



The dynamics of youth employment precarity: a proposal for harmonizing life-course panel data

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Structure of the presentation

- Rationale & background
- Subject of the study
- Harmonization – cross-country & cross-survey comparability
- “Question marks”

Sensing the problem, but...

Labour market change → „An age of insecurity?“

(eg., Beck, Giddens, Sennett, Castells)

Young labour market entrants among the most affected

- Early careers and the school-to-work transition – longer, less predictable (George 1993; Mills & Blossfeld 2005; Worth 2005). Higher incidence of fixed-term / free-lance jobs.
- Higher risk of job loss → unemployment, income instability, risk of poverty and precarity traps
- Social exclusion – limited entitlements and legal protection
- The precariat: a “new” social class consisting of people for whom uncertainty and unpredictability of life circumstances and employment relations make it impossible to plan for the future, forcing them to live on a day-to-day basis at the margins of society (Standing 2011).

How to capture insecurity?

However - problems with operationalizing labour market insecurity.

First approach: data on fixed-term / non-standard employment (FTE)

Often assumed to be „precarious“ since many studies confirm that FTE:

- Increases worker insecurity (Chung & van Oorschot 2011),
- lowers wages (EC 2010; OECD 2014)
- limits access to employee benefits and training opportunities (e.g., Arulampalam & Booth 1998; McGovern et al. 2004; O'Connell & Byrne 2012).

Does „temporary“ necessarily mean „precarious“ / insecure ?

- FTE may be beneficial for workers, by making it easier for them to enter the labour market and gain on-the-job experience (e.g., Jahn et al. 2012; Gash 2008) → **The stepping-stone narrative**
- Also: good opportunity for the young (who do not need security but gain experience) and better than unemployment! → two-tier reforms to facilitate labour market entry.

The subjective approach

Looking at workers' perceptions of their employment situation and career prospects.

Example (1): „voluntary” FTE (to correct for the heterogeneity in FTE)

Example (2): studies of subjective job/employment insecurity

However, qualitative studies suggest that many young adults do not feel bothered by staying in FTE, and either declare that standard employment „is not for them“ or express belief (even if probably unfounded) in the stepping-stone scenario.

Optimistic perceptions of voluntariness and security tend to be affected by:

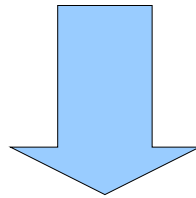
→ **reference group comparisons** (e.g., the relationship between FTE and insecurity stronger in the public sector and in countries with higher social expenditures)

→ **individualization** - emphasis on independence, self-determination and self-development, sometimes valued more than predictability and economic security (Beck & Beck-Gernsheim; Furlong & Cartmel 1997; Woodman & Wyn 2015)

→ psychological coping mechanisms in the face of a lack of access to better labour market opportunities (Pouliakas & Theodossiou 2010).

Insecurity – a dynamic concept

- The notion of "insecurity" involves prospects for the future (fear of losing one's job, hope for finding a better one) -> to capture precarity, we need to:
- 1. focus on objective aspects of the employment situation
- 2. look at careers on the basis of longitudinal data.



Insecurity / precarity as a career pattern, observed over many years, involving spells of recurrent non-standard employment separated by periods of joblessness, coupled with low and/or unstable income.

Employment: changes in distribution

Employment situation of young POLPAN 2018 respondents: after leaving school, and three and five years following the completion of education (%). N=706 respondents age 21-35, who are no longer in education at the time of the survey.

	Following completion of education	3 years after completion of education	5 years after completion of education
Joblessness	24,6	30,1	24,9
Open-ended contract	27,5	35,0	40,4
Fixed-term contract	27,4	21,7	20,2
Self-employment	5,9	6,1	7,0
Civil-law contract & odd jobs	14,6	7,0	7,6
N	694	554	446

Looking cross-sectionally, we would say that FTE in Poland does serve as a stepping stone; indeed, for some it does...

Limited mobility...

	jobless	open-ended	fixed-term	irregular	self-employed	Total
<u>After 3 years</u>						
jobless	69,3	9,6	16,8	23,1	11,8	29,9
open-ended	10,0	87,7	19,0	24,4	14,7	35,4
fixed-term	12,0	1,4	59,1	21,8	-	21,7
irregular	6,0	0,7	4,4	23,1	8,8	6,8
self-employed	2,7	0,7	0,7	7,7	64,7	6,2
<u>After 5 years</u>						
jobless	51,6	7,3	19,8	18,5	13,3	25,1
open-ended	22,6	78,2	34,9	30,8	13,3	40,2
fixed-term	14,5	8,2	40,6	23,1	6,7	20,0
irregular	6,5	3,6	3,8	18,5	16,7	7,6
self-employed	4,8	2,7	0,9	9,2	50,0	7,1

→ **71.5%** of those who start out in joblessness and

→ **60.8%** of those who start out in temporary jobs (FTE or civil-law) follow the jobless / unstable pattern for the next 5 years.

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Why cross-national?

Research on the stepping stone vs trap question suggests that the answer is dependent the institutional and policy context

Country-level differences

- EPL gap between open-ended and fixed-term contracts
- macroeconomic indicators
- trade unions: collective bargaining coverage
- access to unemployment benefits (people can afford prolonged search)
- (for youth) vocational specificity of the educational system (affects employers' need for probationary employment)

But less research on within-country differences and – especially – conditional relationships and cross-level interactions...

- ...affecting the movement into / out of precarious trajectories
- ...affecting the life-course outcomes of precarious trajectories

Example of both

Logistic regression results based on data on 750 individuals age 21-30 who participated in POLPAN 2013 (N=750).

Unit of analysis – jobs reported by the respondents from the start of their careers up to 2013.

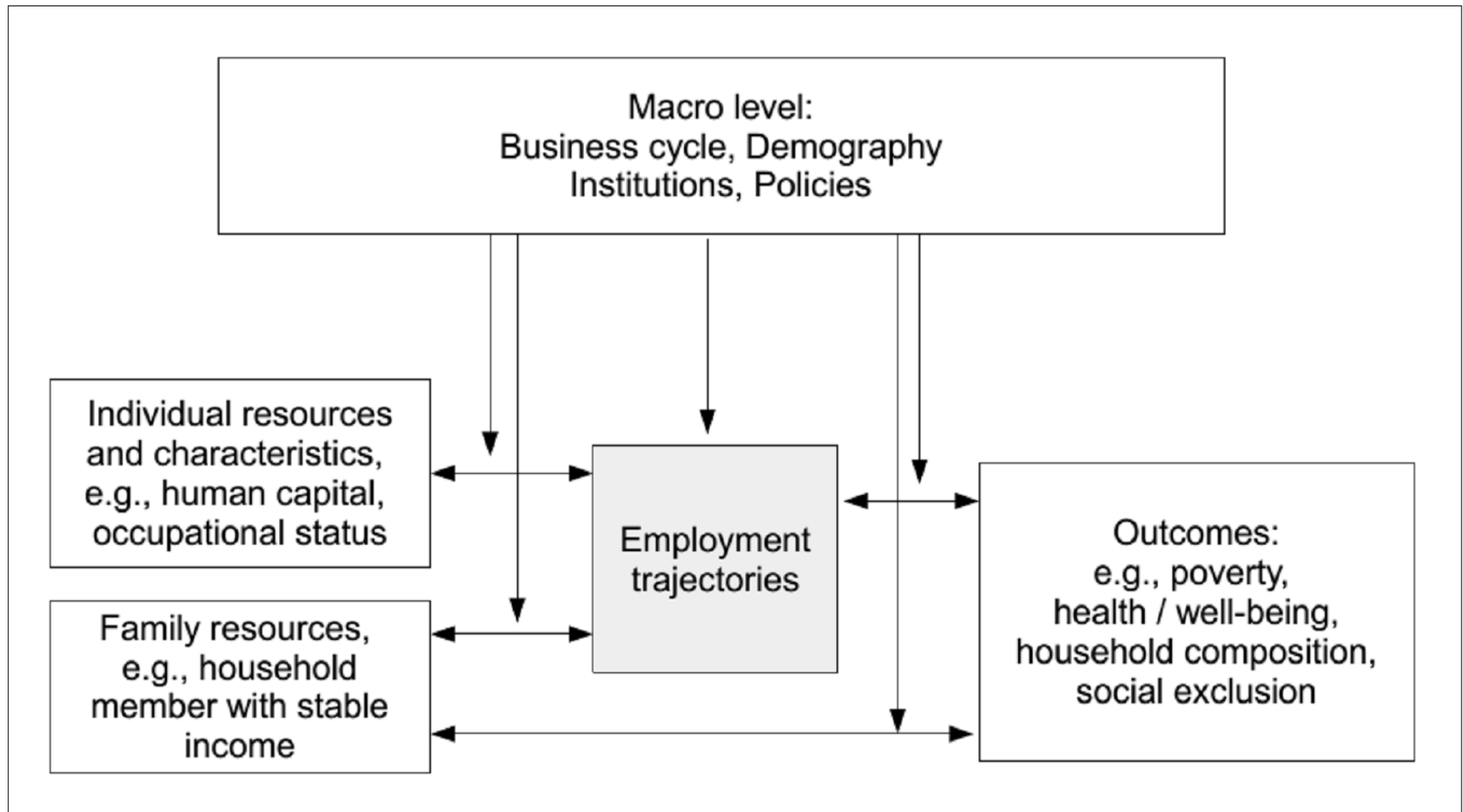
Question: what affects the odds of moving from FTE and civil-law jobs to open-ended employment in the subsequent job?

Main results of this study:

- Occupational complexity is associated with higher costs of performance monitoring and skill specificity (Goldthorpe 2007) → experience is an asset
- 10.5 pct point difference in predicted probabilities of getting a permanent job between unskilled manual vs middle level professional workers.
- However, higher education in itself does not increase the chances of stabilization (even when occupation is not controlled for) – which is understandable in the specific Polish case → massive educational expansion and overeducation at the tertiary level.

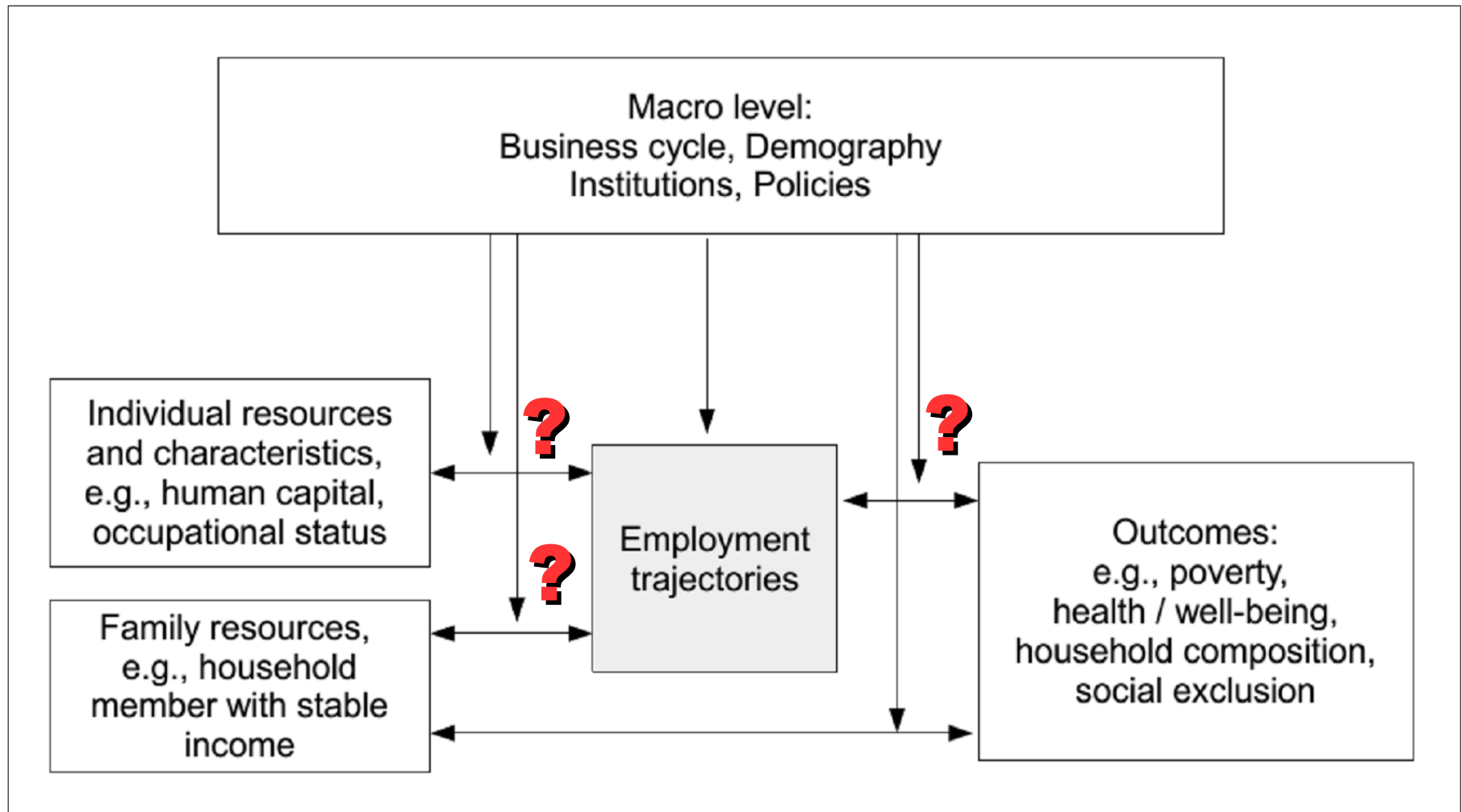
Understanding the diverging trajectories

Figure 1. Conditional relationships shaping economic trajectories and life-course outcomes



Understanding the diverging trajectories

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(...to be refined based on a literature review...)

CNB-Young project goals

- *Cross-National Biographies-Young project funded by the Polish National Science Centre, OPUS grant no: 2018/31/B/HS6/02043*
- (a) to identify long-term patterns of precarious labour market trajectories for various categories of youth based on the stability of their employment relationships and the persistence of fixed-term employment,
- (b) to unravel the complex mechanisms affecting both the risk of entering precarious labour market trajectories and moving into secure employment,
- (c) to assess the socio-economic consequences of such trajectories, taking into account conditional relationships (how individual labour market trajectories interact with processes of family formation, social participation, and health / well-being under different welfare and employment regimes).
- (d) more generally, based on results of (b) and (c) – to assess the ways in which changes in the employment patterns of individuals shape the social structure. In particular, an important research question is whether these changes affect the significance of education and occupation as main determinants of socio-economic position.

The CNB-Young dataset

- Harmonized ex-post quantitative longitudinal data on young adults (age 21-35) from long-standing panel surveys which track individuals over many years of their lives:

(a) The Polish Panel Survey (POLPAN)

(b) The German Socio-economic Panel (SOEP)

(c) The United Kingdom Household Longitudinal Survey – Understanding Society (UKHLS)

(d) The U.S. National Longitudinal Survey of Youth (NLSY79) Young Adults Study.

- To capture precarity and assess the relationship between precarity, resources and life-course outcomes, CNB-Young proposes to harmonize information on:
 - characteristics of the respondents' successive jobs (starting from their first job) – especially employment status (whether permanent or temporary), but also occupation & wages
 - educational histories
 - income and household composition
 - health/well-being indicators.

Novelty of CNB-Young

- It moves beyond the existing large-scale ex-post harmonization efforts – through its focus on longitudinal data and the inclusion of new indicators not covered by previous harmonization projects.
- Harmonization of cross-sectional data: e.g., the Luxembourg Income Study (LIS), International Stratification and Mobility File (ISMF), Harmonized International Census Data (IPUMS), and more recently the Survey Data Recycling (SDR) project.
- Harmonization of panel variables: e.g., the Cross-National Equivalent File (CNEF); Consortium of Household Panels for European Socio-Economic Research (CHER) – include only basic indicators of employment (working / not working; employment / self-employment) and income / wages.
- The EU-SILC does include information on permanent vs temporary status in job held at time of interview – but respondents are tracked over a relatively short period of time (4-year rotating panel)

But the project also faces many challenges...

Table 1. CNB-Young: characteristics of the participating countries

	Unemployment	Employment	Temporary jobs	NEETS 15-29	Welfare regime (Esping-Andersen 1990)	Production regime (Visser et al. 2009)	EPL – regular (OECD 2013)	EPL – temporary (OECD 2013)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PL	14.8	29.6	68.2	15.1	Central & Eastern Europe	State-led market economy / Liberal market economy	2.23	1.75
DE	6.8	46.5	52.6	9.6	Continental	Coordinated market economy	2.68	1.13
UK	11.8	54.0	14.6	13.2	Liberal	Liberal market economy	1.10	0.38
USA	9.2	50.3	8.5	14.1	Liberal	Liberal market economy	0.26	0.25

(1) LFS unemployment rate (%), 15-24-year-olds in 2017. Source: OECD Statistics Database (Access 01.12.2018)

(2) LFS employment / population ratio, 15-24-year-olds, 2017. Source: OECD Statistics Database (Access 01.12.2018)

(3) LFS temporary employment as a percentage of employment, 15-24-year-olds, 2017. Source: OECD Statistics Database (Access 01.12.2018). Data for the U.S.A. are from the May 2017 Current Population Survey Supplement on Contingent and Alternative Employment Arrangements (<https://www.bls.gov/news.release/pdf/conemp.pdf>).

(4) NEET: youth not in employment, education or training, 15-29 year-olds, 2016. Source: Education at a glance: Transition from school to work (<http://www.oecd.org/employment/action-plan-youth.htm>).

Country-level effects

Step 1: literature review (identify relevant characteristics)

Step 2: creation of the cross-country database

- An analysis of legal regulations and institutional settings in the four countries, and taking into account legal changes which took place in the period covered by the analysis.
- **Cross-national database** – the idea is to code such information as a series of dummy indicators capturing essential aspects of the country-level context. These indicators will capture differences in labour market regulations, industrial relations, welfare state provisions, and educational systems, both between countries and across time.
- Some of these information are required in the harmonization process itself, e.g. with regard to variables describing the various employment arrangements or educational credentials of the respondents.
- To be included in the analysis as harmonization control variables and in substantive analyses of conditional effects.

Different countries, different surveys...

Table 2. Methodological differences between surveys

	SOEP	POLPAN	UKHLS	NLSY: Young Adults
Sample	Individuals 18+ in households	Individuals 21+ (national sample)	Individuals 16+ in households	Children 15+ of NLSY79 women (living in selected households)
Mode of interviewing	PAPI / CAPI; self-administered	PAPI	CAPI; self-administered; proxy interviews	CAPI / CATI; self-administered
Dependent interviewing	No	No	Yes	Yes
Frequency of interviews	yearly	5-year intervals	yearly	2-years (4 years for respondents above 30 since 2010)
Information on temp / perm status	"repeated measurement" Job held at time of survey	Retrospective (for each job since start of career)	"repeated measurement" Job held at time of survey	Since 2008 available for each job reported by respondents; retrospective

...and different questions

Example: questions on fixed-term / non-standard employment

SOEP, 2015 individual adult questionnaire:

- Are you currently employed? Which one of the following applies best to your status? [Options include: Employed full-time; Employed part-time; Completing in-service training (betriebliche Ausbildung)/ apprenticeship (Lehre)/ in-service retraining (betriebliche Umschulung); In marginal (geringfügig) or irregular employment (unregelmäßig erwerbstätig); ...]
- Is this work through a temporary employment agency (Zeitarbeit, Leiharbeit)? [Yes / No]
- Do you have a fixed-term or permanent employment contract? [Permanent contract / Fixed-term contract / Not applicable, do not have an employment contract]
- Is it “marginal” part-time work in accordance with the 450/850-euro rule (Mini-Job / Midi-Job)? [Yes, Mini-Job (up to 450 euros) / Yes, Midi-Job (450.01 to 850 euros) / No]

Example: questions on fixed-term / non-standard employment (continued)

POLPAN 2018

- What type of contract did you have in your job [Options include: Employment contract (fixed-term / open ended and full-time / part-time) / civil law agreements / apprenticeship / managerial contract / self-employment / without a written contract / other]
- Were there any changes in your contractual arrangement while you were in this job [Yes -> write down the nature and timing of change(s) / No]

NLSY79 Young Adults 2010-2016

- Some people are in jobs that last only for a limited time or until the completion of a project. [Is/Was] your job with [name of new employer] like this? [YES/ NO]

UKHLS Understanding Society 2017

- Leaving aside your own personal intentions and circumstances, is your job: [1] A permanent job? Or [2] is there some way that it is not permanent?
- In what way is the job not permanent, is it... [1 Seasonal work; 2 Done under contract for a fixed period or a fixed task; 3 Agency temping; 4 Casual type of work; Or is there some other way that it is not permanent? -> In what way is the job not permanent?]

So, why harmonize?

- Note that such differences, while posing problems with the comparability of data (e.g., on temporary employment), are substantively important – cross-national studies of youth labor market outcomes typically try to compare countries which represent contrasting “regimes” → more explanatory power?
- Existing studies can only create separate models for different countries and compare the results; no way to see whether cross-country differences in effects of specific variables are significant or not. Harmonization provides data which allow to explicitly test for interaction effects in single models.
- **Separate models for different countries – side-steps the issue of comparability of variables included in the analysis?**
- Harmonization forces us to address these differences directly and explicitly control for them (while also generating metadata which can be useful for future research)
- Addressing these differences encourages cooperation in the design of future waves of the panel studies, to make the questionnaires more comparable.

Some concluding thoughts

- To understand precarity, more research needed on conditional relationships
 - a) how career patterns are conditioned by the social / economic / regulatory context and individual and household-level resources
 - b) how the outcomes of various patterns are conditioned by the above
- Given the changes on contemporary labour markets (the move towards LM deregulation but also gig economy!) - a dynamic & comparative view of type of employment arrangements becomes increasingly important!
- If we need to compare countries using existing panel data, a systematic ex-post harmonization effort is better than no harmonization?
- In a sense – we don't have a choice (we need to compare countries and we need to rely on existing data for multi-year longitudinal information) but to harmonize as best we can?
- Create building blocks for future studies...

And some questions

- Other variables to consider for inclusion in CNB-Young?
- Existing cross-national projects offering an overview of policy differences (in selected areas)?
- How to deal with macro-level effects given the small number of countries?
 - inclusion of contextual variables defined at the regional level?
 - focus on policy/contextual changes?
-





Thank you!

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Appendix: POLPAN 2008-2018 (description of sample)

I focus on career data from POLPAN waves 5 to 7 (2008, 2013, and 2018). Subsample of 706 respondents age 21-35 surveyed in 2018, who are no longer in education at the time of the survey.

I take into account all the jobs reported by the respondents since they completed their education up to 2018.

Each change in contractual arrangement and/or occupation, even within the same firm, is treated as a start of a separate job (to capture possible stepping-stone effects arising from the use of fixed-term contracts as a probation device).

- The average length of careers covered by the survey since leaving school is 7 years.
- The number of jobs reported by the respondents ranges from 1 to 20, with an average of 2.5.
- At the time of the 2018 survey, more than 40% of respondents age 21-35 were in various kinds of temporary jobs (FTE / civil law contracts)