Is any job better than no job?


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Is any job better than no job?

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How do we evaluate the quality of transitions young people make when they succeed in finding employment? To answer this question, we developed a typology of ‘successful’, ‘investment’, ‘need’ and ‘failed’ transitions, using the characteristics of the occupation, the skills required and the wages obtained (Filandri, Nazio and O’Reilly forthcoming). We looked specifically at transitions made in the three to five years after leaving education. One of the distinctive contributions of the study is to show the kinds of trade-offs young people might have to make and how family characteristics might influence how long young people can wait so as to make successful transitions.

Successful, investment and failed transitions

- A ‘successful’ transition is when a young person found a skilled and well-paid job.

- ‘Well paid’ is defined as above the median wage of all employed individuals by all ages in each country, each year.

- An ‘investment’ transition is where a skilled position has been achieved but with a trade-off of accepting a lower salary (skilled but low-paid job). Jobs requiring higher skills or qualifications may initially be poorly paid if entry positions are used by employers as screening devices. Over time, however, such jobs can result in increasing wage returns.

- A ‘need’ transition is where the job is low or unskilled and the wages can be either high or low.

- A ‘failed’ transition is where the wages are low and the job is unskilled; a failed transition also includes those who end up in unemployment or inactivity.

Findings

Empirical evidence is based on longitudinal EU-SILC data (with a longitudinal sample of monthly employment records over 36 months for the period 2005-2012) restricted to five selected countries: Finland, France, Italy, Poland and the UK.

We find that although both an early start and continuous employment are associated with more favourable outcomes (especially a higher rate of ‘success’ and higher paid occupations for young people above 24 years), these effects were relatively small and did not support the idea that any job is necessarily always better than joblessness.
A well-matched start with the trade-off of a lower salary (or of a somewhat longer jobsearch), in terms of skills level, might often be a better strategy for securing better outcomes in the long run, especially for university graduates.

We also found evidence that an investment transition into an initially poorly paid but skilled occupation could constitute an opportunity for young people that can soon turn into a successful positioning in the labour market.

Need and failed transitions via unskilled occupations for qualified young people could become an employment trap that is difficult to reverse in the long run.

Higher education seems to be a major stepping-stone to a professional job and successful establishment in the labour market. Also, the likelihood of moving from ‘investment’ to ‘success’ positions is higher for tertiary educated young people.

We also found that the capacity of young people to pursue tertiary education is still strongly stratified by family social class background and household work intensity (Berloffa et al. 2016).

**What difference does the family make in how long you can wait?**

These findings suggest a strong familial influence on young people’s employment outcomes. Families of origin first influence their children’s capacity to pursue higher studies and, later, their chances to transform these educational investments into successful employment careers. They point to mechanisms related to a more successful role of higher-class families in informing (through advice and guidance), supporting (through social networks, aspiration building, more effective guidance through the education and employment systems) and backing up (economic support and/or longer co-residence) young people’s employment decisions.

The most promising career strategies often entail initial losses and some higher risks. For example, some young people either have to wait longer or are more likely to experience unemployment, or they make a trade-off in an ‘investment’ strategy accepting lower rates of pay.

Children from wealthier families are better equipped to face these risks. These findings complement those of McGuinness et al. (forthcoming) on the risk of educational mismatch and on labour market flows and unemployment duration affecting successful jobsearch (Flek, Hála and Mysíková forthcoming).

Finally, we found that, as inequalities widen, parents’ ability to invest in their children’s success not only remains salient but also becomes more unequal, again increasing the pertinence of policy intervention.
References

