

Youth transitions and job quality: How long should they wait and what difference does the family make?

Filandri, Marianna; Nazio, Tiziana; O'Reilly, Jacqueline

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9

YOUTH TRANSITIONS AND JOB QUALITY

HOW LONG SHOULD THEY WAIT AND WHAT
DIFFERENCE DOES THE FAMILY MAKE?

Marianna Filandri, Tiziana Nazio, and Jacqueline O'Reilly

9.1. INTRODUCTION

Much attention has been devoted to the issues of job quality, the effects of prolonged unemployment, and the influence of families on youth transitions, whereas very little has been given to date to examining the interrelationship between these dimensions. In this chapter, we explore the effects of both persistent unemployment and employment continuity on the likelihood of obtaining a good-quality job 3 years after acquiring a secondary or tertiary educational qualification. We are also interested in understanding how family of origin affects these strategic transitions for young people in Europe. Specifically, we examine the following questions:

1. Does a longer period in unemployment lead to accessing a better job?
2. Does employment continuity influence the chances of accessing a better job?
3. Does a bad entry job lead to more adverse employment outcomes later?
4. How does the social class of the family of origin mediate young people's labor market outcomes?

European countries differ significantly in their labor market institutional settings (particularly in terms of “youth transition regimes”; see Hadjivassiliou et al., this volume) and also with regard to the effects of the Great Recession on employment and unemployment (particularly in terms of differences between young people and prime-age individuals; see Flek, Hála, and Mysíková, this volume). Our main hypothesis is that the mechanisms that enable young people to pursue a successful strategy for securing good employment outcomes in the long term (3–5 years after acquiring an educational qualification) are similar across countries. More precisely, the features of a “successful strategy” are similar across countries, notwithstanding their institutional specificities (youth transition regime, labor market settings, welfare systems, etc.) and their macroeconomic conditions. We also hypothesize that the family of origin has a strong influence on its children’s employment outcomes and that the effects of the family social background are similar across countries. Families from the upper social classes should be better able to secure successful employment outcomes for their offspring, not only by making higher investments in their education but also by guiding them toward pursuing more effective employment strategies.

We explore such strategies by testing whether experience of unemployment or of discontinuity in employment, or a certain type of entry job, at the time when young people complete a level of education reflects on the occupational conditions (pay, skill levels, or both) they achieve in employment 3 years later. Using monthly employment-status data from the 2005–2012 longitudinal waves of EU-SILC (European Union Statistics on Income and Living Conditions), we construct individual trajectories covering a period of 36 months following the completion of an education level; in addition, we use the cross-sectional ad hoc 2011 module to explore the effects of the family of origin on these transitions. First, we distinguish between different types of good and bad jobs. Second, we test for associations with successful transitions to good jobs in five selected European countries: Finland, France, Italy, Poland, and the United Kingdom. Third, we examine the impact of family background on the types of transitions young people make.

We hypothesize that families have different capacities—in line with the resources that characterize their social class—to guide, empower, and provide backing for their young adult children as these make their initial steps in the labor market. Depending on their familial resources, young people from less advantaged backgrounds might be required to move into work earlier, or they may not have the necessary resources to enable them to wait for, gain access to, select, or take up promising job opportunities that entail initial losses or higher risks. Our findings show that young people from higher social class families were able to make transitions into better quality jobs than was the case for youth from lower class families. These findings reinforce established knowledge on patterns of stratification and raise significant questions about the best locus for policy interventions that are designed to reduce inequalities.

9.2. THEORETICAL DEBATES ON YOUTH TRANSITIONS: QUALITY AND TIME

9.2.1. Job Quality

A considerable body of empirical studies has found that job quality affects well-being and happiness. Low-quality employment has been associated with lower levels of self-reported life satisfaction and happiness, compared to those of people with higher quality jobs (Gallie 2013a; Sánchez-Sánchez and McGuinness 2013; Green et al. 2014; Keller et al. 2014), and this association holds true across different institutional settings (Gallie 2007; Kattenbach and O'Reilly 2011). Although those in poor-quality jobs have lower levels of life satisfaction, they are often more satisfied than people who remain unemployed (Grün, Hauser, and Rhein 2010). Overall levels of (dis)satisfaction can be traced to a range of different factors, including overeducation, underemployment, and poor employment conditions (contractual forms and salary levels) (Peiró, Agut, and Grau 2010). Several factors associated with job characteristics affect levels of well-being, such as task autonomy in a job, economic and personal rewards, a stimulating and supportive environment, training opportunities, contract security, and work pressure and job control (Gallie 2012; Gallie, Felstead, and Green 2012; Gallie 2013b).

“Good” and “bad” jobs can be distinguished in terms of a number of features related to material (monetary and nonmonetary) and nonmaterial characteristics (Jencks, Perman, and Rainwater 1988; Warhurst et al. 2012; Keller et al. 2014). There have been many definitions of “good” and “bad” jobs involving both objective and subjective aspects (Russell, Leschke, and Smith 2015). Here, we focus on a simple indicator that uses the level of employment and wages to distinguish between good and bad jobs. Higher quality jobs are frequently associated with higher education levels; involve more task complexity, autonomy, and control; pay better salaries; and the workers report greater degrees of satisfaction. This hierarchy is represented in Figure 9.1, which shows the association between different labor market statuses and a hierarchy of skills, wages, and reported satisfaction, as found in the literature (Layard 2004). At the bottom are the unemployed, followed by the inactive (whose lack of economic autonomy is to a certain degree chosen or accepted without bearing the cost of searching for a job as well as the additional psychological loss), those employed in low-quality jobs, and, at the top, those with high-quality, “good” jobs.

Very limited attention has been given in these debates to how occupational positioning specifically affects young people's entrance to work (as an exception, see Russell et al. 2015). It has been well established that early job mismatch and precarious employment trajectories have deleterious effects in later life. McGuinness and Wooden (2009) illustrate how early transitions resulting in skill mismatch have long-term consequences that render it difficult for young people

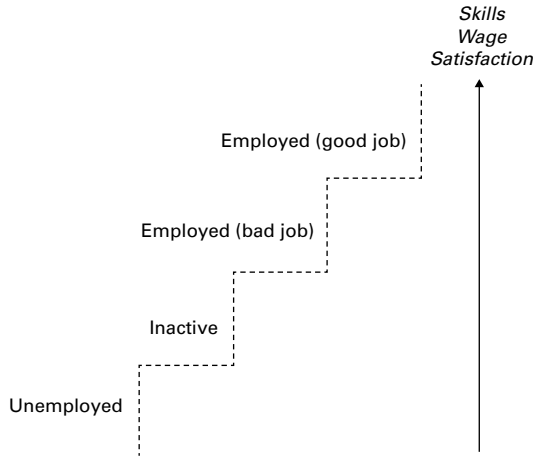


Figure 9.1 Scale of occupational positioning based on skills, wage, and satisfaction.

to make up for the costs of an early mismatch in their later careers. Empirical evidence shows that beginning a professional career with a “bad job” (i.e., low skilled, low paid, or both) can become a career trap (Scherer 2004; Blossfeld et al. 2008; Gash 2008; Barbera, Filandri, and Negri 2010; Barone, Lucchini, and Schizzerotto 2011; Bukodi and Goldthorpe 2011; Hillmert 2011; Wolbers, Luijkx, and Ultee 2011; Reichelt 2015; Mooi-Reci and Dekker 2016).

9.2.2. How Long Should They Wait?

Longer periods in unemployment can result from two different circumstances: not finding employment or waiting for the right opportunity. The decision to be selective and risk waiting for a better opportunity—rather than accepting “any” job—prolongs the duration in unemployment. But it could also be seen as a strategic move, if there is a possibility it could lead to better outcomes over time. This is a particularly salient decision for young people moving into work for the first time. Especially during the early stages of one’s career, it is possible that poor-quality jobs can lead to better opportunities later on. For example, internships and short-term training contracts can be used as signaling and screening devices by employers who will later offer better employment opportunities (Scherer 2004). However, in the process of waiting, young people will incur a longer unemployment spell(s), increasing their risk of not finding an entry opportunity at all (Flek et al., this volume).

The apparent individualized choice of a young person also needs to be contextualized in relation to the person’s family resources and his or her ability to wait (Bernardi 2007; Medgyesi and Nagy, this volume). Wealthier families have a range of resources that can allow their children to wait longer, be more selective, and be guided more effectively toward successful employment routes (McKnight

2015). Those from less advantaged backgrounds might be required to move into work earlier, depending on the resources available from their families or the welfare state, or they may not have the necessary resources to enable them to avail of opportunities and may thus instead become NEETs—young people not in education, employment, or training (see Mascherini, this volume; Zuccotti and O’Reilly, this volume).

Youth labor markets are frequently characterized by high levels of turbulence and transitions (Flek et al., this volume; Berloffia et al., this volume). “Flexible” forms of employment are often associated with poor job quality, although for some, these options may be the only practical way to remain in employment (O’Reilly et al. 2015; Gebel and Giesecke 2016; Grotti, Russell, and O’Reilly, this volume). Some authors have suggested that “any kind of job, be it short-term, part-time or subsidized, is better than no job at all to forestall unemployment hysteresis and deskilling” (Hemerijck and Eichhorst 2010, 327). The implication is that any form of inclusion in the labor market is better than being excluded. But is it really always the case that any job is better than none? How long should young people wait to find a good match? And what factors affect the opportunity to be able to wait for a better offer?

We are not interested here in highlighting existing differences across the five countries considered in the study. Rather, we intend to identify the characteristics of a “successful strategy” and to test whether such strategies are associated with individual and family characteristics. We test if families have a different ability to empower, guide, and support their offspring in line with their social class positioning and whether family (dis)advantages have similar effects across countries.

9.2.3. Data and Methods

To answer these questions, we use longitudinal (from 2005 to 2012) and cross-sectional (2011) data from EU-SILC surveys. Although the data cover young people’s transitions through the labor market before and during the recession—with its different moments of onset and different impacts across countries—the empirical analyses do not focus on how the crisis affected young people’s degree of success in employment. We test instead for the role of the families of origin in helping their children secure a successful placing in the labor market. For the longitudinal part, which focuses on later outcomes of early experiences, we selected all young people (aged 19–34 years) who had successfully completed a spell in higher education by their second interview and then followed them for the subsequent 3 years; this provided us with four valid interviews. For the cross-sectional part, which explores the effects of the family of origin, we selected young people (aged 19–34 years) who had obtained a high school diploma or a third-level degree within the 5 years previous to the time of the interview in 2011.¹ We adopted this strategy to maximize the sample size and the statistical power for the first two sets of analyses. The third analysis—of the impact

Table 9.1 Analytical sample size by country (number of cases)

Database	Finland	France	Italy	Poland	United Kingdom
Cross-sectional, 2011	238	720	814	695	223
Longitudinal, 2005–2012	329	1,016	896	965	309

of family background on young people's occupational condition—considers a longer period of 5 years.²

We focus our examination on five countries that exemplify the five transition regimes developed by Pohl and Walther (2007) and discussed by Hadjivassiliou et al. (this volume): universalistic (Finland), employment-centered (France), subprotective (Italy), post-socialist (Poland), and liberal (United Kingdom) (Table 9.1). The choice of these countries has the benefit of drawing on their larger sample size in the EU-SILC data, as well as their correspondence to theoretical predictions about different youth transition regimes.

The first set of multivariate analyses uses separate logit models to predict the effect of early unemployment on the likelihood of young people being in skilled and/or well-paid occupations 3 years after completing their education. We explore the overall duration and frequency of unemployment spells. The second set of models explores successful transitions to good jobs in a selection of European countries—by level of education achieved. The final analyses use cross-sectional multinomial logit models to examine the impact of family background on the types of transitions young people have been making. The chapter concludes with a discussion of the inequalities emerging from this examination.

9.3. GOOD AND BAD JOBS: A TYPOLOGY OF SUCCESSFUL OUTCOMES

Using the dimensions of skills and wages, we develop a typology to compare transitions to one of four possible outcomes: “successful,” “investment,” “need,” and “failure” jobs (Figure 9.2). A “successful” state is when young people enter a skilled and well-paid job. An “investment” state is when a skilled position has been achieved with the trade-off of a lower salary (skilled but low-paid job). Jobs requiring higher skills or qualifications may initially be poorly paid (entry positions as a screening device) but over time result in increasing wage returns. Well paid is defined as above the median wage of all employed individuals by all ages in each country each year.³ A “need” state is when the job is low or unskilled, and the wages can be either high or low. A “failure” state is when the wages are low and the job is unskilled; a failed transition also includes those who end up in unemployment or inactivity. Individuals still in education (students) are excluded from this analysis.

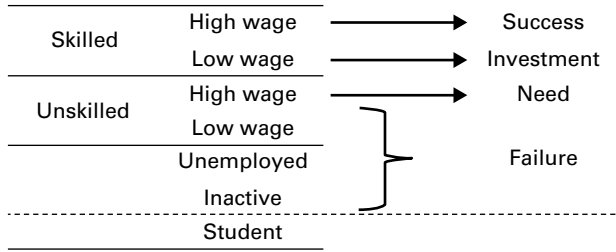


Figure 9.2 Typology of occupational positioning based on skills and wage.

Skilled occupations are defined on the basis of ISCO-88 codes (International Standard Classification of Occupations): high-skilled nonmanual occupations (ISCO 11–34), low-skilled nonmanual occupations (ISCO 41–52), skilled manual occupations (ISCO 61–83), and elementary occupations (ISCO 91–93) (Pintelon et al. 2011, 56–7). We consider both manual and nonmanual skilled occupations.

9.3.1. Unemployment Duration and Employment Outcomes

Having completed their studies, young people ideally achieve speedy insertion into the labor market and then maintain continuous employment.⁴ However, they may instead remain out of employment for a longer period of time either voluntarily, because they choose to wait, or involuntarily, because they are unable to find a suitable job. We test the effect of unemployment duration in the early phase of young people’s careers on their probability of accessing a high-wage occupation, a skilled occupation, or both conditions jointly (a “success” state).

We codified the overall duration in unemployment over the 48 observation months (Figure 9.3). “None” refers to individuals who had either no time or a maximum of 1 month in unemployment; “short” refers to those with up to 6 months of unemployment; and “medium-long” refers to those who experienced a total duration of an (accumulated) unemployment spell(s) lasting longer than 6 months. The sample is composed of all individuals with four completed interviews who were employed in the final observation.

We ran separate logit models on the EU-SILC longitudinal monthly data, predicting—for those employed—the occupational condition reached 3 years after completing a secondary or tertiary qualification. Three different models explored the probability that these employed would be found in a high-wage occupation, in a skilled occupation, or in a state of occupational “success” (both high-wage and skilled occupation). The results for the effect of the average duration in unemployment in the three models are shown jointly in Figure 9.3. All models use controls for age, gender, country, and number of employment interruption episodes; they also account for the differences based on education level.



Figure 9.3 Predicted probability of young people (aged 19–34 years; 3 years after acquiring a qualification) being in a high-wage, skilled, or successful job by level of education and unemployment duration.

Source: Authors' calculations based on EU-SILC longitudinal data (2005–2012).

We find no significantly observable difference in any of the outcomes analyzed for those who had been unemployed for up to 6 months (a relatively short period of unemployment) compared to those who had never been unemployed; the exception to this result regarded third-level graduates, who had a lower probability of being in a high-wage job if they had been unemployed. Differences in the effect of unemployment duration were more perceptible in wage attainment than in achieving a skilled occupation after 3 years (Figure 9.3, top graphs), especially for those with a tertiary level of education. The probability of having a high-wage position after 3 years (Figure 9.3, top left graph) was considerably lower for graduates who had been unemployed for more than 6 months (medium-long duration) than for those who had never been unemployed (none) or those who had been unemployed for 6 months or less (short duration).

The relationship between unemployment duration and labor market outcome seems to be similar in the five countries studied. There are, of course, differences in the “baseline” probabilities of being in each state (high skills, high wage, or successful occupation) in the five countries, which reflect the specificities of the different national labor markets. However, the differences in the effects of the *duration of unemployment* are not statistically significant between countries (the interaction effects with country dummy variables were not statistically significant). Although small sample sizes of young people in each country might make country-specific effects difficult to detect, we found empirical evidence of a similar mechanism, across contexts, linking length of unemployment to successful

outcomes (especially wages).⁵ The results reveal how, in these countries—especially around the initial stage of the employment career—experiencing a small amount of turbulence (up to 6 months of unemployment) does not seem to weigh heavily on short-term employment outcomes.

9.3.2. Continuity in Employment and Employment Outcomes

We further explore any effects of the entry process on the employment outcome 3 years after obtaining a qualification. Specifically, we test for effects due to the timing of unemployment. We distinguish between those with few or no unemployment spells during job search and those with a greater number of unemployment spells in the early search period (i.e., the number of employment interruptions they experienced). We examine the effect of continuity in employment, where “continuity” is defined as having at most one spell of unemployment. In other words, the current employment situation is achieved with no employment interruptions, or with only one, as opposed to those with more frequent interruptions creating a more intermittent employment trajectory.

The outcomes of those employed 3 years after obtaining a secondary- or tertiary-level qualification (Figure 9.4) show that continuity in employment does not seem to affect the skills level of the occupation achieved, and that it only slightly affects the chances of “successful” transitions for those with a secondary-level qualification. This indicates a greater likelihood of higher wages being

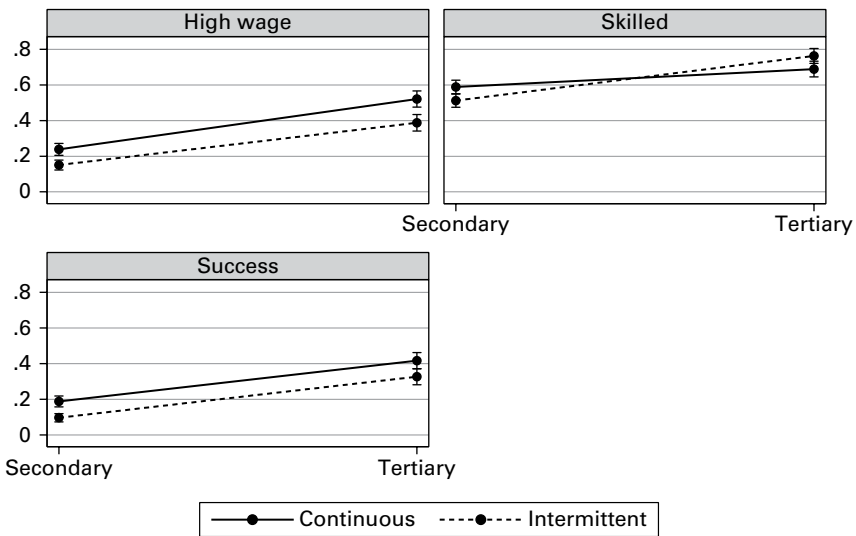


Figure 9.4 Predicted probability of young people (aged 19–34 years; 3 years after acquiring a qualification) being in a high-wage, skilled, or successful job by level of education and employment continuity.

Source: Authors' calculations based on EU-SILC longitudinal data (2005–2012).

reached by those who have been continuously employed (Figure 9.4, top left graph).

Continuity has a marginally significant effect on the probability of being in a “successful occupation” for those with secondary-level education (Figure 9.4, bottom left graph; confidence intervals at the 95% level). This result points to a small positive effect of quick entry (at most one unemployment spell after leaving education): The shorter the search (the quicker the entry after finishing education), the slightly more likely the young person is to be found in a successful occupation. Again, no statistically significant effect was found for the differences in the relationship between continuity and occupational outcome across countries. Although each country has a unique labor market structure (reflected in the different chances of being employed or having experienced continuity), the effect of employment continuity again seems to be working in the same direction in each separate context.

In summary, the previous results suggest that both employment continuity and taking less time to find the first job are associated with some advantages but that these are quite small. We detected some minor effects on the employment outcomes investigated (high wage, skilled employment, or “successful” occupation) from entering employment quickly or not spending too long in unemployment during this relatively brief window of observation (3 years). This result could be specific to the early stage in the employment career, confirming that despite a clear but weak advantage of continuous employment and an early start, a brief period of unemployment does not appear to impair subsequent outcomes as much as we might have expected. In fact, it is the medium- to long-term experience of unemployment (of 6 or more months during the 3 years) that has a more substantial impact. Whether this experience consists of a single short spell or of the accumulation of several shorter spells, longer periods of unemployment clearly have a negative effect on the chances of occupational success, especially in terms of wages and for those with tertiary education (see Figure 9.3). A slightly longer initial delay before first entering employment, or a turbulent beginning (see Figure 9.4), seems to have affected the wage dimension the most for university graduates. For younger workers, these factors have more of an impact on their likelihood of making a transition to a “successful” job. And although the specific institutional arrangements of each country are crucial in defining the chances of being employed and the duration of unemployment (Hipp, Bernhardt, and Allmendinger 2015), our data reveal the relevance of continuity in employment or unemployment in excess of 6 months on later occupational outcomes regardless of the national context. Having examined the likelihood of transitions into successful jobs measured in terms of their wages or skill profiles, we now turn to examining access to occupations after graduating from school or college and the effect on the kind of job achieved 3 years later.

9.4. COMPARING EMPLOYMENT OUTCOMES: WELL BEGUN IS HALF DONE

The analyses presented so far support the idea that a quick transition into any job is always better than joblessness, although the effects are not very substantial and are mostly statistically significant only for longer unemployment durations. But does this give us the full picture? The empirical evidence presented so far is not enough to show how young people are being trapped into poorly paid and low qualified jobs. We have shown an association between speedier entry with fewer interruptions and an overall slightly more favorable employment outcome. To enrich our understanding, it is important to further explore young people's initial position in the labor market and how this changes over time: We compare initial job status on completion of education with that observed 3 years later (for those who were employed).

Here, we do not focus directly on how the occupational conditions of young people change across different countries (reflecting their institutional contexts and already investigated in the literature). Rather, we examine whether the strategies pursued by young people are different across countries *in their effects*. In other words, regardless of the larger or smaller amount of “successful” positions observed in each country, we investigate which are the most effective strategies for young people to achieve these positions. Specifically, we focus on the relevance of a “good employment entry” for a good match in skilled occupations. Occupational characteristics, especially task complexity (as a proxy for occupational skills in this study), are a predictor of likelihood of employment success (Reichelt 2015).

Moving from a cross-sectional to a longitudinal perspective (Figure 9.5), we can observe that all countries' trends move in the same direction over time. In general, we can observe that despite similar trends across countries, the starting levels are rather different, particularly for the United Kingdom, which has a higher share of young people either unemployed or employed in unskilled or low-paid occupations even before the completion of an education. In a context of prevailing stability during the 4-year period considered here, the statistically significant differences are concentrated in the bottom two graphs in Figure 9.5: the conditions of “failure” and “student.” On the one hand, “student” decreased—as individuals achieved a secondary or tertiary education—and, on the other hand, “failure” transitions increased.

The trends for the share of students deserve additional consideration regarding the education level achieved. As reflected in the literature, the probabilities of being enrolled in education or being in a condition of “success” vary substantially between graduates from secondary and tertiary education. Achieving a secondary-level qualification is associated with higher chances of continuing in education, whereas obtaining a tertiary degree is associated with higher chances

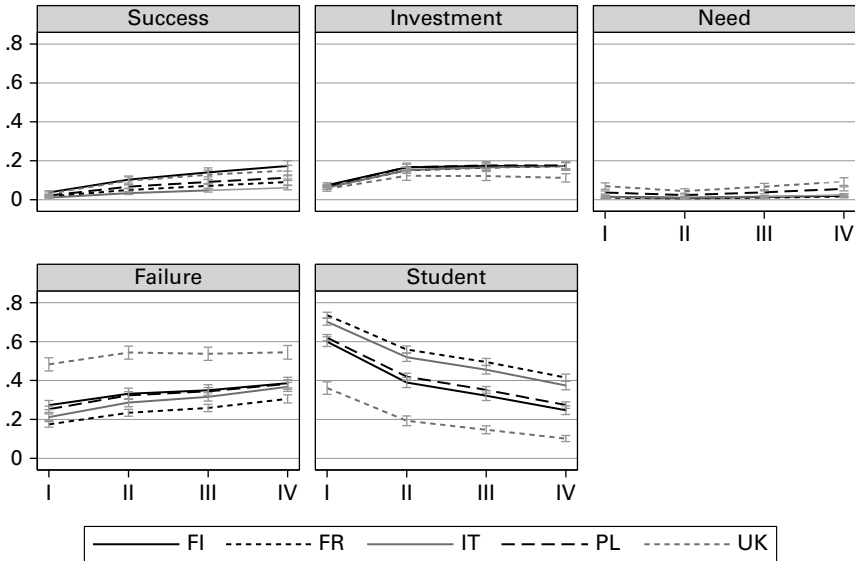


Figure 9.5 Shares of young people (aged 19–34 years; observed in their transition after acquiring a qualification) by occupational typology and country over the 4 years observed.

Source: Authors' calculations based on EU-SILC longitudinal data (2005–2012).

of reaching a skilled position, either well paid or not. In line with the literature, our data confirm a competitive advantage of tertiary graduates compared to upper secondary school-leavers. This is shown at aggregate level in Figure 9.6, but it is true for all countries considered: The secondary educated are more frequently found in the “failure” transitions compared to graduates; they are also less likely than graduates to be in “success” transitions.

Turning to analyzing the early development of occupational conditions after completion of education (separately by education level achieved), we explore the effect of entry occupational conditions on the job held 3 years later (using the typology devised in Figure 9.2). We estimated multinomial logit models with EU-SILC longitudinal data separately for the secondary and tertiary educated, adopting controls for age, sex, and country.

For every initial condition, the results in Figures 9.7 and 9.8 show the difference in probabilities for every final occupational status compared to being students. In other words, positive (above the central horizontal line) or negative (below the line) estimates illustrate how more(/less) likely it is for a young person to be found in the referred occupational condition (titles of graphs) rather than in education after 3 years, given the initial condition (x axis of each graph). Figure 9.7 shows a high stability over time for all statuses. For those who accomplished a secondary level of education, being in a “failure” state is associated with a higher probability of remaining so after 3 years (Figure 9.7, “Failure” graph, point above the line). A high degree of stability is also true for all other

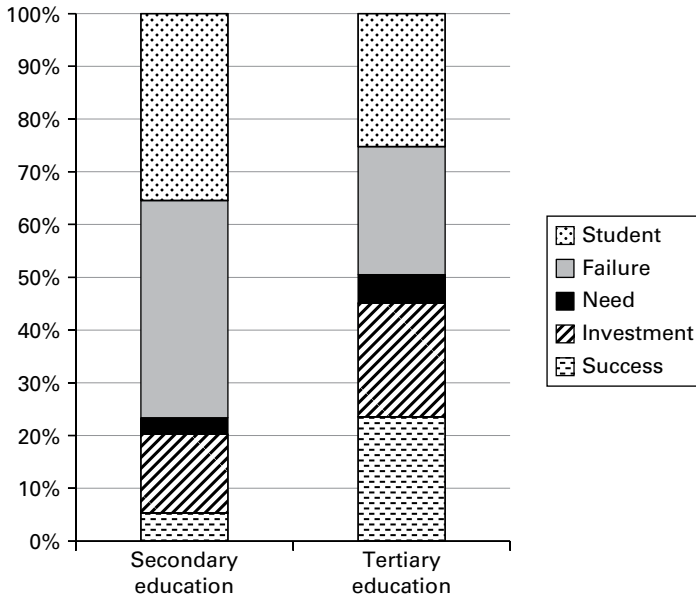


Figure 9.6 Shares of young people (aged 19–34 years; 3 years after acquiring a qualification) by typology and educational qualification.
Source: Authors' calculations based on EU-SILC longitudinal data (2005–2012).

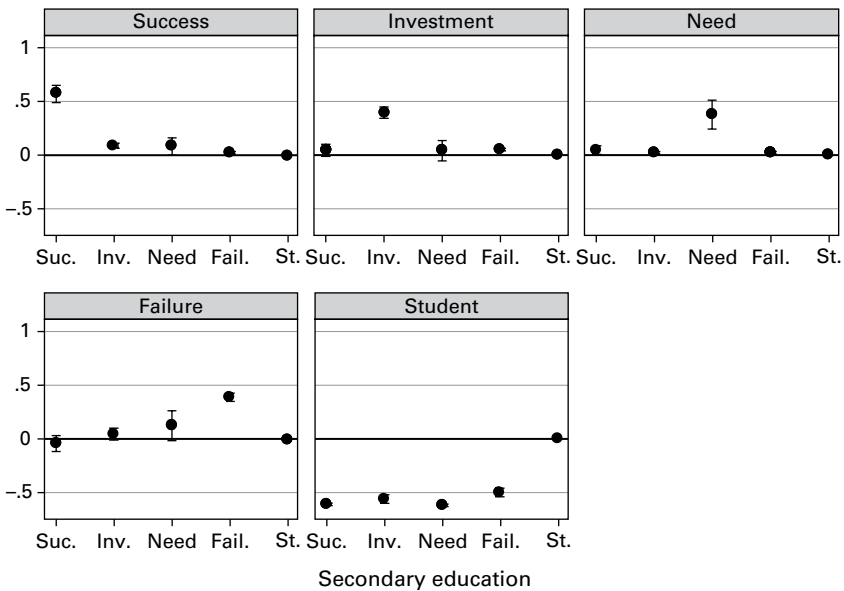


Figure 9.7 Difference in predicted probabilities for every occupational status compared to being students (young people aged 19–34 years; 3 years after concluding secondary education).
Source: Authors' calculations based on EU-SILC longitudinal data (2005–2012).

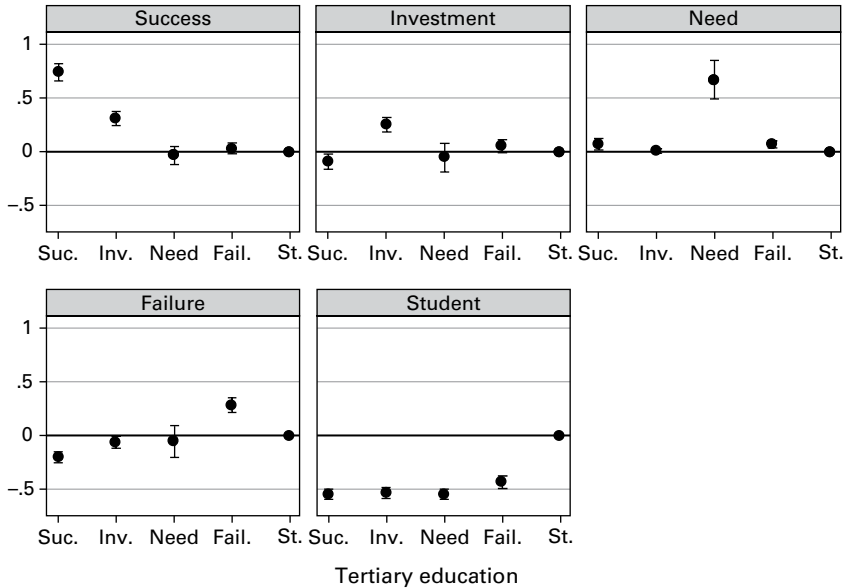


Figure 9.8 Difference in predicted probabilities for every occupational status compared to being students (young people aged 19–34 years; 3 years after concluding tertiary education).
Source: Authors' calculations based on EU-SILC longitudinal data (2005–2012).

statuses: need, investment, and success. However, as can be seen in the graph at the top left of Figure 9.7, those who were initially in an “investment” state also have somewhat higher chances of being found in a “success” state later (Figure 9.7, “Success” graph, second point above the line). This effect is small but statistically significant. The results are very similar for the tertiary educated (Figure 9.8), except for an even stronger effect of “investment” on the likelihood of “success”; that is, those who began in a skilled job that was initially poorly paid (“investment” status) have a much higher likelihood of later success.

The relevance of entering the labor market with a good job is found in all national contexts, with no statistically significant difference across countries. Therefore, even if we cannot conclude that the strength of the relationship is necessarily the same—due to the small sample sizes—our results suggest that the strategy of securing a good entry is valid everywhere.

In summary, we found a high persistence in statuses over the initial years of young people’s employment careers, which highlights the relevance of the characteristics of the entry job. We also found that accepting a job that matches the jobseeker’s level of education, even if poorly paid at the beginning but with increasing returns over time, qualifies “investment” choices as a possible real strategic move in the labor market that is associated with a higher likelihood of “success.” Finding a good job to start with makes a major difference, especially for third-level graduates.

9.5. WHAT DIFFERENCE DO FAMILIES MAKE WITH REGARD TO HOW LONG ONE CAN WAIT?

The probability of being in one of the four outcome states of the proposed typology (success, investment, need, or failure; see Figure 9.2) varies according to the duration experienced in unemployment, the continuity of employment, and the conditions of entry into the labor market. To understand how this varies according to young people's social class of origin, we used the cross-sectional EU-SILC 2011 data, which contain a special ad hoc module on intergenerational transmission of disadvantages. In this module, it is possible to obtain information on the education level achieved by young people's parents and also for those who have already left the family of origin.⁶ The subsample for our analysis comprises all young people aged 19–34 years who had obtained a secondary or tertiary educational qualification less than 5 years previously, for a total of 11,824 young people. We estimated the probability of being found in one of the four states illustrated in the typology described in Section 9.3 (see Figure 9.2). We tested for the social class of origin as defined on the basis of the higher education level between young people's mothers and fathers (criteria of dominance; Erikson and Goldthorpe 1992). Social class of origin, as based on education, is classified in three categories: high (tertiary), middle (upper secondary), and low (primary and lower secondary).

Multinomial logit models are controlled for sex, age, living independently or with parents, and country. For ease of interpretation, we again present the main results in the form of average predicted probabilities (marginal effects). Specifically, we illustrate the differences in probability for each category with respect to living with one's own parents and coming from a lower class (Figure 9.9, "IN Low class").

Results from Figure 9.9 clearly show a statistically significant effect of social class of origin on young people's occupational conditions within 5 years of obtaining an educational qualification. Among those who have left the parental household, we see that belonging to a high or middle social class increases the probability of being in a "success" status (Figure 9.9, first two lines of top left graph). All else being equal, success is more likely for the more advantaged strata of young people (a result in line with McKnight (2015) for the United Kingdom). We also show that among those who reside with their parents, youth from the high class have a lower probability of being in an "investment" condition (i.e., skilled job but low paid) compared to their peers from the low and the middle class (Figure 9.9, top right graph). These results point to a better capacity of wealthier families to have their children proceed more frequently and rapidly into skilled and well-paid occupations (be it through counseling, guidance, referrals, soft skills, or social networks), whereas lengthy co-residence with one's parents and resorting to initially low-paid occupations might be the most

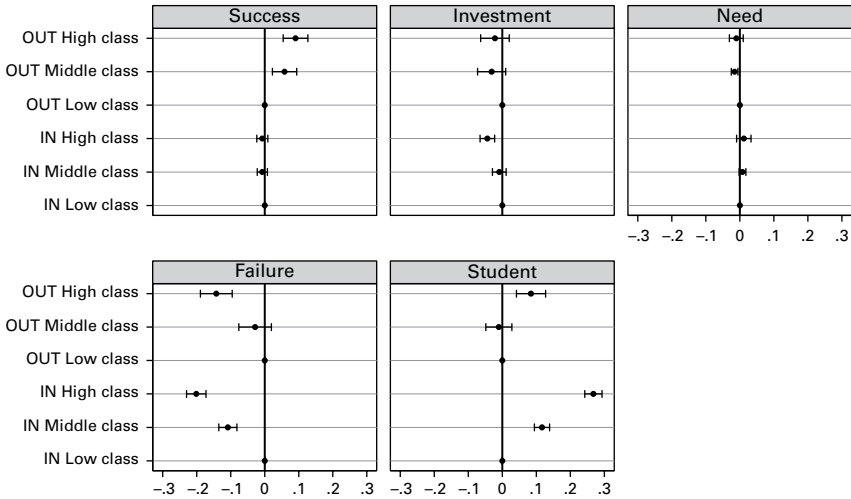


Figure 9.9 Differences in the predicted probability of being in each employment condition by social class of origin for young people (aged 19–34 years and who obtained a high school diploma or a third-level degree within the previous 5 years).

Source: Authors' calculations based on EU-SILC cross-sectional data (2011).

effective strategy for children from other backgrounds for finding employment that is consistent with their qualifications.

Longer co-residence could be an effective way for young people from the middle class to be able to obtain/accept skilled jobs, albeit (at least initially) poorly paid, but with interesting prospects of future opportunities. We also show that the probability of being found in a “failure” condition is lower for young people from the higher class, regardless of their residential independence from their parents, whereas it is lower for children from the middle class only when they still live in the parental home (Figure 9.9, “Failure” graph). Finally, a similar effect of social class of origin and co-residence with one’s parents is also found around the decision to continue education (Berloffo et al. 2015; Berloffo, Matteazzi, and Villa, this volume). It is young people from the high class, and those from the middle class living with their parents, who have a higher probability of remaining enrolled in the education system and making further educational investments (Figure 9.9, bottom graph). The role of the family of origin is relevant in all countries. In this last analysis, we tested again for the interaction effect with the country of residence of the young people, and it did not prove to be statistically significant. We believe that all these findings highlight the persistence of a clear class divide for young people, regardless of the country context. The pursuit of “higher profile” career paths, here skilled jobs, is made easier for youth from the higher social class, whereas for children from other social backgrounds, the routes to success are strewn with obstacles. Staying longer in the parental home seems the most viable option for securing better employment

prospects for children from the middle class, whereas prospects are not as promising for children from the lower class.

9.6. CONCLUSIONS

In this chapter, we have shown that although both an early start and continuous employment are associated with more favorable outcomes (especially for the highly educated), these effects are relatively small and do not support the idea that any job is necessarily always better than joblessness, at least for a brief initial period. We have also shown, given a high degree of status stability over time, that the starting employment is highly predictive of subsequent outcomes. This explains why a well-matched start in terms of skills level, even if it entails a trade-off in accepting a lower salary or taking longer to find the right job, often seems to be a more successful strategy for securing better outcomes in the long term, especially for third-level graduates; similar results for Germany were found by Voßemer and Schuck (2016). Overall, careful career planning might include the risk of some initial turbulence, or a slightly longer period of unemployment, caused by giving up on unskilled job offers, but it can also enable the chance to find a better job fit.

Exploring the effects of initial occupations on later outcomes of qualified young people, we have also demonstrated that being poorly paid initially but in skilled occupations (an “investment” strategy) can represent an opportunity for young people that can result in a more successful positioning in the labor market. In contrast, unskilled occupations for qualified young people (“need” and “failure” strategies) can become an employment trap that is difficult to reverse in the long term; Reichelt (2015) presented similar findings for Germany. For qualified young people, it appears easier to pursue wage increases with tenure than it is to move from an unskilled to a skilled occupational position.

Finally, higher education still provides a significant stepping stone to a professional job and a successful position in the labor market. However, the capacity of young people to pursue tertiary education is still strongly stratified by family social class background and family/household work intensity (Berloffia, Matteazzi, and Villa, this volume).

Our analyses find support for a strong influence of the family social background on the strategies pursued and the occupational conditions (in terms of pay and skill levels) achieved by young individuals within 5 years of completing their education. These findings suggest a strong familial influence on young peoples’ (un)successful employment outcomes. They point to mechanisms related to higher class families’ greater success in informing (through advice and guidance), supporting (possibly through social networks, building aspirations, and more effective guidance through the education and employment systems), and possibly providing backup (through economic support

and/or longer co-residence) for young peoples' employment strategies. We have shown that the more effective strategies—those more likely to lead to better outcomes—often entail initial losses such as higher risks (longer or more likely unemployment) or investments (lower pay). These findings are in line with analyses on the risk of education and skill mismatch (McGuinness, Bergin, and Whelan, this volume), search methods for first employment, and the impact of unemployment duration on a successful job search (Flek et al., this volume).

Concerning country differences, we found different baseline shares of young people in each occupational status across countries, reflecting differences in the national institutional and economic contexts. However, we found no statistically significant evidence of different mechanisms linking duration in unemployment, continuity of employment, entry jobs, or social class of the family of origin to the degree of success in employment 3–5 years after acquiring an educational qualification in the five selected cases from the youth transition regimes typology. Our understanding is that mechanisms linking class influences to young people's employment outcomes, net of country-specific baseline levels, overtake specificities of youth transition regimes. We found young adults from the high social class to be in a more favorable position than those from the low class. We suppose that this advantage could be further exacerbated by the persistence of the recent economic downturn, which has led young people to increasingly struggle to make their way into stable employment in all countries analyzed (see Grotti et al., this volume). However, we did not focus on the effects of the Great Recession; thus, how the crisis affects the degree of success in employment for young people remains to be explored. Younger people and later entrants tend to be more affected than adults by recessions and stagnation and also to be more exposed to the differing capacities of their families to shield and support them. This is not only because the unemployment rate of young people rises more than that of adults during a recession but also because young people caught by the crisis are more vulnerable to its effects. They are likely to suffer the economic downturn for longer (being unemployed or in underemployment) and to have its effects spill over into their subsequent career steps (reduced contributions, weaker career opportunities, and higher unemployment risks). Young people will have to endure the consequences of their current fragility for a lengthier period also because they are at a formative stage in their lives. We limit our analysis to the initial 3–5 years for reasons of data availability, but further analyses should explore longer term consequences (Mooi-Reci and Wooden 2017). The quality of employment is also important (Van Lancker 2012). We considered wages and skills levels, but contractual security and long-term perspectives are also extremely important for young people's transitions to adulthood (Blossfeld et al. 2005). The growing incidence of temporary contracts is an issue of concern, particularly in those countries more strongly affected by the crisis in Europe. Although temporary jobs may facilitate the entry of young people into work, they might

lead to a precarious career rather than to permanent employment (Scherer 2005; Brzinsky-Fay 2007; O'Higgins 2010; Gebel and Giesecke 2016).

Our results suggest that as inequalities widen, parents' ability to invest in their children's success not only remains salient but also becomes even more important in determining life chances and sustaining inequalities. Given the strong influence that households' characteristics and families of origin exert in the strategies pursued by young people in accessing and establishing employment careers, further rises in unequal access to employment and income for households would jeopardize lower class young peoples' life chances and opportunities. Alternatively, they would unevenly strain families who have to compensate for retrenched welfare and increasingly fragile markets, with the higher pressure placed on more fragile families. Because the outcomes of employment careers seem so strongly influenced by what happens in the early period of establishment in the labor market, a comprehensive investment strategy in young people's transitions to employment should become a priority.

NOTES

- 1 Our sample selection might include some university dropouts but cannot include high school dropouts, given that we define success as "matching" between (at least) secondary level of education and a skilled job; thus, we are studying entrance into skilled employment (i.e., requiring at least a secondary-level qualification).
- 2 Had it been possible, we would also have chosen 5 years for the first two sets of analyses, but EU-SILC data do not allow this. Narrowing the observation window for the analyses of family influences to only approximately 3 years—when a longer time span was available—would have unnecessarily reduced the sample size.
- 3 Country- and yearly based figures computed on annual wages of full-time employed.
- 4 Employment continuity in this case does not necessarily imply continuity in the same job; rather, we modeled it as an absence of periods of unemployment.
- 5 In other words, we cannot exclude that the effect of the duration in unemployment is stronger in one country than in another, but the direction of the relationship is definitely similar and relevant. This also applies when we examine the descriptive statistics.
- 6 Building an indicator of the social class of origin on the basis of available EU-SILC data is subject to two limitations. The first concerns the framing of the question: The ad hoc module asks about parents' education level when the respondent was aged 14 years, whereas for those who live with their parents the measure is taken at the time of interview. The second, more serious limitation is that information about the parents of those who live independently is only requested of people aged between 25 and 59 years. This means that we

are lacking information on those who had already left the parental home at the time of interview but are not yet 25 years old. In our sample, this group amounts to approximately 17%.

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