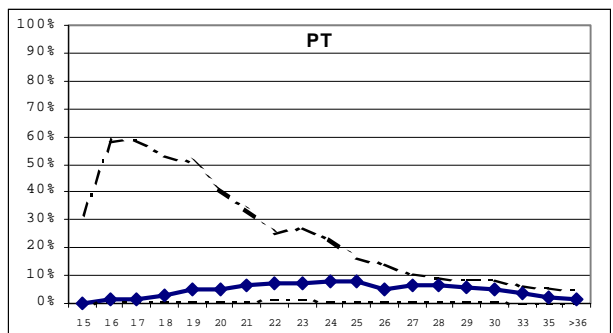
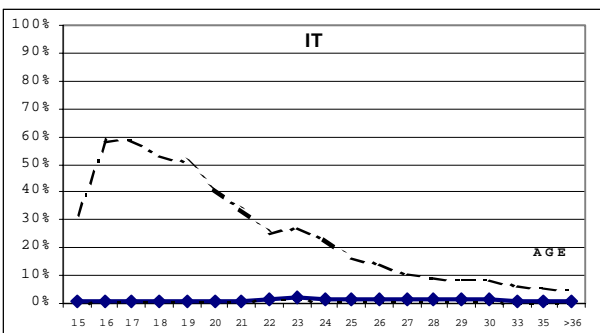
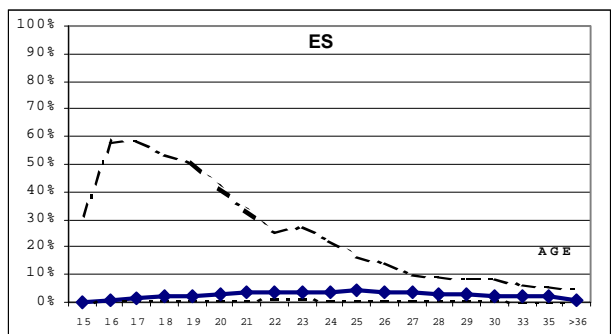
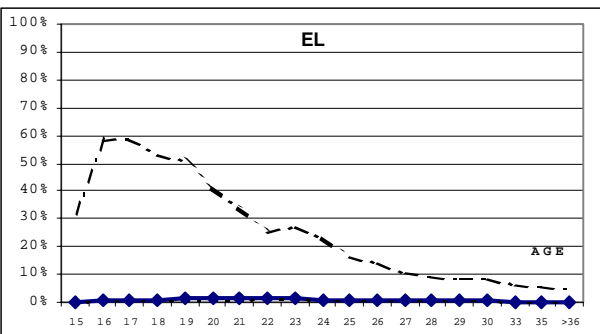


Figure 3c: Other countries

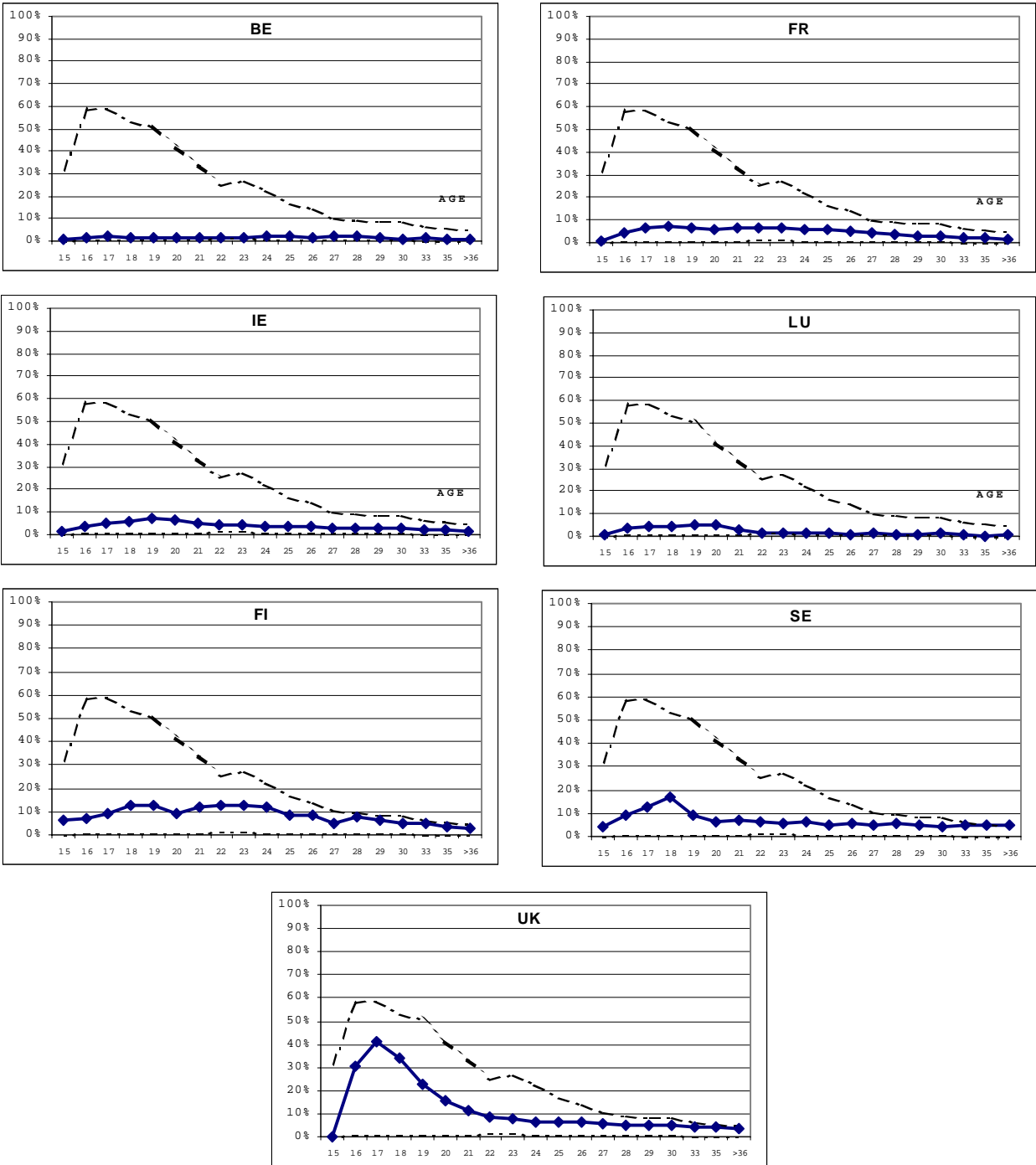


Figure 3d: European Union (EU-15)

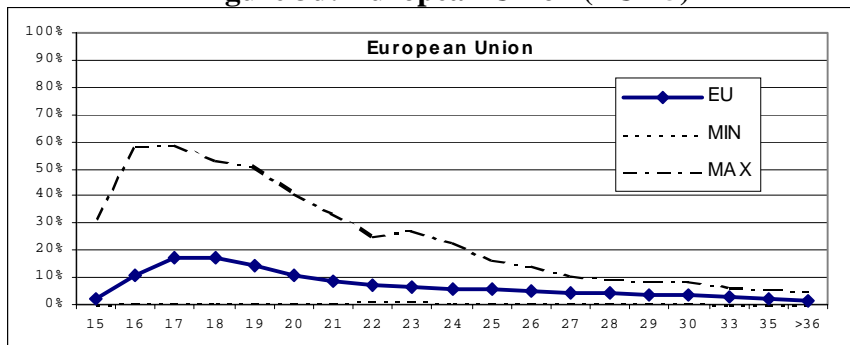


Figure 4: Proportion of unemployed and unemployment rate by age - average 1995-1997

Figure 4a : “OLM-type” countries

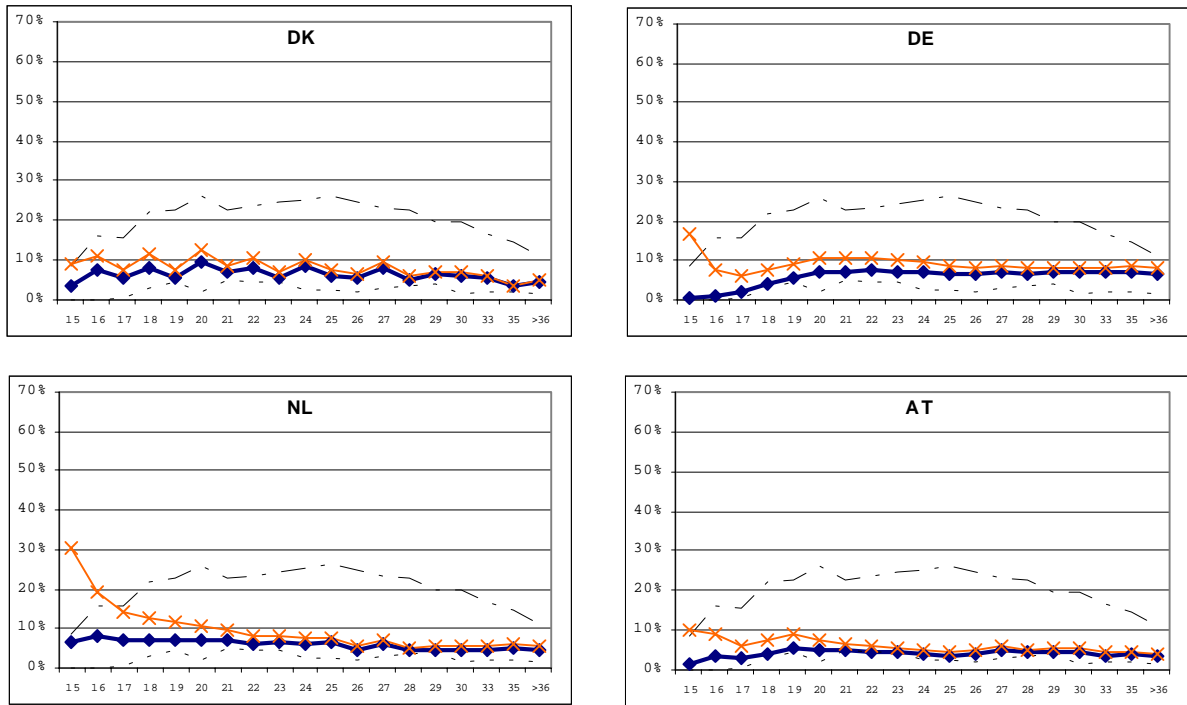


Figure 4b: Southern countries

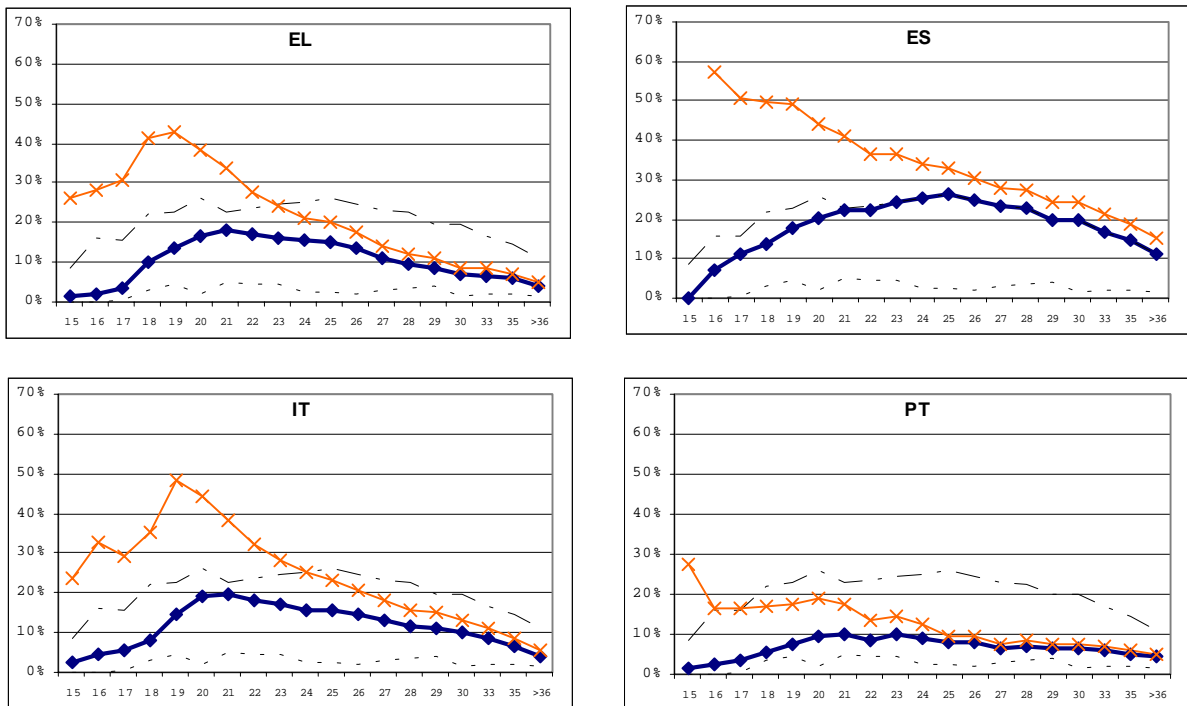


Figure 4c: Other countries

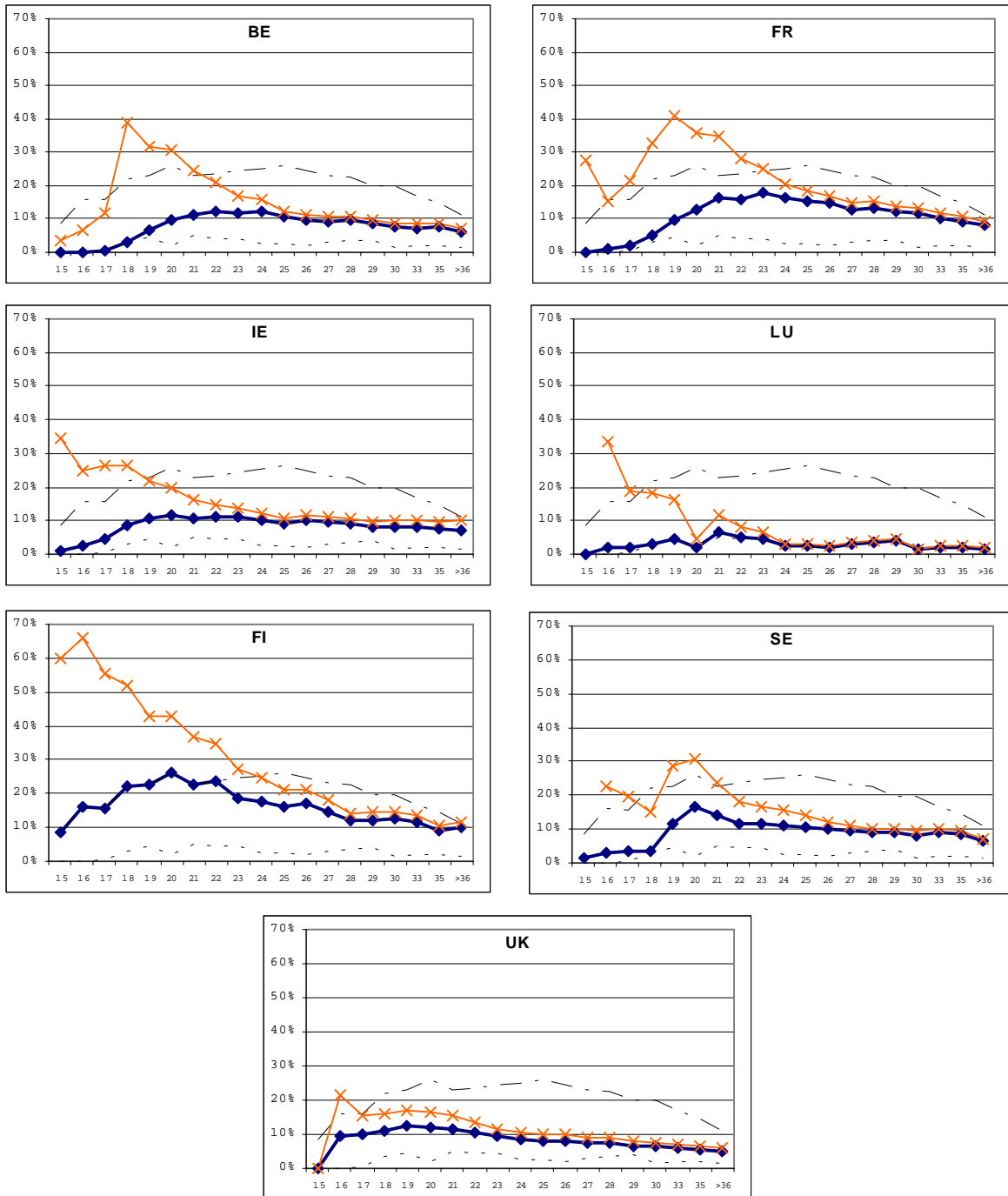


Figure 4d: European Union (EU-15)

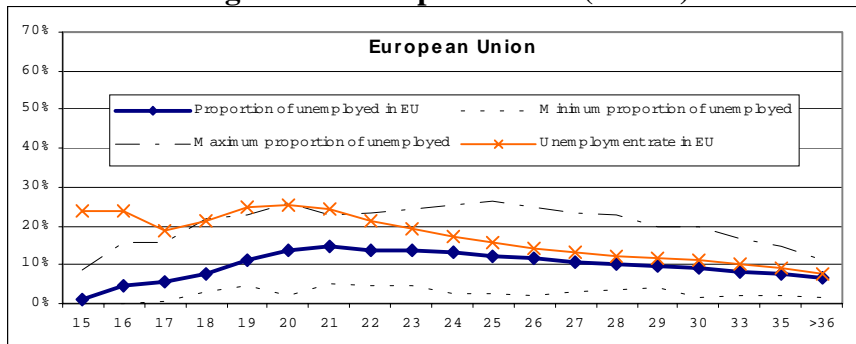


Figure 5: Biographical timing of the school-to-work transition – Recapitulation of national features, average 1995-1997

Figure 5a : “OLM-type” countries

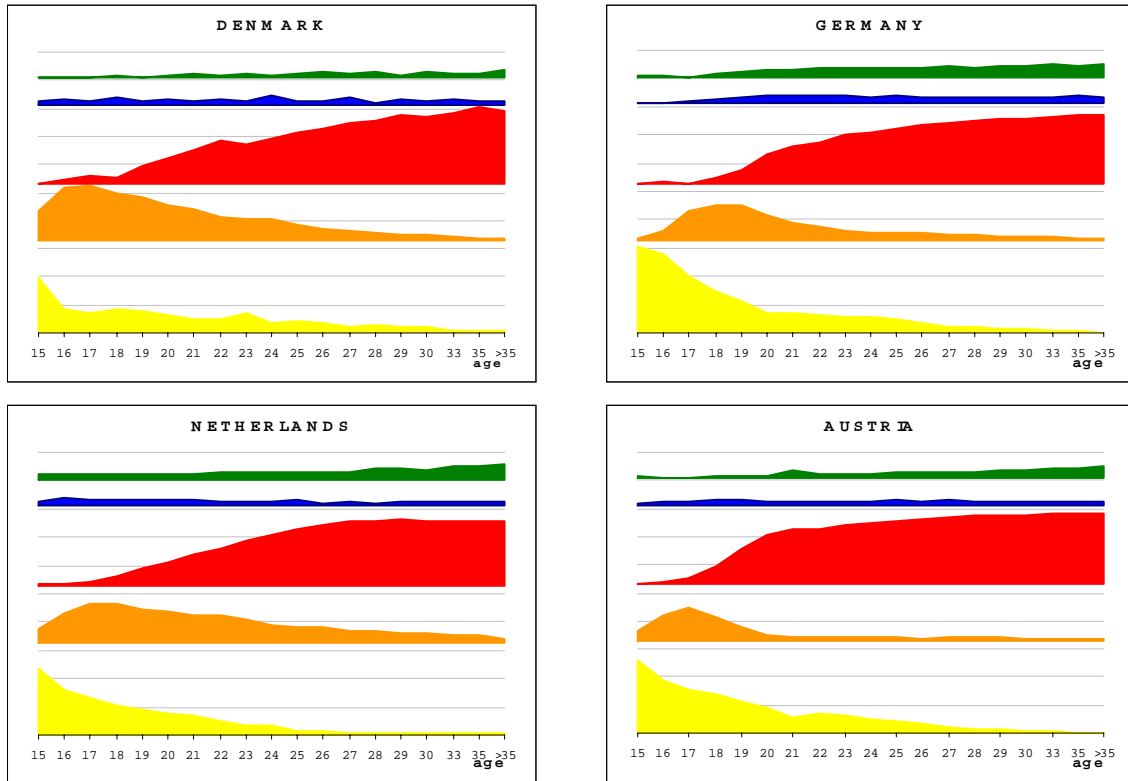


Figure 5b : Southern countries

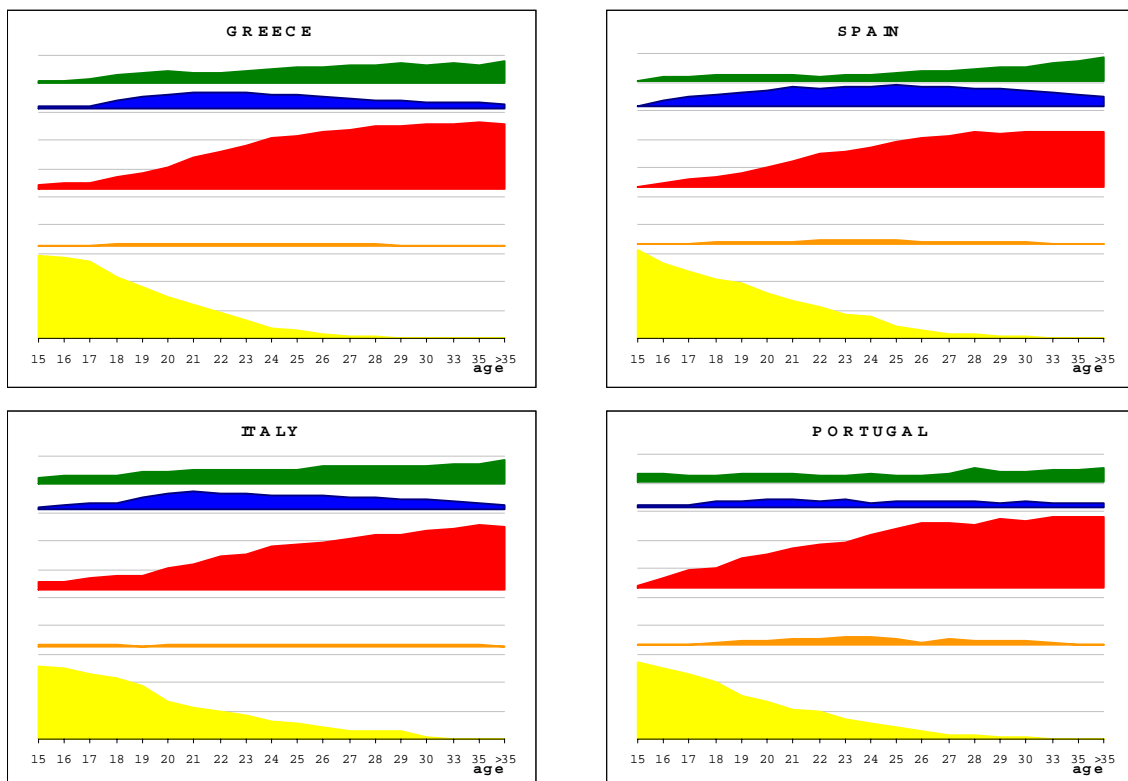
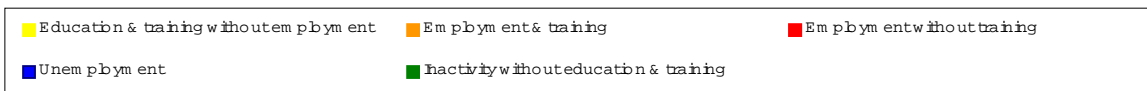
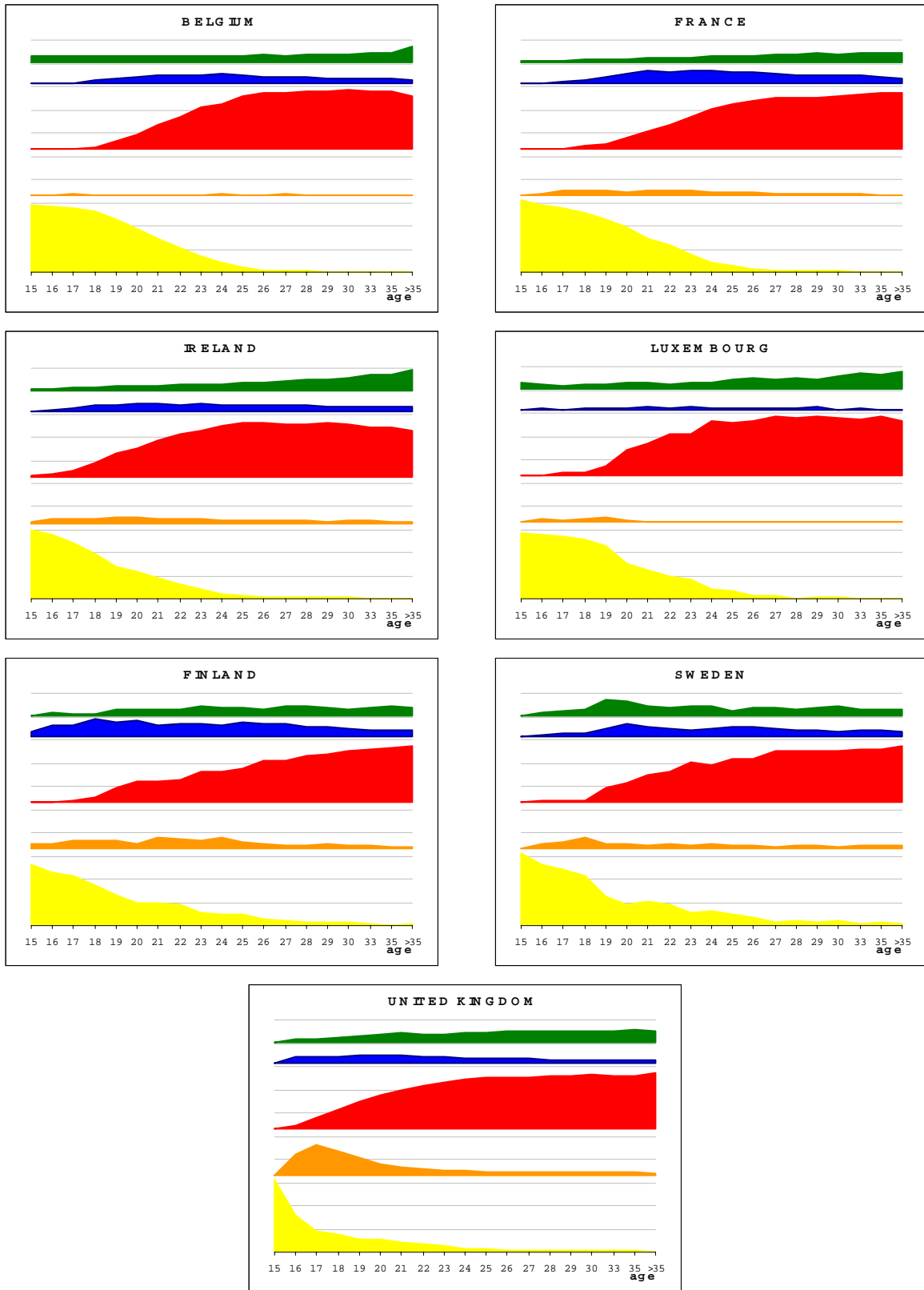


Figure 5c: Other countries



Age of youth entry into the labour market: a summary

The preceding results can be summarised by country, as shown in figure 5. Clearly, some country profiles emerge. They partly fit with our formal clustering contrasting ‘OLM-type’ countries, southern countries and the other countries.

‘OLM-type’ countries share a quite similar profile, which contrasts significantly with the profiles of other countries of the EU. The process of entering the LM starts around the age of 15. It mainly takes the shape of combinations of training and employment between 15 and 20. Unemployment has a limited impact during the whole process. However, other features are more national-specific.

Denmark is the country where double statuses of training and employment are the most developed. Their impact is quite concentrated on younger cohorts but is still significant after the age of 25. Apprenticeship, although well developed, is far from being the only way of combining training and working. By contrast, employment without training increases smoothly across age cohorts. The stabilisation of positions on and out of the labour market occurs at a late stage, around 30.

The Netherlands shares with Denmark a large spread of double statuses across age cohorts. These situations are still evident after 30. But, unlike in the other ‘OLM-type’ countries, apprenticeship plays a minor role in combinations of training and working. The growth of employment without training is more sustained. The stabilisation of positions on and out of the labour market occurs a bit earlier, around 27.

Germany shows a strong but more limited impact of double statuses across age cohorts. These situations correspond mainly to the famous German ‘dual system’ based on apprenticeship. Unlike Denmark and the Netherlands, the young attending school-based ET courses stay out of the LM. The extension of employment without training is continuous and still in progress around the age of 30. This can be connected with some long lasting participation in the ETS beyond the age of 25. Thus, the stabilisation of positions on and out of the labour market occurs at a late stage, around 30.

Austria differs a bit more from the three others as double statuses have a more restricted impact, albeit important between 15 and 19. Like in Germany, these situations are also mainly related to apprenticeship. By contrast with the other countries, the growth of employment without training is concentrated between 17 and 21. A minor part of long lasting participation to ETS results in a rather late stabilisation of positions on and out of the labour market, around 28.

Southern countries appear a bit more heterogeneous when compared with the preceding group. While Greece, Spain and Italy share common features leading to a rather specific group profile, the case of Portugal differs strongly. *The proximity of Greece, Spain and Italy* rests on four characteristics. First, unemployment has a significant impact, covering numerous age cohorts between 18 and 30. Second, combinations of training and working are absent in these countries. Third, the growth of employment rate is smooth and lasts until 30. Fourth, there is a progressive rise of inactivity not related to training through age cohorts. Still, the three countries have national-specific features.

Greece has the least marked profile of the three. Participation in ETS is strong until 20, levels of unemployment remain beyond those of Italy and Spain and employment rates make major progress before 25. The stabilisation of positions on and out of the labour market occurs around 28.

Spain, by contrast, is singled out by its high levels of unemployment, peaking at 25. Compared to the others, inactivity without training has a more restricted impact. Spain is the country of the European Union where employment is generally the least developed throughout age cohorts. Although employment reaches a peak at the age of 28, the decline of unemployment is then still in progress as inactivity rises. Thus, the stabilisation of positions on and out of the labour market occurs after 30.

Italy has a midway position in many aspects of its characteristics of unemployment and employment. It contrasts with the two others in the relatively high impact of inactivity through age cohorts. Inactivity without training has an early, significant influence. On the other hand, ETS participation is still noticeable between 25 and 30. The stabilisation of positions on and out of the labour market occurs at a late stage in Italy, after 30.

Portugal presents a quite different profile to the three former countries. Unemployment is rather moderate and without much variation across age cohorts. Although double statuses haven't a strong influence, employment without training peaks at a higher level than in other southern countries. The stabilisation of positions on and out of the labour market occurs around 28.

The other countries group appears to be the most heterogeneous of the three. There is no real common profile shared by all countries. Two countries, United Kingdom and Finland, can be partly linked with preceding profiles while France and Belgium on one side, Ireland and Luxembourg on another side, present similarities. Sweden stays apart in an intermediate position.

The United Kingdom presents some similarities with the 'OLM-type' countries. The process of entering the LM is already in progress at 15. Between 16 and 20, it is also based on combinations of training and working, mainly by way of Youth Training. As in Austria, employment without training shows a sustained growth before 20. But the British situation differs in various ways. First, a more influential role of unemployment for the youngest age cohorts can be noticed. Second, participation in the ETS sharply declines between 20 and 25. In contrast, employment without training continues its vigorous growth until 25. Thus, the whole process leading to stabilisation of positions on and out of the labour market through age cohorts is achieved around 25.

Finland can be partly linked with the group of the three southern countries. First, it shares with them high levels of unemployment for all age cohorts from 15 to 30. Second, the rise of employment without training is rather smooth and still in progress after 30. But Finland differs from the others in the more limited extent of inactivity without training, more developed double statuses and a higher final level of employment. As in the southern countries, the stabilisation of positions on and out of the labour market occurs at a late stage, after 30.

Belgium and France have in common a late start of the transition process. It hardly begins at the age of 18 and, until the age of 20, a major part of young people are still in the ETS. Then, ETS participation dramatically falls to become residual after 25. In the two countries,

unemployment has an influential role through age cohorts after 20. The impact of combinations of training and working is rather limited. Almost absent in Belgium, double statuses are a bit more extended in France due to apprenticeship and public employment policies. The two countries also differ in the pattern of employment growth, being more sustained in Belgium. The stabilisation of positions on and out of the labour market occurs around 27 in Belgium while it occurs a bit later in France, around 30.

Ireland and Luxembourg have some proximity with Portugal. Unemployment is rather moderate while double statuses have a restricted influence through age cohorts. Still, *Ireland* presents some peculiarities. ETS participation declines sharply until 25 to become residual. On the other side, employment without training rapidly grows to peak at 25 while unemployment tends to diminish slightly. The evolution of inactivity without training also differentiates Ireland as it grows gently across age cohorts. As in United Kingdom, the stabilisation of positions on and out of the labour market occurs rather early, around 25.

Luxembourg is characterised by very low levels of unemployment. By contrast, as in Portugal, the level of employment becomes high but it occurs earlier in Luxembourg. The stabilisation of positions on and out of the labour market occurs around 27.

The Swedish profile is characterised by the somewhat influential role of unemployment and inactivity without training between 20 and 25. Double statuses are present but infrequent. There is no apprenticeship in Sweden and these cases are representative of uncoordinated training and working combinations. Unemployment progresses smoothly across age cohorts while long lasting participation in the ETS is also present. The stabilisation of positions on and out of the labour market occurs around 28.

Changing perspective: from youth to new entrants

The previous analysis has allowed us to assess the temporal aspect of the event and some specific features of the situations encountered:

- *The gradual transition of a birth cohort from education and training to employment occurs at variable ages and variable speeds depending on the countries. The biographical period of the transition begins at the time the first members of a birth cohort leave the education and training system and ends at the time the birth cohort's participation in the employment system reaches its peak. In that sense, countries are highly differentiated with some of them characterised by a rather early and short period of transition (Austria, Ireland, United Kingdom) while others are singled out by a late start (France, Belgium) or an extended time (Italy, Finland).*

- *The transition of birth cohorts is marked by numerous intermediate situations between full-time training and stability on the labour market. Two types have been singled out: situations associating training with a work activity on the one hand and situations of unemployment on the other. These situations are not necessarily specific to the period of labour market entry, but they may be over-represented in that period. We have already observed various combinations of those elements in the different countries.*

The national features of the transition process turn out to be extremely heterogeneous. They raise the issue of the influence of national institutions and arrangements on the transition process. Obviously, national organisation of the ETS influences the biographical timing of the transition. The existence of various possible tracks, the country-specific definition of degree courses and the multiplicity of leaving points they generate inside the system contribute to the establishment of nationally favoured ages for ending ETS participation. National LM organisation has an impact too. The possible combinations of training and working depend on the nature of LM arrangements prevailing in the different countries. As a consequence, it appears that strong links between the ETS and the LM favour early activity. One can also relate the impact of unemployment in youth transition to LM regulation. The existence and the extent of specific youth unemployment can be interpreted as different national-based patterns of considering short LM experience in hiring decisions.

Thus, the issue of national institutions leads us to single out some limitations of a comparative analysis of the school-to-work transition based on age cohorts. Unable to catch the specificity of national institutions, such an analysis simply cannot take them into account and therefore neglects their influence.

As a result, it becomes difficult to further develop comparative analysis of the respective role of training attainment and LM experience during the transition process based on age cohorts. An alternative strategy should then be envisioned for further analysis. It should attempt to deal with institutional factors resulting in differentiation between countries. More specifically:

- *The national institutional features that influence the phasing of labour market entry should be integrated.* This leads us to favour categories of individuals based on the timing of their LM entry and the nature of their school attainment.
- *The elements of the transition process directly deriving from the educational structures should be separated from those depending only on the modus operandi of the labour market.* In order to do so, it is necessary to distinguish, amongst the active individuals, those who have completed their training from those who are pursuing a training programme in the educational system. This serves to separate labour market events that can be linked, directly or indirectly, to a public educational policy regulated by institutions outside the labour market from labour market events resulting from the organisation and modus operandi of the labour market itself.

On the basis of these remarks, an alternative category of new entrants can be useful to improve the comparability of national profiles of transition. It combines characteristics of their position towards the education and training system with the experience accumulated on the labour market (see appendix A for the construction of the category).

Labour market outcomes for new entrants

Integration of new entrants into the LM: job access conditions and labour market mobility

A description of new entrants' integration into the labour market follows. First, job access conditions and unemployment risks will be developed. Then, the effective stabilisation in jobs finally held is overviewed. Finally, possible specific work conditions are investigated as a potential source of new entrants' higher mobility.

Figure 6: Unemployment rate according to duration of the current spell, by years of experience on labour market

Figure 6a: "OLM-type" countries

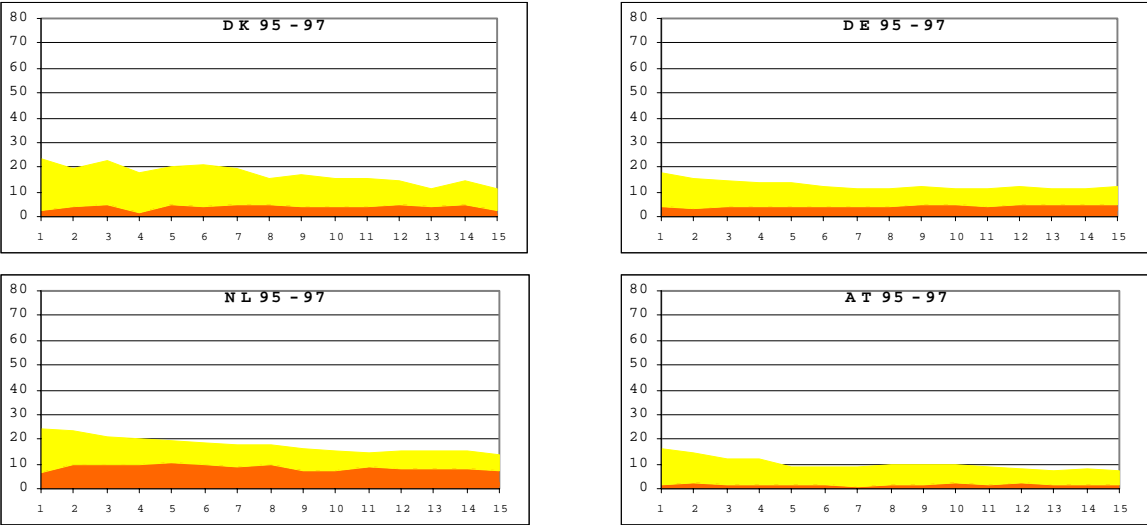
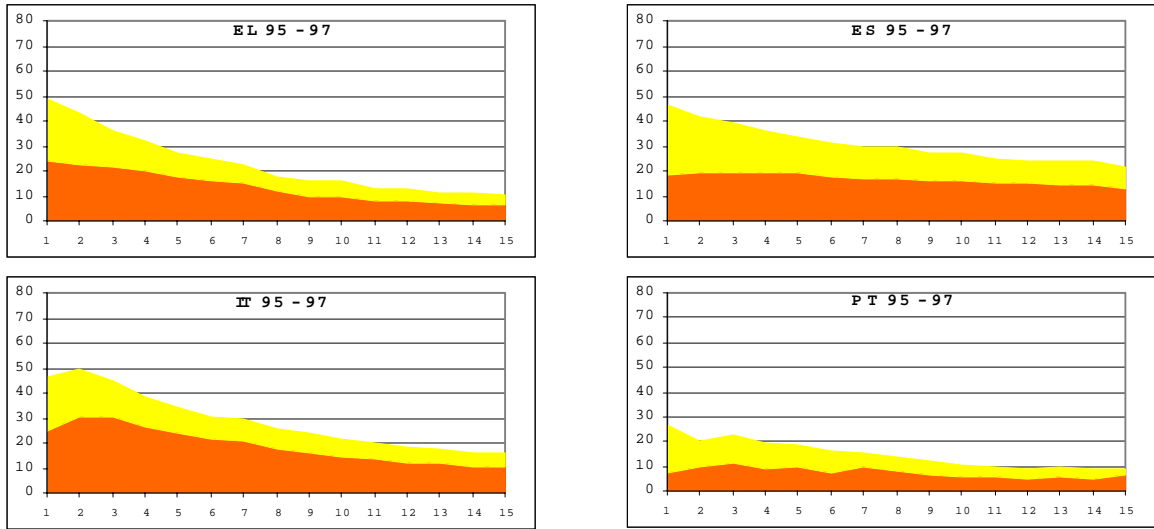
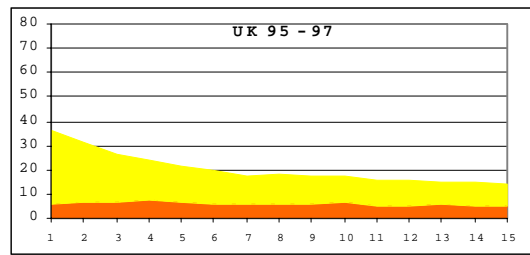
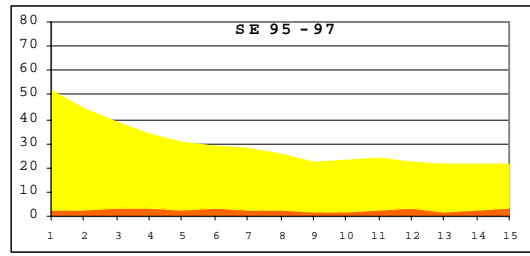
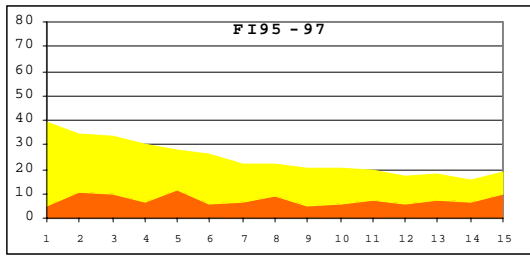
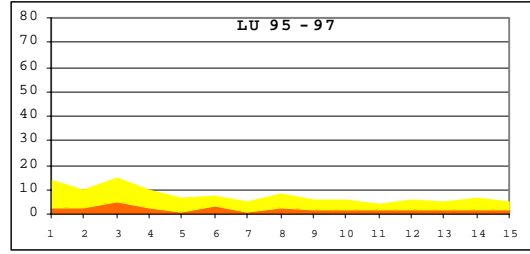
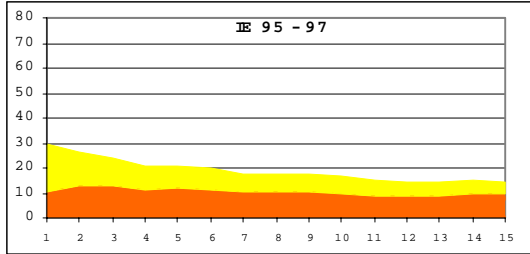
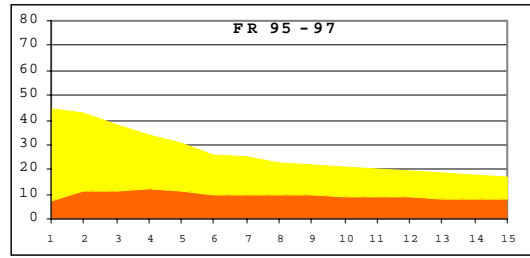
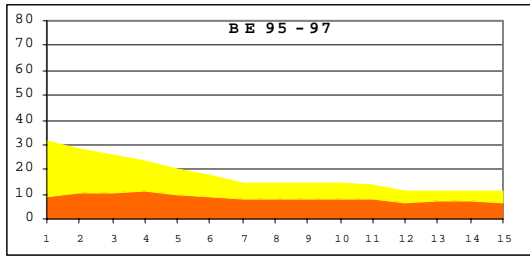


Figure 6b: Southern countries



■ Unemployed for more than one year (% among active people)
■ Unemployed for less than 1 year (% among active people)

Figure 6c: Other countries



- Unemployed for more than one year (% among active people)
- Unemployed for less than 1 year (% among active people)

Unemployment among new entrants

The analysis of youth unemployment has revealed two profiles: one with unspecific constant unemployment and the other characterised by a transitory regime somewhat focused on transitions occurring at early ages. The analysis of new entrants' unemployment partially confirms such assessments.

Figure 6 recapitulates unemployment rate by accumulated years of labour market experience. Of the two previous regimes observed for youth unemployment, the first one tends to disappear as Germany and Austria show a slight but consistent declining trend as experience grows. Still, these countries differ strongly from some others in terms of the limited extent of unemployment. For the least experienced new entrants, the spread of the unemployment rate is wider; it ranges from 50% in several countries to about 10% in Luxembourg. But for a similar unemployment rate, the situation will be very different according to the average length of unemployment spells. If the spells are short, unemployment is mostly transitory. If new entrants stay unemployed for a long period, their disadvantage is more acute. Figure 6 also indicates the respective part of unemployment spells that last for less and more than one year. It clearly shows that, apart from Greece and Italy, long spells are not related to labour market experience while recently begun spells are experience-dependent. Greece and Italy differ as they present experience-dependent relationships for the two types of unemployment spells.

Mobility of new entrants on the labour market

One can expect that juniors are a dynamic group on the labour market, experiencing numerous moves from and to jobs. After leaving the ETS, many of them are simply entering the labour market without holding already a job. This lack of established position induces a generalised searching process. However, it is worthwhile to mention that a minority of them has already a job by the time of leaving. They are juniors who have got a job during their education and training course and a part of them keep this job after leaving the ETS. The main flow of those juniors staying within the same company comes from apprenticeship. Some employers indeed choose to keep apprentices they have trained with a new labour contract⁴. However such agreements are not a general rule. In addition to that basic reason, others come from the economic literature, applying on both sides of the labour market, in order to explain the

⁴ There is no possibility of analysing such a flow in CLFS.

increased mobility of juniors. First, as presented in the job search theory, the process of seeking opportunities for a good job is costly. Lower level jobs may be chosen in order to reduce search costs. Those jobs are more or less considered as short-term positions that have to be upgraded later. Secondly, even when a job opportunity appears to fulfil individual requirements, there is still uncertainty about the actual characteristics of the job. Thus the quality of matching between the individual and the post has to be established and can lead to job quit (Jovanovic 1979). This matching process is not specific to the youngest workers but one can expect it to decline with experience. On the other side of the labour market, the job matching process also applies for employers, who may not be satisfied with newly hired people. The more complete and comprehensive the qualification signal is, the less often mismatches occur. The less precise the signal is, the more cautious employers will be. Fixed-term contracts play a role as a screening tool in order to test performance on the job. Apart from the uncertainty linked with the establishment of a new labour relationship, employers don't always look for permanent workers. They may prefer to use temporary workers in the production process in order to regulate production activity.

Although CLFS does not offer much longitudinal data, it is possible to build indicators of labour market changes between the date of the survey and one year before, as is available in panel data⁵. We first study mobility between jobs, and then we will focus on mobility between employment and unemployment.

Figures 7 & 8 sum up two indicators of exits from jobs and entries in jobs. The first is the ratio of those who had left the job they held last year among all those who held a job the year before while the second is the ratio of entries to jobs related to the total group of juniors. As the two indicators do not have the same basis of calculation, they are not comparable. The entry measure reveals the relative ease with which juniors can enter companies, the exit measure indicates the instability of these job positions. The two measures show among European countries that mobility – both from and into jobs – dramatically and linearly

⁵ Combining the current situation, the situation one year before and the potential seniority in job (computed from the entry date to the company), one can construct different indicators of moves from and to jobs. These indicators raise some methodological issues as position on the labour market is not measured in the same way at the two dates. At the time of survey, ILO criteria are applied to identify work situations, unemployment and inactivity while main situation is declared by people interviewed for the situation of the previous year. However, if assumptions that such measurement biases are independent of national context, age and position on labour market at each date are verified, these indicators can be interpreted as proxies of position shifts. It is useful to remember that such indicators do not sum up all of the mobility that has occurred during the past year as numerous spells on the labour market haven't been observed.

declines as labour market experience increases. This general trend can be interpreted as a progressive stabilisation process as experience increases.

Beyond the common tendencies concerning job mobility, national peculiarities still emerge. The levels of moves in and out vary strongly across countries. As the most contrasting countries, Spain is characteristic of massive junior mobility while Italy and Greece experience weak junior mobility. As a result, the Spanish share of job exits is about three times the share of the two others. Quite a similar statement applies to entering jobs where the Spanish ratio is twice the Greek one. However, the flexibility of junior activity appears to be partly related to flexibility in the national labour market. In Spain, the share of job exits among more experienced workers is still three times greater than the share observed in Italy or Greece. The analysis of relative risks of moving jobs shows simultaneously higher risks for juniors to have left jobs and to have entered new jobs. National variations highlight countries where juniors have a more vulnerable situation in the labour market.

In the same way, indicators of mobility between unemployment and jobs can be constructed. First, the mobility from job to unemployment, usually called vulnerability to unemployment, indicates a relative fragility on the labour market as it reveals the existence of latency periods between two jobs. In contrast, mobility from unemployment to a job indicates the relative ease of exiting unemployment. This analysis differs from the previous analysis of mobility as it focuses on an undesirable event that does not have the same prevalence across EU countries (Figure 9). Here, national situations fail to converge. Different configurations appear. The first characterises countries in terms of weaker positions for juniors on the labour market. The risk of switching from employment to unemployment is increased for juniors in Spain, France, Sweden and United Kingdom. The second configuration singles out asymptomatic conditions of switching between employment and unemployment for juniors relative to their elders. Greece and Italy illustrate this profile. The third configuration is dominated by favourable prospects concerning unemployment for juniors. Compared to more experienced workers, they have a greater ability to move from unemployment to a job, without being affected by a dramatic increase in their vulnerability. The Netherlands represents the most typical example of this profile.

This picture of mobility shows the LM operating with more flexible rules for juniors than for other categories of manpower. As a result of increased mobility, will it be possible to relate

more flexible job positions to the specific working conditions offered by companies?

Work conditions of new entrants: more temporary contracts and involuntary part-time jobs

In modern industrial societies full-time salaried employment is dominant. On one hand, other forms of employment -such as self-employment and family worker status- have long been relegated to specific economic activities or occupations. On the other hand, part-time work, albeit expanding, still affects a minority of workers even if its relative importance varies among EU countries. Again, among different forms of labour contracts, the full-time permanent one has emerged as the standard type of employee/employer relationship. Although the labour legislation concerning these full-time 'permanent' contracts differs from one EU country to another in various ways (the trial period specified, working hours legislation or redundancy rules, among other elements), it always offers a national standard platform for the labour relationship. Opposite to this standard, several particular forms of salaried jobs have arisen. Among them, the two most common forms are fixed-term (or 'temporary') contracts and part-time activity. Still, their prevalence still depends on the restrictive nature of national regulations.

We focus here on the relative importance of those two forms of salaried employment. The involuntary nature of these employment conditions will be stressed as an indication of new entrants' dissatisfaction with their employment outcomes.

Temporary contracts as a specific mode of hiring new entrants

Temporary contracts are not equally developed among EU countries. The case of Spain, where they have a massive impact, differs strongly from other countries, as Austria or Luxembourg, where they hardly exist. Countries where these employment contracts are widespread, have a common profile (Figure 10). It is characterised by high initial levels for the least experienced new entrants with a linear decline as experience increases. The Spanish case has to be singled out, as this form of contract represents the mainstream labour relationship for juniors. It only falls below 50% of salaried contracts after about seven years of LM experience. Involuntary temporary contracts are more prevalent in countries where temporary contracts are commonly used.

Figure 7: Ratio of job exits (people having left their job among people with same LM experience who held a job one year before)

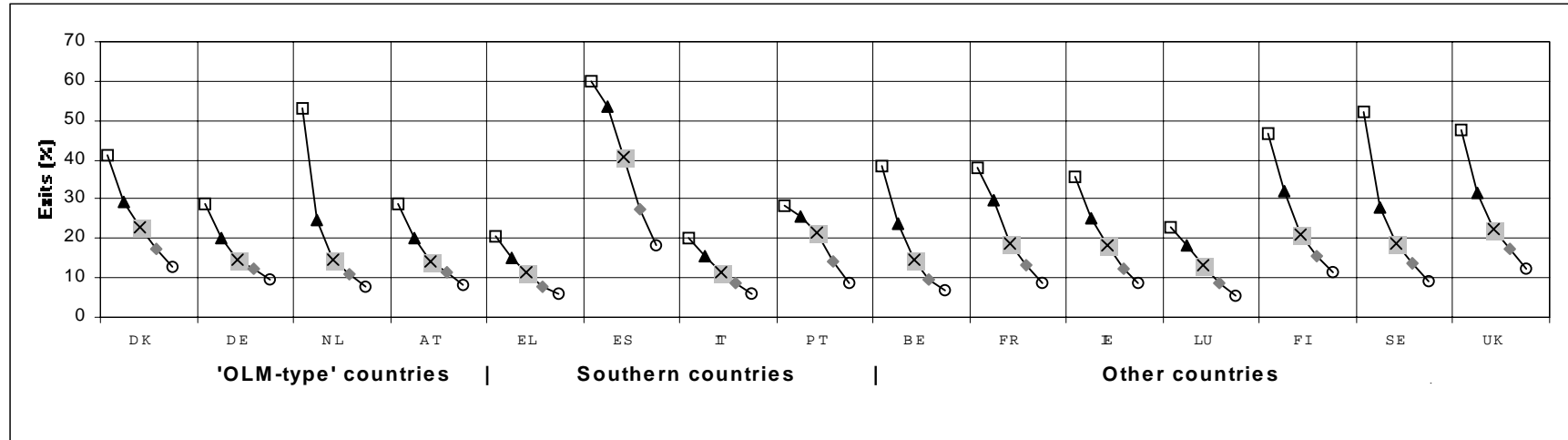
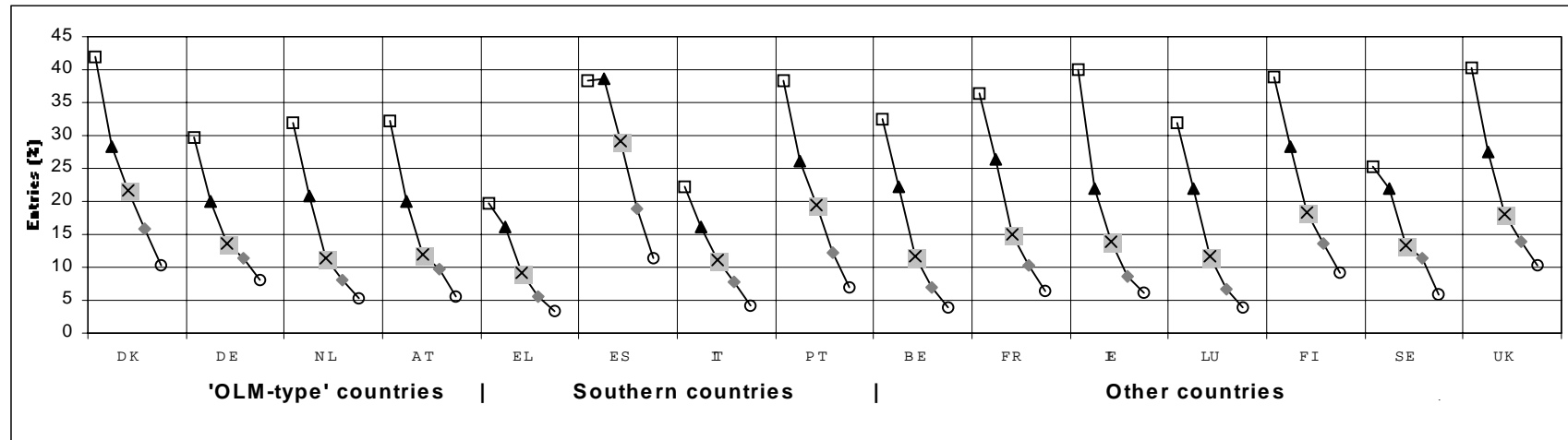


Figure 8: Ratio of job entry (people holding a job for less than a year among people with same LM experience)



0-2 years
 3-5 years
 6-10 years
 11-15 years
 > 15 years

Figure 9: mobility between unemployment and employment, by experience on the labour market

Figure 9a : “OLM-type” countries

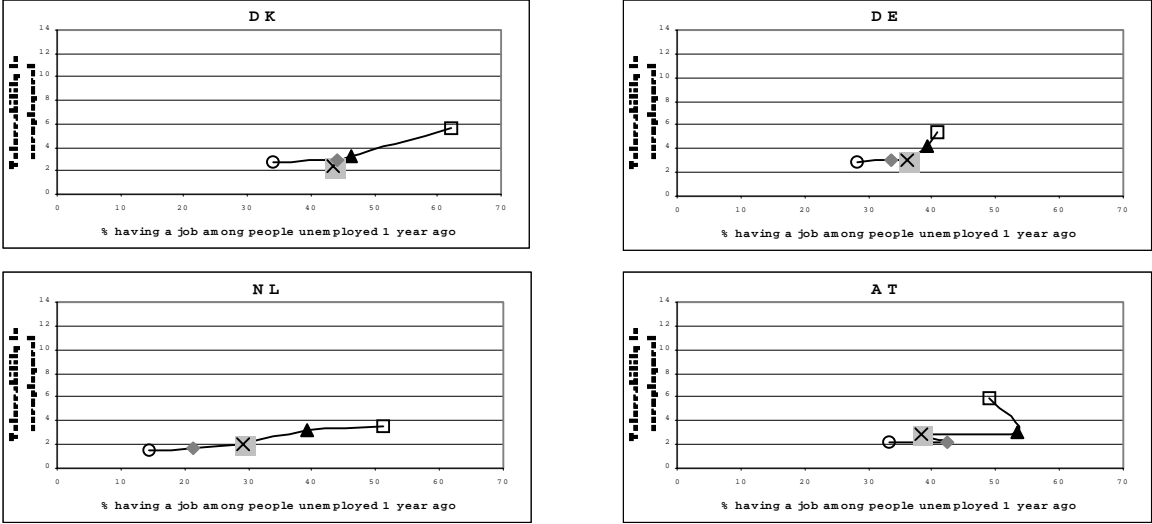


Figure 9b: Southern countries

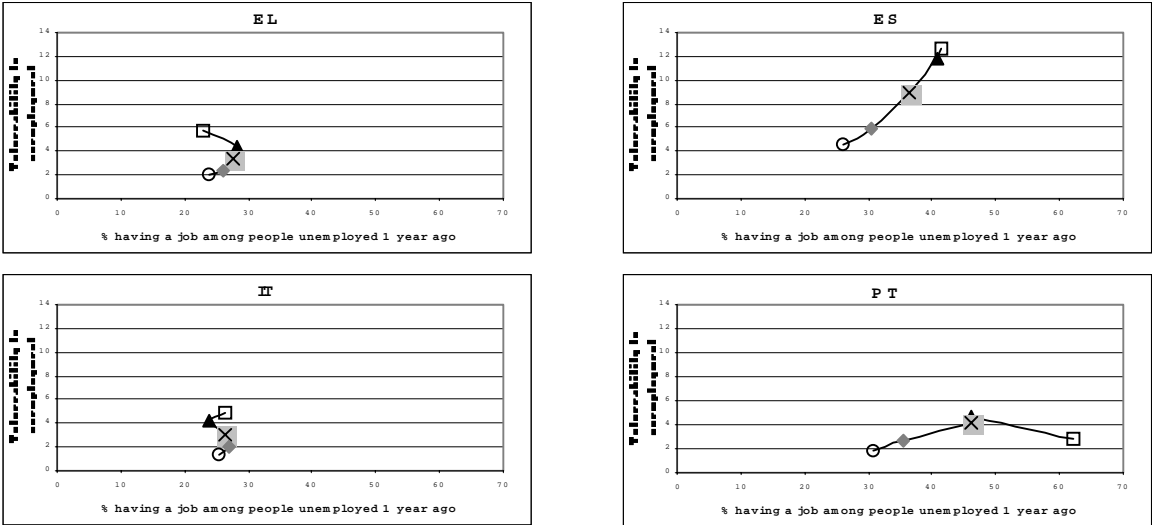


Figure 9c: Other countries

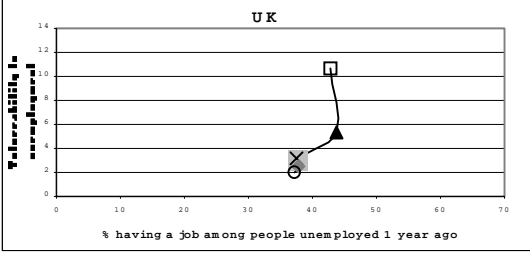
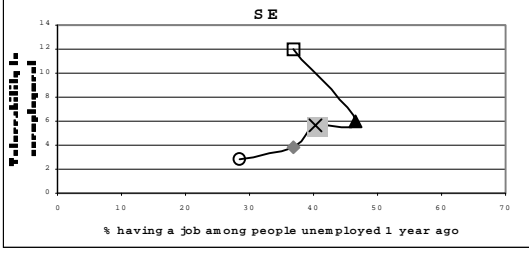
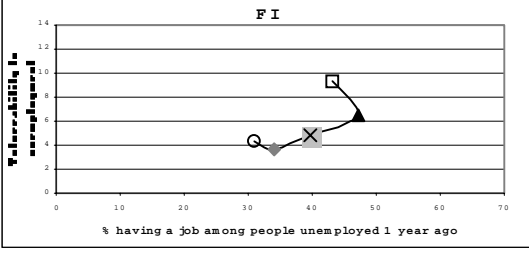
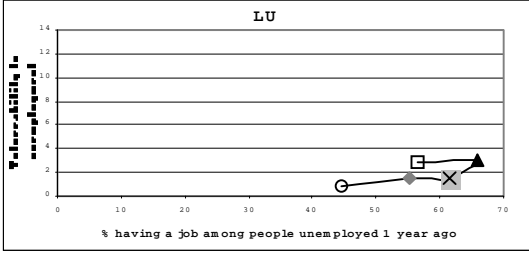
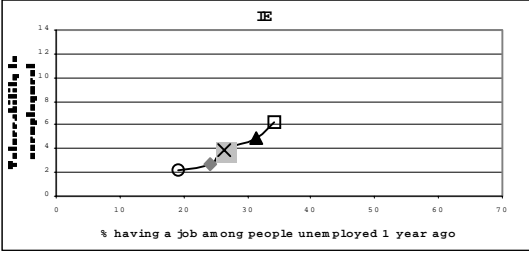
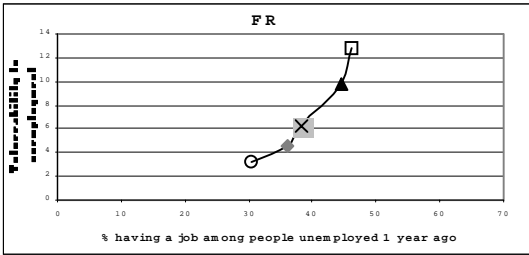
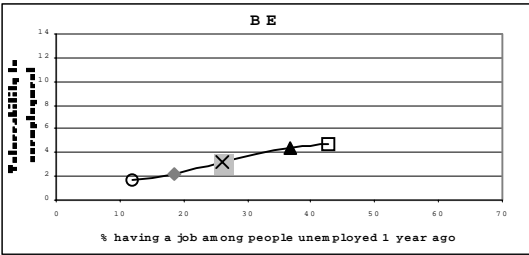


Figure 10: Temporary contracts and years of experience on the labour market among employees

Figure 10a : “OLM-type” countries

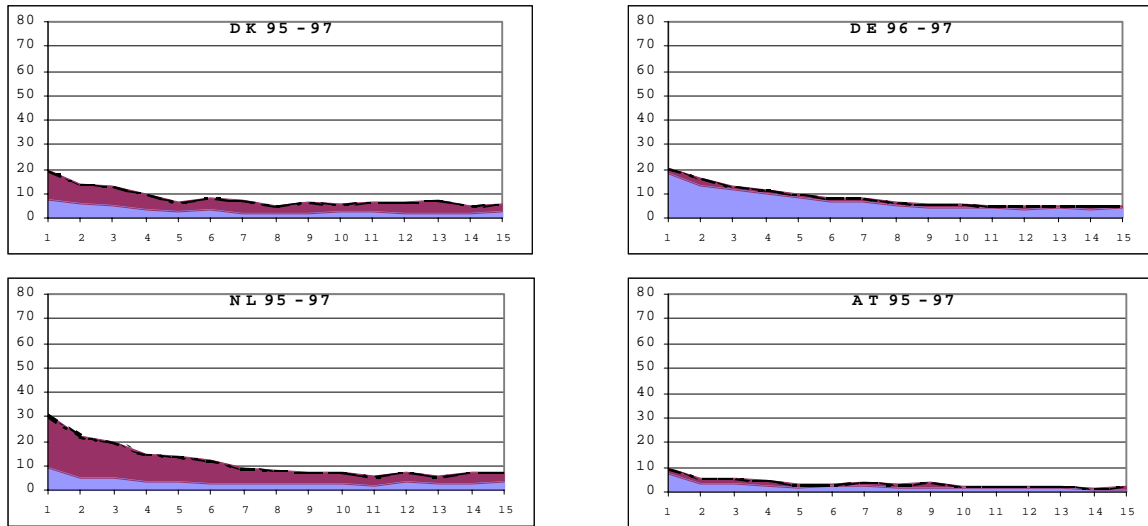
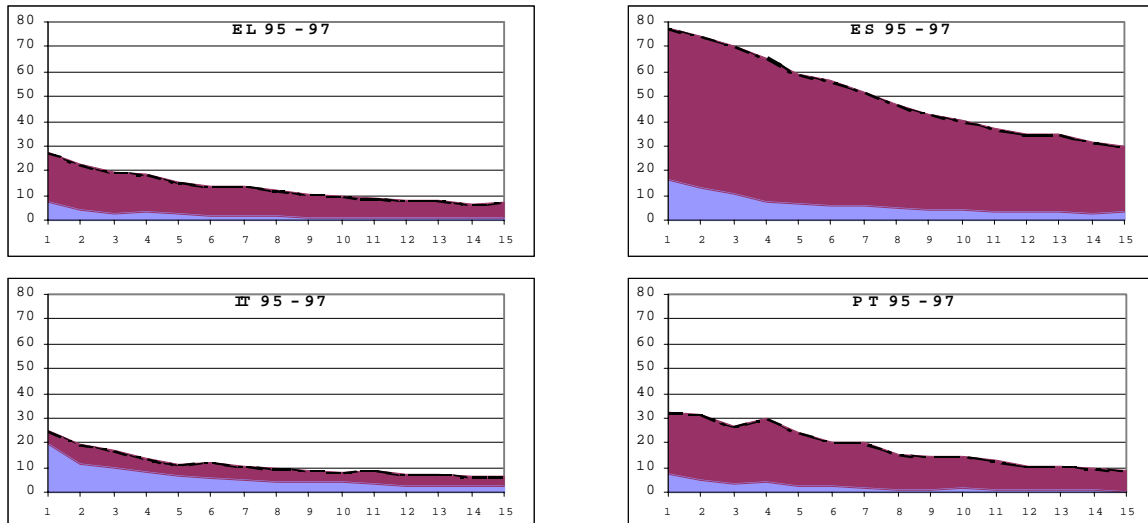
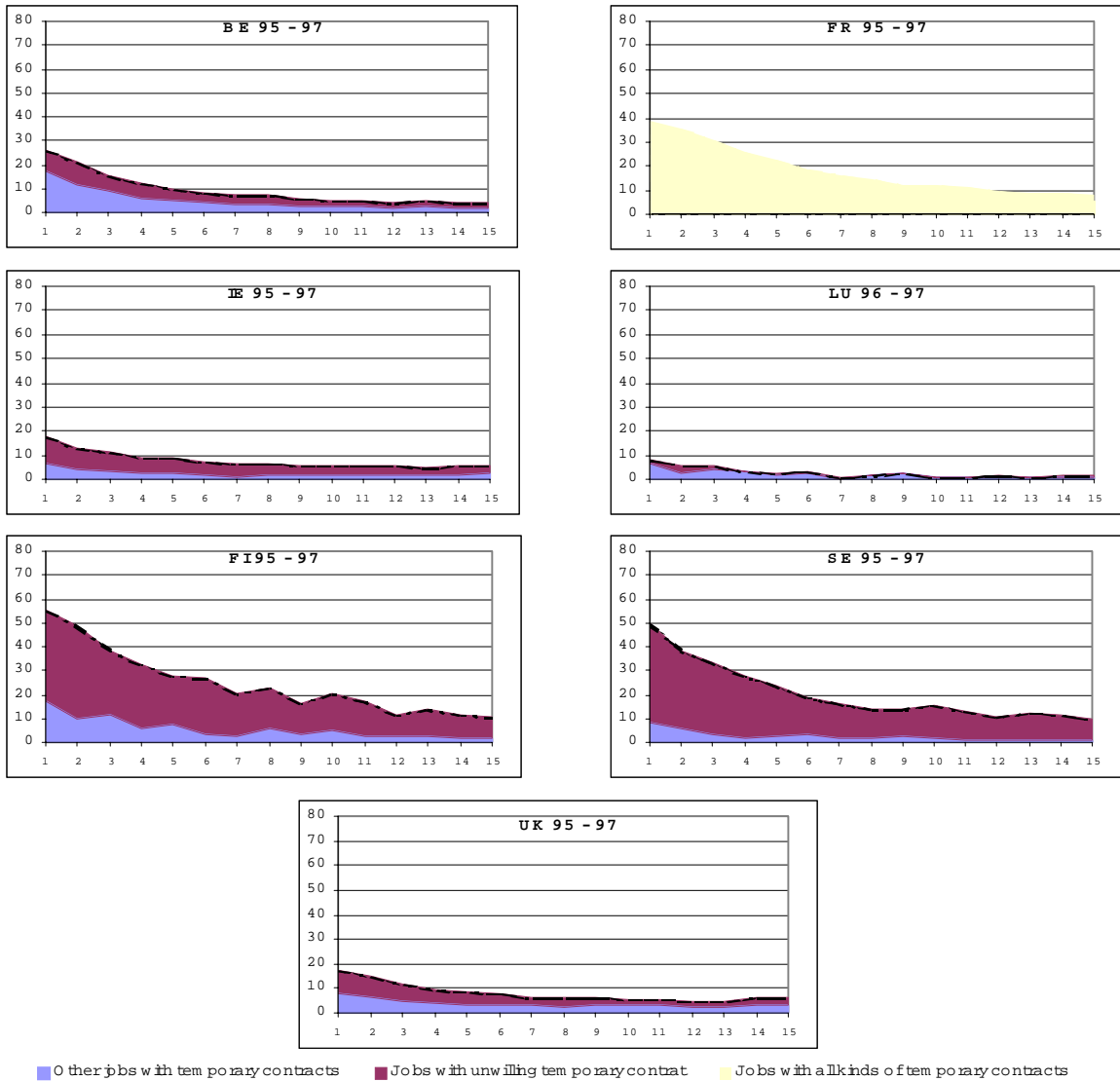


Figure 10b: Southern countries



■ Other jobs with temporary contracts ■ Jobs with unwilling temporary contract ■ Jobs with all kinds of temporary contracts

Figure 10c: Other countries



Figures 11: Part-time contracts and years of experience on the labour market among employees

Figure 11a: “OLM-type” countries

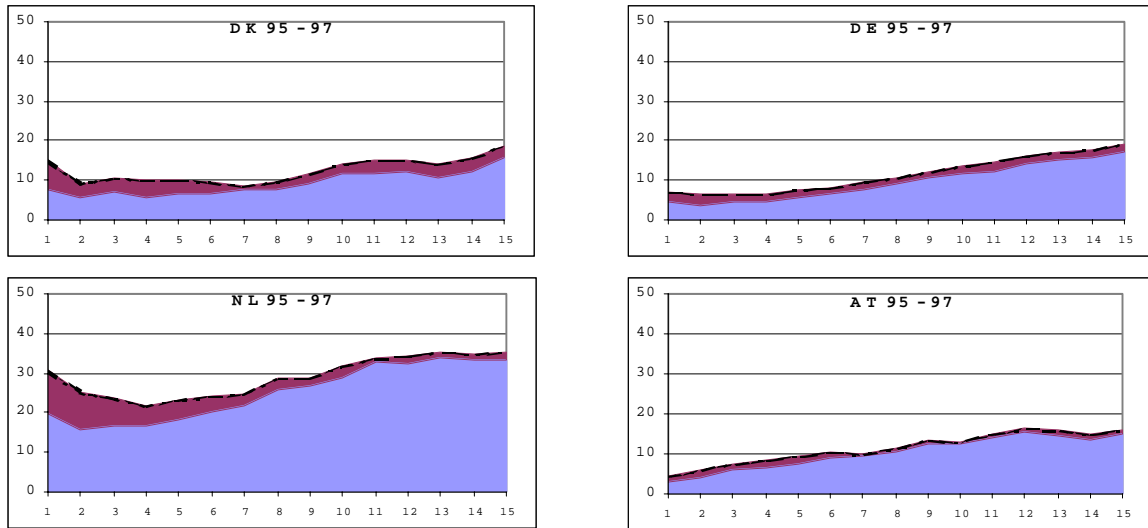
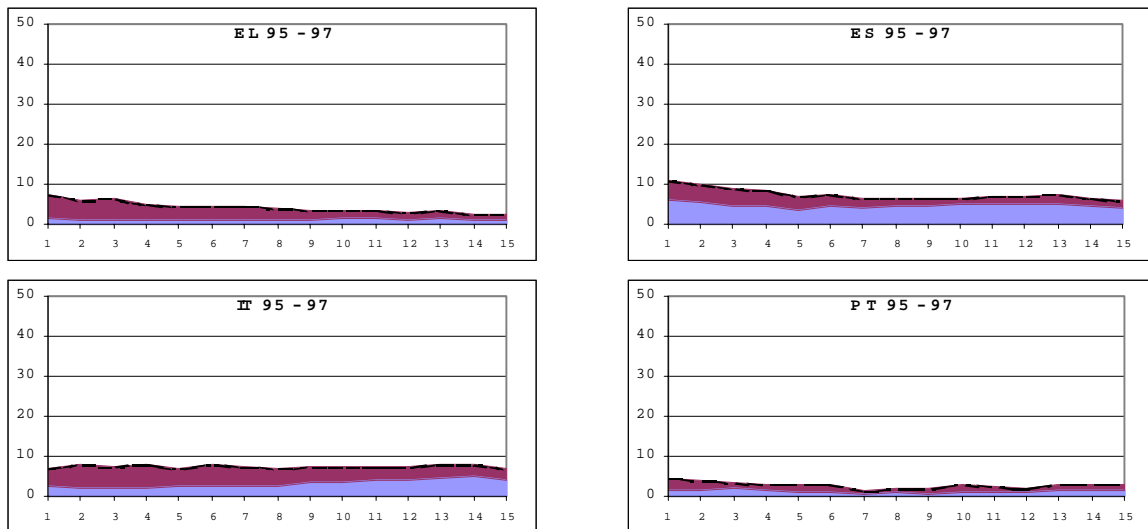


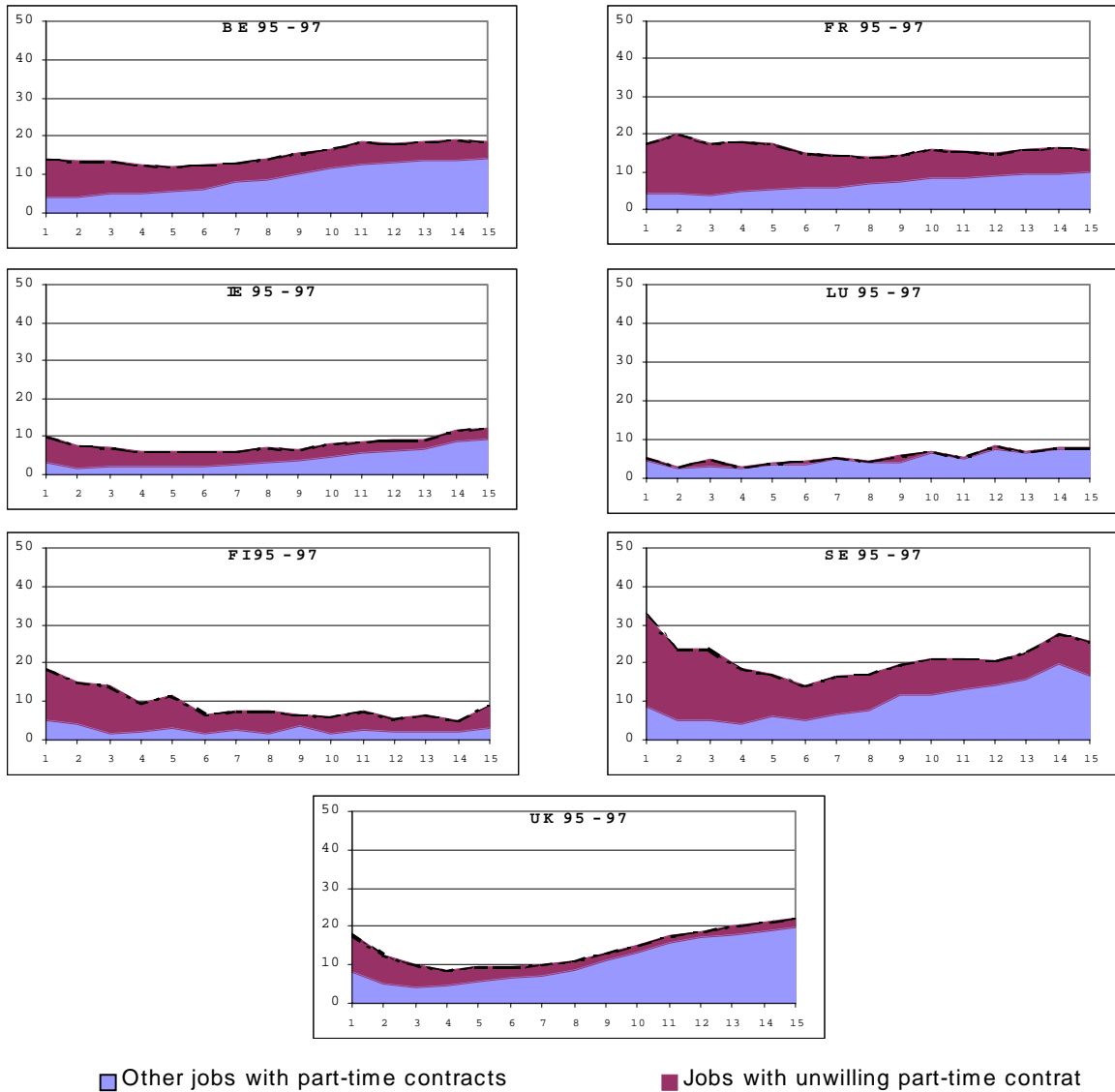
Figure 11b: Southern countries



■ Other jobs with part-time contracts

■ Jobs with unwilling part-time contract

Figure 11c: Other countries



Part-time jobs and new entrants: a link structured by the involuntary dimension of the labour relationship

As for temporary contracts, the extent of part-time jobs is fairly dependent on national context. Commonly used in northern countries (Denmark, the Netherlands and Sweden), they are more unusual in southern countries (Portugal, Greece and Spain). However, their impact on new entrants' situation differs from that of temporary contracts. The trend is rather the reverse; the level of part-time jobs remains at least constant as experience grows, and in fact generally increases with the accumulation of experience (Figure 11). In some countries, where they are extensive, their frequency according to experience shows a U-shaped curve with first a slight decrease and then a recovery. As a result, part-time jobs as a whole do not present a specific-dependent link with labour market outcomes for new entrants.

Introducing the subjective involuntary dimension of such a relationship leads us to modify our results. These kind of part-time jobs vary in their prevalence across countries. Almost absent in Luxembourg and Austria, they reach their maximum level in France, Sweden and Finland. In countries with a significant initial level of involuntary part-time work, its level declines with experience. Moreover, as experience increases, the decrease in involuntary part-time jobs is balanced by the increase in other kinds of part-time jobs.

Quality and characteristics of jobs: which occupations and companies for new entrants?

Apart from the specific features of employment access and employment conditions, companies allocate new entrants to specific activities. First, companies that choose to hire new entrants have specific features. Second, the positions held by new entrants within companies are somewhat distinctive. The way employers reward the qualifications achieved by new entrants is a third issue.

Companies: private individual services and business services are the most favourable economic activities for new entrants

The main issue about companies hiring new entrants is to determine whether or not they have particular recruitment policies. If it is so, companies open to new inexperienced workers may be differentiated from the others. As a result, new entrants should be concentrated in a specific type of companies. However, it is important to keep in mind that the available information (CLFS) is basically stock data. It means that shifts in the national structure of companies cannot be taken into account.

First, the industrial allocation of juniors shows some convergent features across EU countries (table 3). Tertiary activities appear to be dominant in all countries while agriculture has a reduced impact in most of them. Among tertiary activities, wholesale and retail trade has a strong impact. Nevertheless, national peculiarities are numerous. The most striking examples can be summarised briefly. Agriculture is important in Greece while industry is most developed among working juniors in Italy, Portugal and Ireland. Financial services are well developed in Luxembourg. Health services have an important weight in Sweden, Denmark, Finland and the Netherlands. These examples clearly show that the economic activity of companies hiring juniors partly reflects the national structure of economic activities.

Table 3: Structure of economic activities for juniors - average 95-97

Economic activities (Nace)																%
	DK	DE	NL	AT	EL	ES	IT	PT	BE	FR	IE	LU	FI	SE	UK	EU 15
Agriculture	3	2	4	3	12	5	7	5	2	3	5	3	4	2	2	4
Industry (excluding construction)	21	22	15	23	16	21	36	30	22	21	27	10	24	22	21	23
Construction	5	9	7	9	6	10	9	13	7	5	7	9	4	5	6	8
Wholesale & retail trade	17	14	22	20	24	19	18	15	16	17	17	17	14	17	19	18
Hotels & Restaurants	3	4	4	8	9	7	6	6	5	5	8	5	4	7	7	5
Transport & communication	6	4	5	5	4	3	2	3	6	4	2	5	5	6	5	4
Financial services	3	5	4	3	3	3	2	2	4	3	4	14	1	2	6	4
Business activities	9	8	12	6	7	9	7	7	9	13	8	8	8	11	10	9
Public administration	6	10	6	5	5	4	3	4	6	6	3	11	4	3	4	6
Education	6	5	4	5	7	6	2	7	10	7	5	6	10	5	4	5
Health	16	10	13	7	3	5	3	4	11	9	7	8	15	17	8	8
Other service activities	4	5	4	5	6	7	5	5	4	6	6	5	6	4	6	6
All	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Eurostat, LFS

Indeed, once the national structure is taken into account, the pattern shifts somewhat. Table 4 shows the relative concentration of juniors across different economic activities. The index is calculated by comparing the share of juniors in a specific economic activity with their share in total employment. The results strengthen our initial impression of convergence among countries although they indicate that different economic activities play an important role in juniors' employment. By and large, private individual and business services appear to have a dominant role. Hotels and restaurants have the highest degree of over-representation of juniors, followed by business activities, wholesale & retail trade and financial services. On the other hand, agriculture, transport & communication, public administration and Education are under-represented activities in juniors' employment. Industry, construction and health show a balanced representation of juniors. Some converging trends among EU countries emerge: under-representation of juniors in agriculture for almost all the countries and general over-representation in hotels & restaurants. Industry, construction, education and financial services display more diversity across Europe. Further analysis taking account of internal business cycle of economic activities would partly help to explain such variations. For example, the period of 1995 to 1997 was one of a booming business cycle in Ireland, especially in manufacturing industry.

Table 4: relative concentration of juniors in economic activities - average 1995-1997

Economic Activities	DK	DE	NL	AT	EL	ES	IT	PT	BE	FR	IE	LU	FI	SE	UK	EU 15	Ratio EU-15
Agriculture	-	--	=	---	--	--	=	---	--	--	---	-	--	--	-	--	0,69
Industry (excluding construction)	=	-	-	=	=	=	++	++	=	=	++	--	=	+	=	=	1,06
Construction	-	=	=	+	=	=	=	++	=	-	-	=	--	-	-	=	0,98
Wholesale & retail trade	+	=	++	+	++	+	=	=	=	+	+	+	+	++	+	+	1,16
Hotels & Restaurants	+	+	+	++	+++	+	++	+	++	+++	++	+	+++	+++	++	++	1,35
Transport & communication	-	-	-	-	--	--	---	--	-	--	--	-	-	-	-	-	0,73
Financial services	=	++	+	-	=	=	-	-	=	=	+	++	--	-	++	+	1,12
Business activities	+	+	+	=	+++	+++	+	+++	++	++	++	++	=	+	=	+	1,26
Public administration	=	+	-	-	--	--	---	--	--	--	---	-	-	---	-	-	0,77
Education	-	=	--	-	+	+	---	=	=	=	-	=	++	--	--	-	0,78
Health	=	+	=	=	-	=	--	-	=	-	-	=	=	-	-	=	0,91
Other service activities	-	=	-	+	+	=	=	=	-	=	=	=	+	-	+	=	1,00

Source: Eurostat, LFS

Reading guide :

= if the ratio between the share of juniors in the economic activity and the share of juniors in all the economic activities is between 0,9 and 1,1.

+ if the ratio is between 1,1 and 1,3.

++ if the ratio is between 1,3 and 1,5.

+++ if the ratio is over 1,5.

- if the ratio is between 0,7 and 0,9.

-- if the ratio is between 0,5 and 0,7.

--- if the ratio is under 0,5.

positive signs indicate an over-representation of juniors in economic activities, negative signs indicate an under-representation of juniors.

Beyond the focus of juniors' employment towards specific economic activities, the issue of an overall trend of concentration in specific businesses remains. Table 5 analyses an indicator of such a measure of concentration. It presents the coefficient of variation of juniors' share among economic activities. This coefficient equals the ratio of the standard deviation of juniors' share by its mean. The greater the coefficient, the wider is the dispersion of juniors' share across economic activities. A high value indicates a tendency of juniors to be concentrated in some economic activities while a low value conversely indicates that juniors are more widely spread out across economic activities. The results indicate significant variations between countries. On one side, Italy and Greece show a high degree of concentration relative to other countries. On the other side, Germany and Denmark show a low degree of concentration. This can be interpreted as a more open economy in the latter case and a more stratified economy with new entrants confined to certain economic activities in the former.

Table 5: Coefficient of variation of juniors' share across economic activities (all %)

	Standard deviation	mean of juniors share in the economic activity	Coefficient of variation - 1997
DK	2,0	14,0	17,7
DE	2,0	9,0	18,6
NL	2,0	9,0	21,6
AT	2,0	10,0	23,8
EL	3,0	9,0	37,9
ES	3,0	11,0	27,5
IT	4,0	9,0	42,6
PT	3,0	8,0	38,8
BE	2,0	10,0	23,6
FR	2,0	8,0	28,0
IE	5,0	15,0	35,5
LU	3,0	9,0	32,9
FI	2,0	9,0	25,3
SE	3,0	8,0	38,6
UK	2,0	9,0	28,1

Source: Eurostat, LFS

Having taken a look at the profile of companies hiring them, the focus is now on the occupations new entrants hold.

Occupations: the importance of service workers and sales workers for new entrants

The main issue raised by the occupational structure of new entrants' jobs relates to potential occupations. Does the integration process imply open or closed occupations to new entrants? The national occupational structure of employed juniors, using the ISCO classification, appears to be largely influenced by economic activities (table 6). Although there is no strict correspondence within companies between their economic activity and their occupational positions, the links are quite strong. Two examples show the existence and the limits of such links. In Greece, agricultural activity represents 12% of juniors' employment, while skilled agricultural workers are at the same level. We have earlier pointed out that industry is the most developed in Italy, Portugal and Ireland among working juniors. We now observe that blue collar groups (ISCO 7 to 9) are the most developed in Italy and Portugal, followed by Ireland, Spain, Austria and Sweden. The three latter countries nevertheless have a less significant share of manufacturing industry activity. Nevertheless, national occupational structures show wide variations from one country to another. The relative importance of upper white collar groups (technicians, professionals and managers, ISCO 1 to 3) varies dramatically between Italy (16% of juniors' jobs) and Finland (43%). However, these variations again partly reflect the differentiation of the overall occupational structure.

Table 6: Structure of occupations for Juniors - average 1995-1997

Occupations (ISCO-88, first digit)	DK	DE	NL	AT	EL	ES	IT	PT	BE	FR	IE	LU	FI	SE	UK	EU 15
1=Managers	4	2	4	3	4	2	0	2	6	5	4	2	5	1	8	4
2=Professionals	16	17	15	9	13	17	5	13	25	14	17	20	26	14	11	14
3=Technicians & associated professionals	17	21	19	12	7	7	11	9	10	19	4	16	12	14	9	14
4=Clerks	14	14	15	16	14	12	15	10	16	16	17	20	5	11	23	16
5=Service workers & sales workers	18	14	17	20	24	19	18	16	13	15	22	15	16	23	19	17
6=skilled agricultural workers	2	1	2	2	12	2	2	2	2	3	2	3	3	1	1	2
7=Craft & related trades workers	12	20	12	25	16	14	28	30	14	11	17	15	16	13	12	17
8=Plant & machine operators & assemblers	7	5	7	7	5	8	11	5	7	9	8	4	10	14	7	7
9=Elementary occupations	10	6	8	6	5	17	8	13	7	7	9	7	7	10	10	9
All	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Eurostat, LFS

If the relative concentration is examined (Table 7), they are found to be concentrated in two occupational groups - service workers and sales workers. Clerks and professionals represent two groups open to juniors, except in some countries (Italy for instance). Conversely, juniors

are strongly under-represented among skilled agricultural workers and managers and, to a lesser extent, the machine operators and assemblers group. Other groups (technicians, craft workers and elementary occupations) have a more balanced representation of juniors at the European level. However, national comparisons reveal a high degree of differentiation between countries in these groups. The national summaries show impressive contrasts between countries. Besides Denmark showing the least marked variation of juniors in the occupational structure, Italy and France present two contrasting patterns. Juniors are over-represented in blue-collar groups (apart from elementary occupations) in Italy but under-represented among these groups in France. Conversely, French upper white collar positions (apart from managers) represent an important outlet for juniors while such positions are more or less closed to them in Italy.

Table 7: Relative concentration of juniors in occupations - average 1995-1997

Occupations (ISCO 88)	DK	DE	NL	AT	EL	ES	IT	PT	BE	FR	IE	LU	FI	SE	UK	15	EU-15
1=Managers	--	---	---	---	---	---	---	---	--	--	---	---	--	---	--	---	0,46
2=Professionals	+	++	=	-	=	+++	---	+++	++	++	=	++	++	=	-	+	1,11
3=Technicians & associated professionals	=	=	=	=	+	=	-	-	=	+	=	=	-	--	=	=	0,99
4=Clerks	=	=	+	+	+	+	=	=	=	+	+	+	--	=	++	+	1,14
5=Service workers & sales workers	+	+	++	+++	+++	++	+	+	++	+	+	++	+	++	++	+	1,28
6=skilled agricultural workers	-	--	++	---	--	---	--	---	--	--	---	=	---	---	-	--	0,55
7=Craft & related trades workers	=	=	+	++	=	-	++	++	=	-	++	=	+	=	=	=	1,06
8=Plant & machine operators & assemblers	-	--	=	-	--	-	+	-	-	-	-	---	+	+	-	-	0,83
9=Elementary occupations	-	--	=	--	-	+	-	+	-	=	=	--	-	+++	+	=	0,93

Source: Eurostat, LFS

Reading guide :

= if the ratio between the share of juniors in the occupational group and the share of juniors in all the occupations is between 0,9 and 1,1.

+ if the ratio is between 1,1 and 1,3.

++ if the ratio is between 1,3 and 1,5.

+++ if the ratio is over 1,5.

- if the ratio is between 0,7 and 0,9.

-- if the ratio is between 0,5 and 0,7.

--- if the ratio is under 0,5.

positive signs indicate an over-representation of juniors in occupational groups, negative signs indicate an under-representation of juniors.

More about the Links between the ETS and the LM: some insights on the importance of educational attainment in the transition from school-to-work

Until now, we have focused on the general patterns of labour market entry in the EU countries, restricting the contribution of educational background to the issue of the biographical timing of leaving ETS. This has led us to neglect the importance of educational attainment. Here we want to briefly outline some individual effects of educational attainment in the school-to-work transition. We focus only on a few indicators to stress the key role of education in LM outcomes. Firstly, we study the impact of educational attainment on unemployment risks. Secondly, the mobility between jobs and unemployment is presented. Thirdly, we concentrate on the returns to educational qualifications across occupations.

Unemployment by level of education attained

Introducing the educational attainment of new entrants in the analysis of the unemployment risk by labour market experience yields a more scattered picture than is evident at a more general level (Figure 12). Three configurations emerge in relation to the impact of the two dimensions. The first one is mainly ruled by the dominant effect of educational level attainment and a corresponding residual effect of experience on the unemployment rate. Conversely, the second is mainly characterised by the influential role of LM experience in conjunction with a weakened qualification effect while the third is influenced by both dimensions. Austria, the Netherlands, Denmark and somewhat Germany belong to the first configuration. They show stratified levels of unemployment by educational level attained, fairly independently of accumulated experience. Italy and Greece are the most representative countries of the second group. They show declining levels of unemployment as experience increases with a rather blurred distinction between ISCED levels. Other countries are more or less close to the third configuration combining the two effects. Belgium, France, Ireland, Sweden and United Kingdom are the most typical countries within this group. They show declining, well-differentiated unemployment rates by ISCED level as experience increases.

Figure 12: Observed Unemployment Rate and Adjusted Unemployment Rate according to years of LM experience and ISCED level
 $(U=1/(1+\exp(a+b_1T+b_2E+b_3E^2+b_4TE+b_5TE^2)))$ with T= Training level and E=LM experience

Figure 12a: “OLM-type” countries

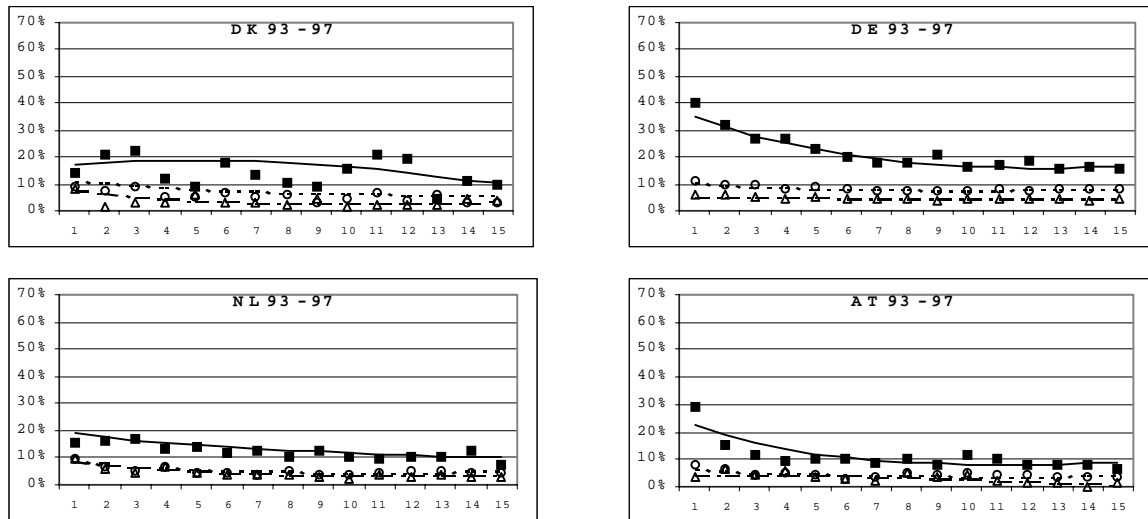
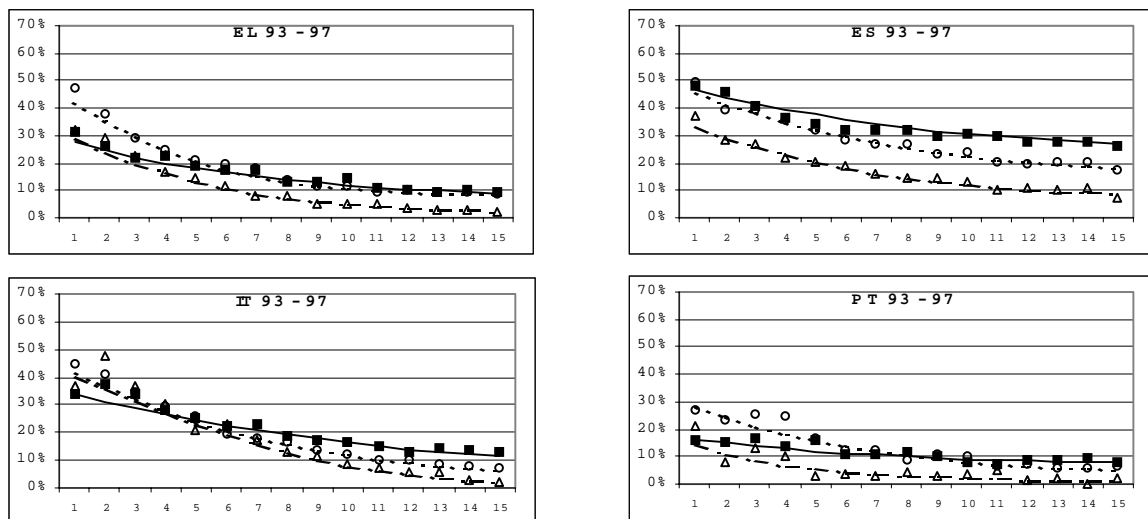


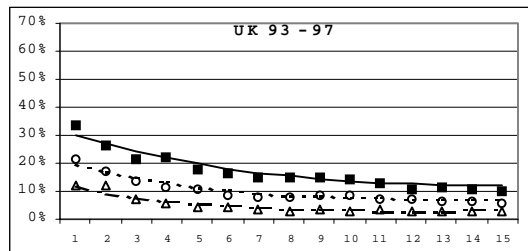
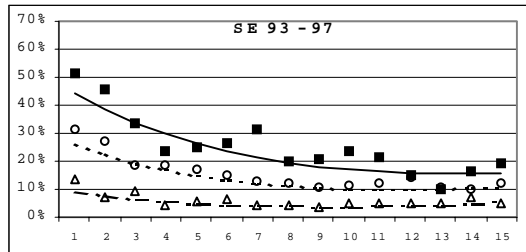
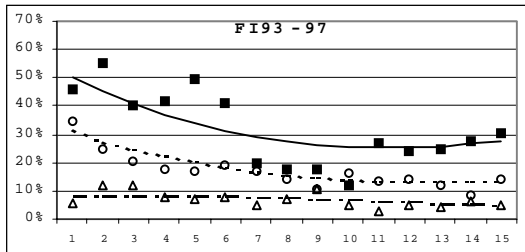
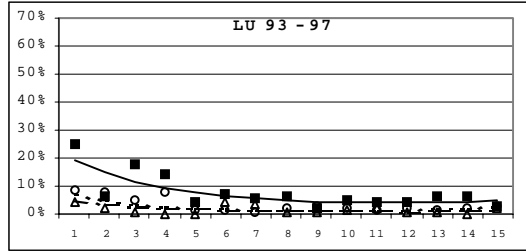
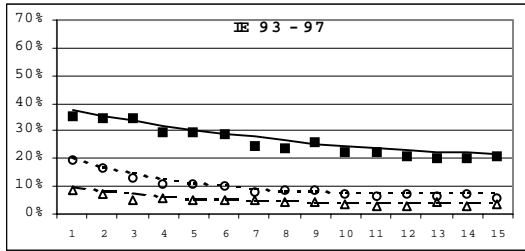
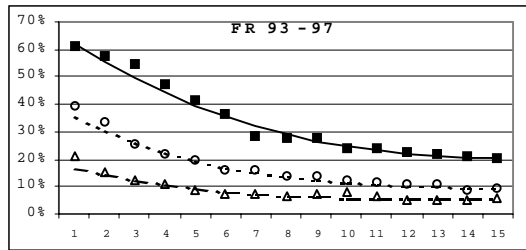
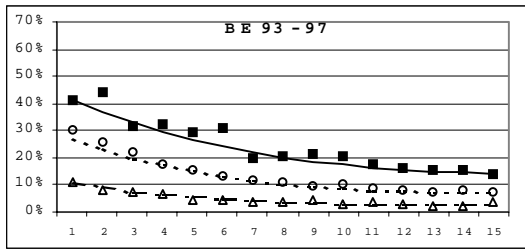
Figure 12b: Southern countries



Observed U rate (Isced 0-2)
 Adjusted U rate (Isced 0-2)
 Observed U rate (Isced 3)

Adjusted U rate (Isced 3)
 Observed U rate (Isced 5-7)
 Adjusted U rate (Isced 5-7)

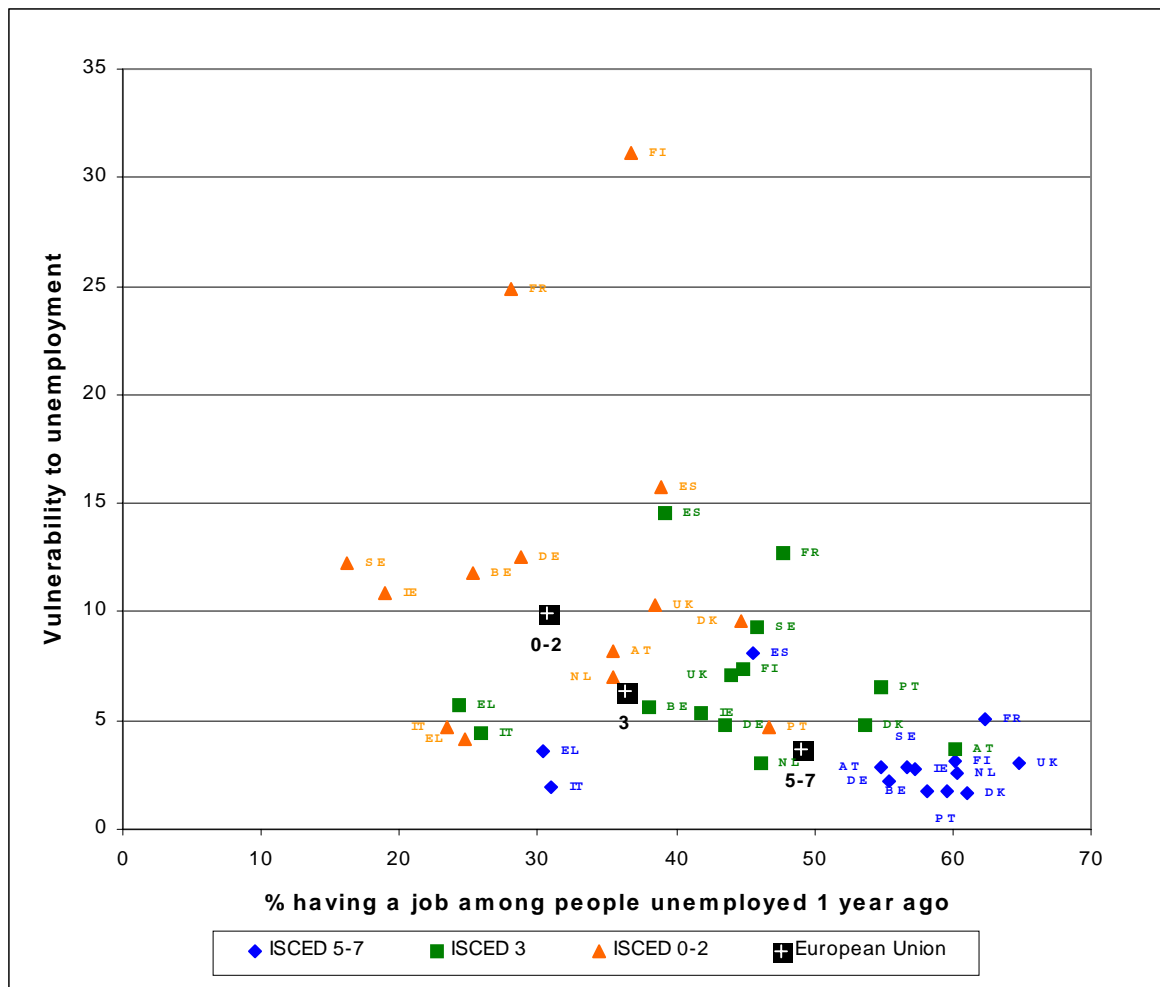
Figure 12c: Other countries



Observed U rate (Eced 0-2)
 Adjusted U rate (Eced 0-2)
 Observed U rate (Eced 3)

Adjusted U rate (Eced 3)
 Observed U rate (Eced 5-7)
 Adjusted U rate (Eced 5-7)

Figure 13: Transitions from employment to unemployment and from unemployment to employment for Juniors, by ISCED



Mobility between unemployment and employment by level of education attained

Going back to the analysis of the mobility between unemployment and employment, vulnerability to unemployment declines, and employment prospects for the unemployed increase with the level of qualification (Figure 13). It confirms the hierarchy of unemployment risks previously established. Moreover, this outcome is evident for most of the countries at the highest level of qualification. Only two countries show very different profiles. Italy and Greece are characterised by very little differentiation between education levels in risks and prospects with relative independence between these LM outcomes and qualification attainment inside the ETS.

Occupational returns to qualifications

The returns to qualifications achieved inside the ETS are to be questioned. It deals with the way the grading of skills and qualification structures interact.

Establishing returns to qualifications necessitates having a measure of occupation payoff. Wages are a natural measure of such a payoff, but they do not represent the only relevant dimension of the rating of an occupation. Besides work conditions (including job stability and possible hourly constraints among others) occupations are ranged on a social scale. Different ways have been developed in order to devise a graded structure of jobs based either on subjective valuation such as the prestige associated with the job (SIOP index) or on more objective criteria such as the socio-economic structure of the occupational group (International Socio-Economic Index or ISEI, see Ganzeboom and Treimann (1996) for the conversion of ISCO into ISEI). Given the availability of wages information for juniors in a limited set of EU countries (extracted from the Wages Structure Survey, 1995 from Eurostat), we have therefore two somewhat complementary measures of job payoff (Figure 14). The figure represents, for the two measures, the index calculated by relating the mean of the ISEI score (respectively wages) observed among a junior group of a given qualification level to the national mean observed among all workers. It shows that, in terms of the ISEI index, there is a sharp divide between juniors with higher education levels (ISCED 5-7) and other juniors. In some cases (Denmark, Germany, Austria, Ireland, Italy, Greece, Spain and Portugal) another less marked divide can be observed between juniors having achieved upper secondary education or

training (ISCED 3) and the others (ISCED 0-2). However, the wages analysis on available countries only partially confirms such results. Higher education is still associated with an improved payoff, but the gap is more or less reduced in all countries. Moreover, the high reward - above the national mean- measured by the ISEI score in Spain, Ireland, Italy and Greece is contradicted by the wages index. This leads us to conclude that even the occupational groups entered by higher educated juniors are highly ranked and differ from those entered by juniors from upper secondary education. As a consequence, their monetary payoff tends to be sharply reduced relative both to upper secondary juniors and to more experienced workers. On the opposite side, the Danish and Austrian monetary returns structure confirms the status (ISEI) returns structure being graded by ISCED level.

Figure 14: Index of Juniors' average wages and ISEI scores by level of education (100= national means among all workers)

Figure 14a : “OLM-type” countries

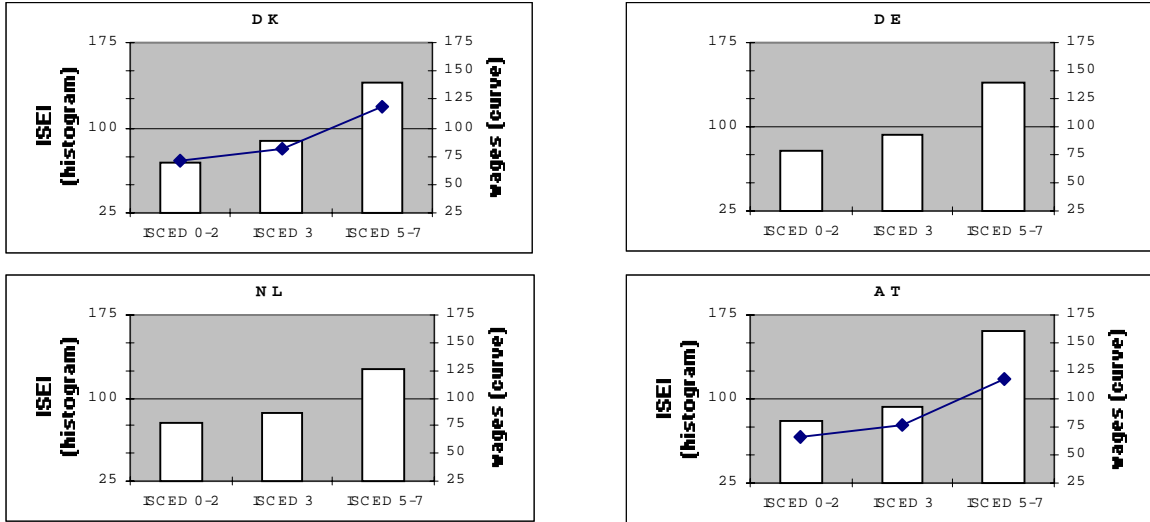


Figure 14b: Southern countries

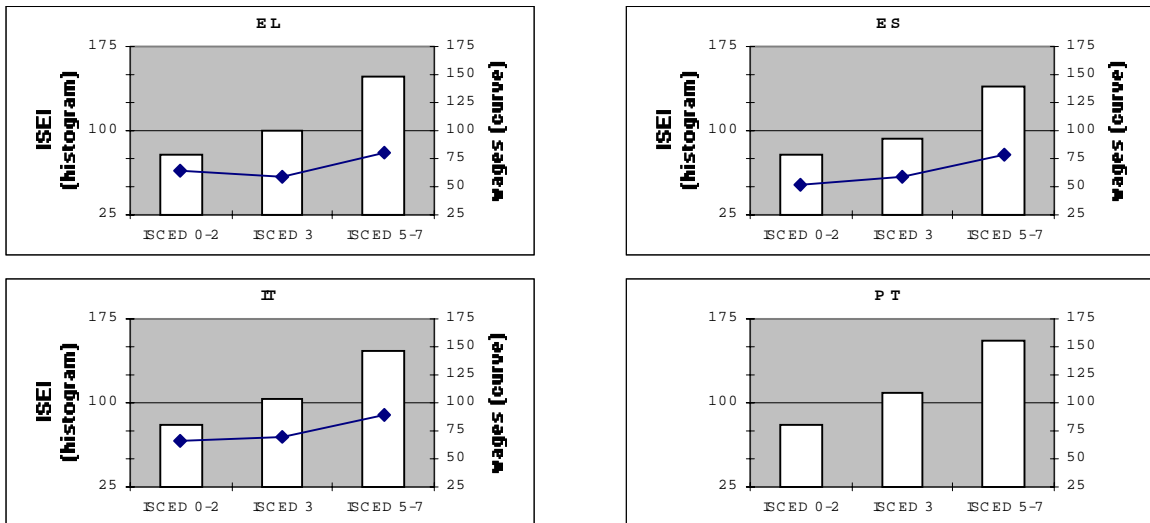


Figure 14c: Other countries

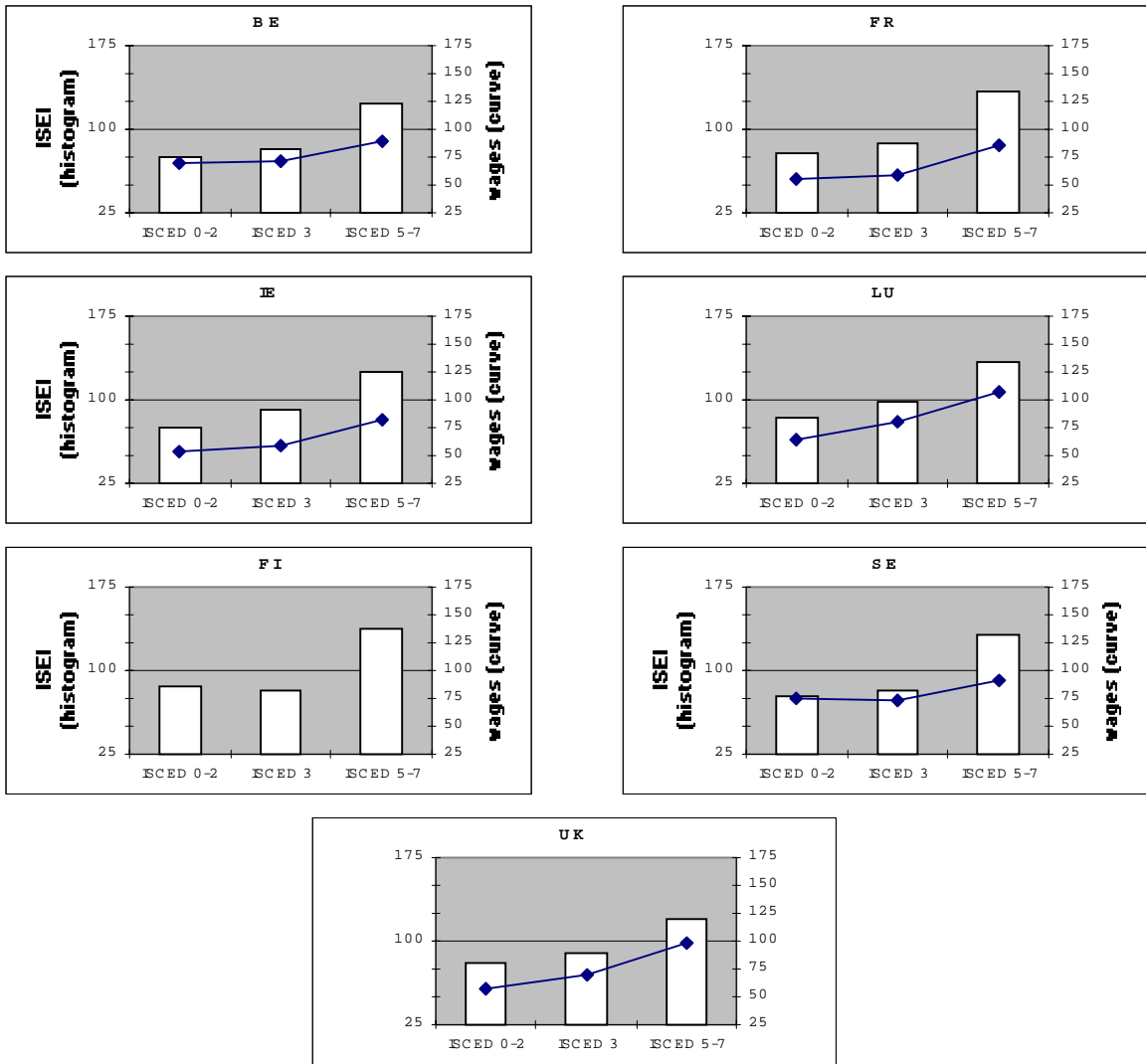


Figure 15: Average ISEI score by ISCED level and years of experience, average 1995-1997

Figure 15a: “OLM-type” countries

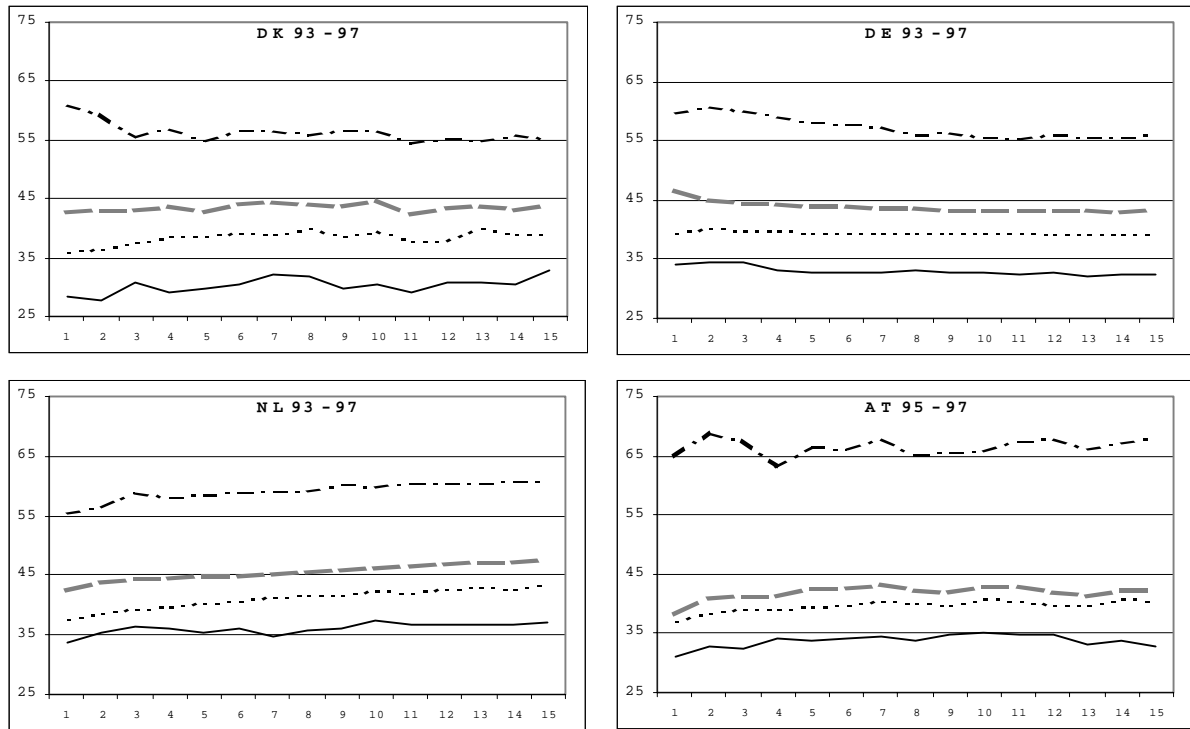


Figure 15b: Southern countries

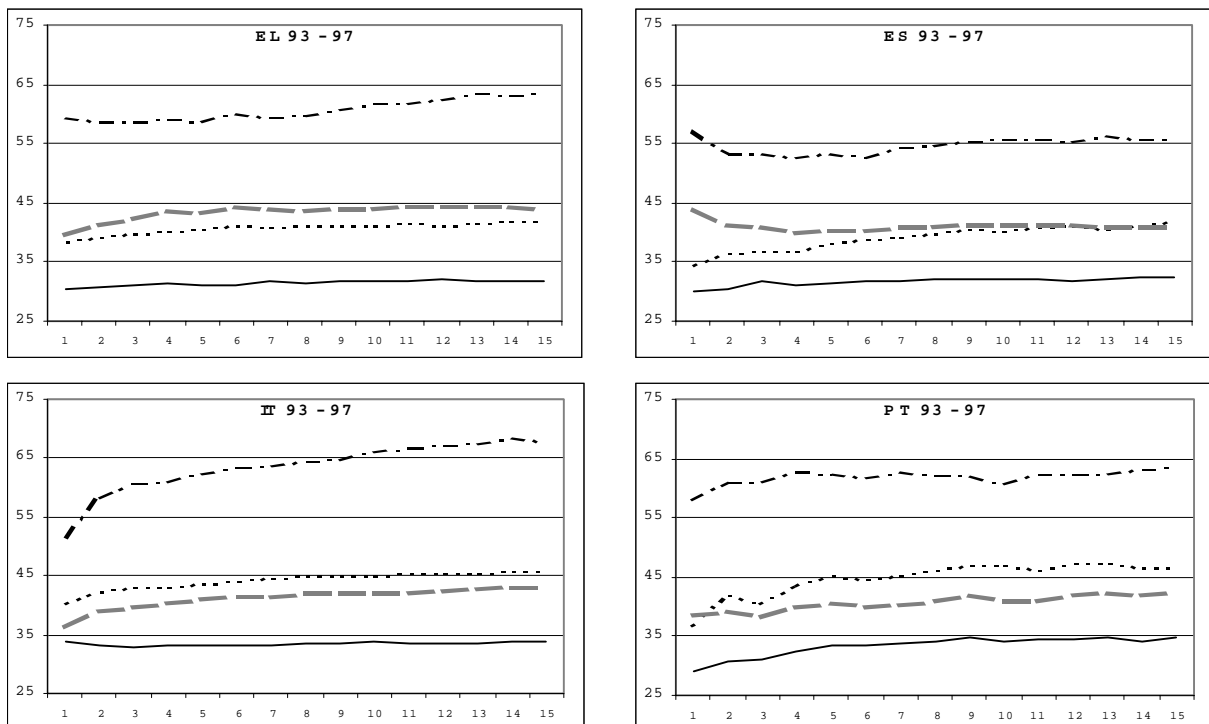
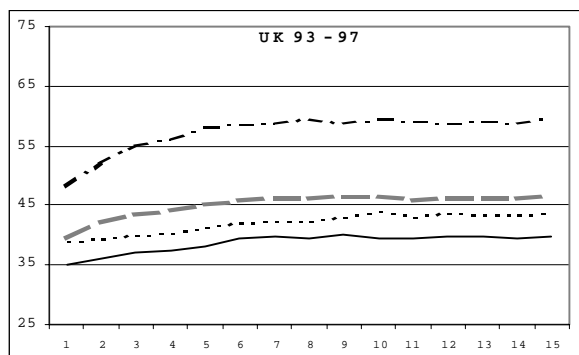
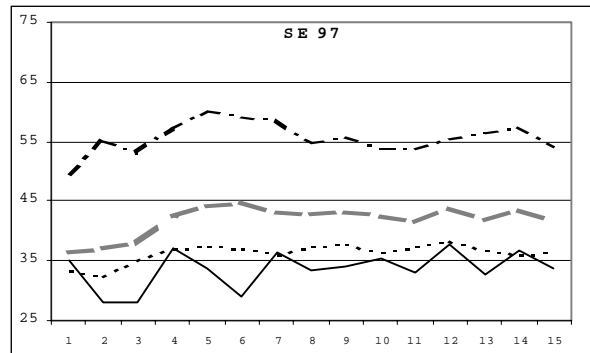
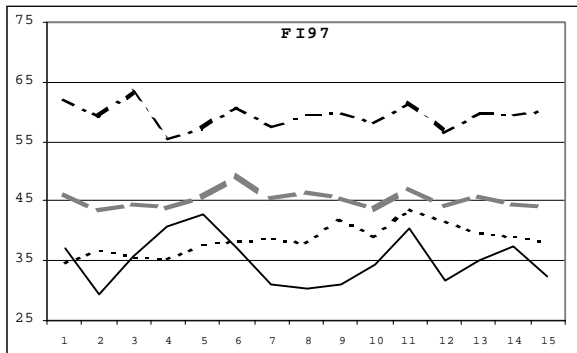
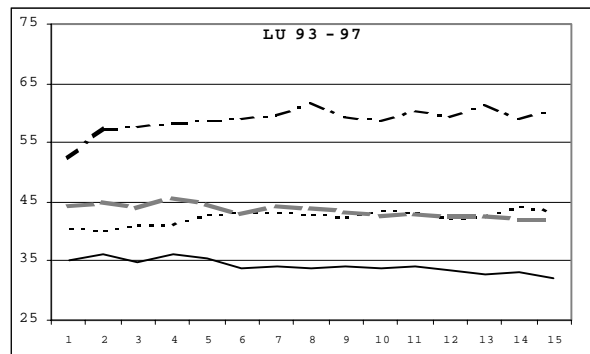
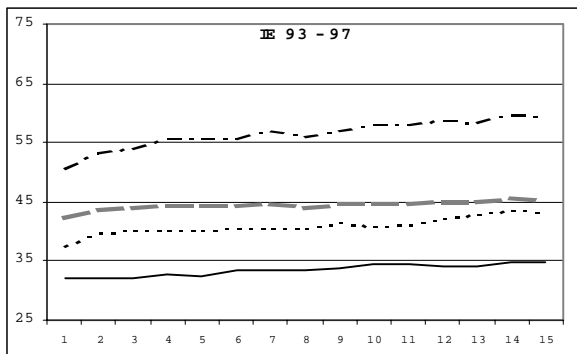
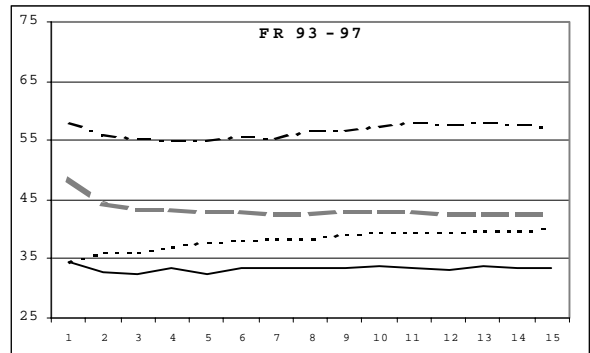
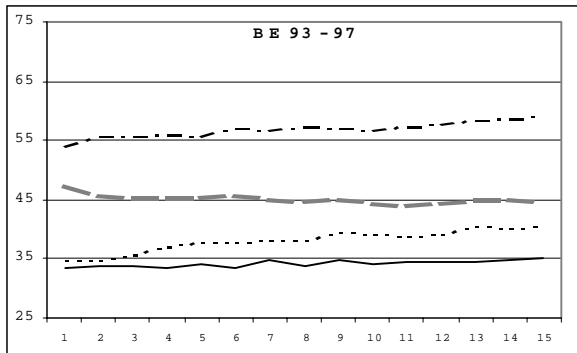


Figure 15c: Other countries



— ISCED 0-2 ISCED 3 - - - - ISCED 5-7 - . - . All ISCED

The cross-analysis of qualification returns by accumulated years of LM experience shows again the clear differentiation of qualifications returns according to the ISEI score (Figure 15). A common feature across all EU countries is the flatness of the ISCED 0-2 ISEI curve associated with very low levels of ISEI. This indicates the lack of possible promotion to more skilled occupations. However, distinctive profiles can be identified on the basis of ISCED 3 to 7 new entrants. First, several countries have flat slopes, an indication of the independence between ISEI grading and the process of experience accumulation among the qualification groups. Germany, Denmark, Austria and Greece exhibit this profile. Denmark and Germany are even atypical as a declining trend appears with the accumulation of experience for new entrants of ISCED 5-7 level. A fairly simple explanation can be proposed for that situation ; as soon as juniors of ISCED 3 level have accumulated a minimum number of years of labour experience, they obtain the opportunity to prepare a Technischer or Meister certificate and to attain a ISCED 5 level. Then they enter a new segment of the labour market to occupy technician positions with the lowest ISEI values among the upper white collar group. Meanwhile, juniors having left the initial higher education system with ISCED 6-7 have already entered the labour market where they have got occupations with a high ISEI score. The conjunction of the two groups results in a declining effect on the ISEI score. Other countries show profiles with a gradual upgrading of ISEI score for one or both new entrants groups. The United Kingdom and Ireland are clear examples of ISCED 5-7 upgrading, Spain represents the case of ISCED 3 upgrading while Italy shows a simultaneous, quite strong, rise of ISEI score for the two groups. In every case, there is an interaction between qualification returns and accumulated experience.

Conclusion

Here we have roughly outlined some characteristics of labour market outcomes that occur during the school-to-work transition. First, the specificity of transitory events, such as combined training-and-working situations or high unemployment, has been assessed. Second, the switch from youngsters to new entrants has highlighted the variable role of experience in labour market outcomes. Third, the differentiation of rewards by qualifications attainment

inside the ETS underlines the existence of strong links between the ETS and the economic system. Fourth, LM organisation proves to have an impact on the shape of LM outcomes for new entrants as shown by the differentiated role of legislation concerning work contracts. It raises some issues about the nature of the school-to-work transition.

The respective roles of experience and qualification raise the issue of interaction between new entrants' allocation on the labour market and the general organisation of employment relationships. Relations and competition between new entrants and more experienced workers indicated both common trends across Europe and specific national features linked to institutional arrangements. The variation of outcomes among the new entrants group led to similar conclusions.

Features of the national economic context have not been taken into account. As this paper has been mainly based on cross-sectional data (with a limited set of longitudinal information) summarised over a three-year span, it cannot describe the dynamics of the process. On the labour demand side, the state of the business cycle or the structural shift in labour demand have not been analysed. In the same way, structural changes in the labour supply such as demographic pressure or qualification shifts have not been dealt with.

The issue of the impact of national public policies on labour market has not been dealt with. There have been recently important changes in some countries. Unfortunately, CLFS prior to 1998 have too limited a set of information about such policy changes. Improvements in more recent data, including the 2000 transition module, will yield material for further analysis.

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Appendix A: the 'Juniors' as a proxy for 'new entrants' category

To construct a proxy for a new entrant category in EULFS, data are available on individuals' position relative to the ETS. First, the highest levels of general education and post-academic training attained are collected, as well as current situation concerning education and training. By drawing on the national educational contexts, we can try to reconstitute the typical ages of certification at the end of the main training routes existing in national educational systems. The quality of the match between typical and real age depends on:

- The precision of the information available on training programmes. The more the programmes are differentiated, the more precisely leaving ages can be attributed;
- The dissimilarity of behaviour among the individuals enrolled in these programmes in terms of passing exams, repeating a year, changing orientations and so forth;
- The multiplicity of possible routes amongst the different tracks and levels of training, which determines the number of possible paths to reach an exit point;
- The importance of going back to training and, more precisely, the ability to distinguish initial education and training from post-initial training.

There are numerous detailed sources of information on the organisation of training programmes in the different countries of the European Union (cf. Eurydice database⁶). To establish typical ages of certification, the OECD has analysed in each country about ten different programmes (OECD 1998). Using this information, one can calculate the typical age of certification for individuals in the European Labour Force Surveys. We assume that the certification age corresponds to the leaving age of the ETS⁷. The information is crossed with the observed age in order to calculate the expected length of time elapsed since the diploma was obtained. Different categories of individuals may thus be identified. First of all, the '*trainees*', which include individuals who are still in a training program depending on the ETS (including alternance training programmes with the training course taking place in an

⁶ At www.Euridyce.org

⁷ An assumption that doesn't take into account the issue of drop out.

establishment of the ETS), whether or not they are in the labour force or in employment⁸. Second, the '*juniors*', who represent individuals who obtained their diploma less than 5 years previously.⁹ Third, the category of '*seniors*', sometimes split in sub-categories, which corresponds to individuals whose diploma was achieved more than five years previously.

This leads to a distinction between two categories of young people with specific statuses in the school-to-work transition process: first, the trainees, then the juniors. We will focus here on the latter as the previous is treated elsewhere.

Table 1 : Typical ages of leaving the ETS according to levels of diploma, based on typical ages of preparation to the final certificate, collected by OECD

	ISCED 0-1	ISCED 2	ISCED 3 (upper secondary)				ISCED 5 higher non university diploma	ISCED 6 university diploma	ISCED 7 post university diploma
			by single course in ...			par double course in general education and vocational training (a)			
			general education	school-based vocational training	alternated vocational training				
'OLM-type' countries									
Denmark	16	19	20	21	21	23	24	26	31
Germany	18	18	19	19	19	22	21	26	28
Netherlands	18	18	19	19	20	20	-	24	27
Austria	15	17	18	18	19	19	21	24	26
Southern countries									
Greece	15	18	19	19	-	-	21	23	27
Spain	16	17	18	17	18	19	20	22	27
Italy	15	18	19	18	-	19	21	23	25
Portugal	15	16	17	18	18	18	22	23	26
Other countries									
Belgium	18	18	18	19	19	-	22	23	27
France	16	17	18	19	19	20	21	21	26
Ireland	15	17	18	18	18	19	20	22	24
Luxembourg	15	18	19	19	19	-	22*	23*	26*
Finland	16	18	19	19	19	21	23	24	28
Sweden	16	18	19	19	-	-	21	23	27
U-Kingdom	16	17	18	18	18	-	20	21	24

Source : inspired from *Education at a glance* OECD, Annexe 3.

(a) school-based or alternated

* : estimation based on neighbouring countries values as students attend higher education out of Luxembourg.

⁸ with a restriction on age : from 15 to 35 years-old.

⁹ Thus, their age cannot exceed the maximum typical age by more than 5 years. Again there is a restriction on age, from 15 to 35 years-old.

As already mentioned in the second chapter, the structure of educational attainment among juniors varies strongly across EU countries. Almost every kind of profiles exists, from Spain, Portugal and Italy which have dominant ISCED 0-2 juniors to Belgium where the junior group with ISCED 5-7 is the largest group. Between them, Germany, Denmark, Austria, Finland and Sweden have dominant ISCED 3 levels. As a result, the average age of juniors at the time of the survey differs from one country to another. It is low for Portugal (17.1 years) and goes up for Denmark (22.2 years).

Table 2 - Juniors by level of education and training attained and their average age at the time of leaving ETS

	Juniors				Juniors average age at the time of leaving ETS (years)
	ISCED 0-2 (%)	ISCED 3 (%)	ISCED 5-7 (%)	Total (%)	
'OLM-type' countries					
Denmark	19	53	28	100	22.2
Germany	15	57	28	100	20.8
Netherlands	23	47	29	100	19.6
Austria	16	75	9	100	18.8
Southern countries					
Greece	26	53	21	100	19.1
Spain	47	16	37	100	19.3
Italy	52	41	7	100	18.3
Portugal	63	17	20	100	17.1
Other countries					
Belgium	23	36	42	100	19.7
France	18	46	36	100	20.2
Ireland	25	39	36	100	18.7
Luxembourg	36	36	28	100	19.2
Finland	17	52	31	100	20.9
Sweden	18	62	19	100	19.2
U-Kingdom	39	37	25	100	18.2
EU	32	43	25	100	19.4

Source: Eurostat - CLFS, 1995 to 1997