



Trends in Employment Precarity among Dutch Youth

### Background (2)

Two different sides of flexible employment:

- + People stay in touch with the labor market, it might function as a step towards more permanent job.
- People might be 'trapped' in precarious jobs, which is bad for subsequent career development.

Moreover, previous research shows that especially socially deprived groups are victims of labor market precarity.

Thus: process of labor market flexibilization is expected to have a stronger impact on people with less human capital, i.e. labor market entrants without a degree or unskilled workers.



Trends in Employment Precarity among Dutch Youth

### Background (3)

Two major developments causing growth of precarious work:

- Process of economic globalization (i.e. internationalization of markets and rising tax competition among welfare states) → Employers seek for greater flexibility by adaptation of workforce to meet growing competition and rapid change (e.g. creating more highly-skilled jobs or reducing labor costs through temporary contracts) (= structural process).
- Economic recession (high unemployment rates etc.) → Smaller job availability on labor market, more insecurity, hence less permanent jobs to offer, but more flexible jobs to meet temporary peaks in labor demand (= cyclical process).



TIY 2009, 18 September 2009
Trends in Employment Precarity among Dutch Youth

### **Research Questions**

- To what extent does a trend towards labor market precarity exist among youth in the Netherlands between 1992 and 2007, particularly among the lower educated?
- To what extent can the general trend and these educational differences be explained by:
  - a) the process of globalization
  - b) the economic climate?



Trends in Employment Precarity among Dutch Youth

# **Scientific Relevance**

- No previous research of impact of level of economic globalization and economic climate on both likelihood of flexible employment and unemployment.
- Previous research has indicated the fact that labor market precarity is concentrated among people with less human capital, but the impact of globalization on people with different educational levels has not been investigated empirically earlier.
- No such comprehensive study for the Netherlands.



Trends in Employment Precarity among Dutch Youth

## Hypotheses (1)

H1a: The level of economic globalization has a positive effect on the likelihood of flexible employment.

H1b: The level of economic globalization has a negative effect on the likelihood of unemployment.

H2a: The youth unemployment rate has a positive effect on the likelihood of flexible employment.

H2b: The youth unemployment rate has a positive effect on the likelihood of unemployment.



Trends in Employment Precarity among Dutch Youth

## Hypotheses (2)

H3a: The positive effect of the level of economic globalization on the likelihood of flexible employment is stronger for the lower educated

H3b: The negative effect of the level of economic globalization on the likelihood of unemployment is weaker for the lower educated.

H4a: The positive effect of the youth unemployment rate on the likelihood of flexible employment is stronger for the lower educated.

H4b: The positive effect of the youth unemployment rate on the likelihood of unemployment is stronger for the lower educated.



Trends in Employment Precarity among Dutch Youth

#### **Data and Measurements**

- Dutch Labor Force Survey (1992-2007), extended with macro-characteristics: globalization index and rate of youth unemployment.
- Selection of youth, aged15-27, school leavers only (N = 82.097).
- Dependent variable: type of employment (i.e. permanent job, flexible job (= temporary job) or unemployment).
- Independent variables: level of education (CASMIN), year, level of economic globalization and youth unemployment rate (both time-dependent).
- Control variables: gender, ethnicity, time since leaving education and type of education.

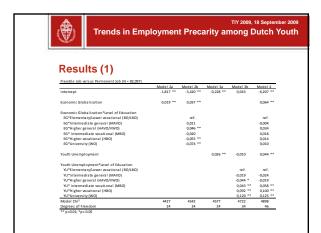


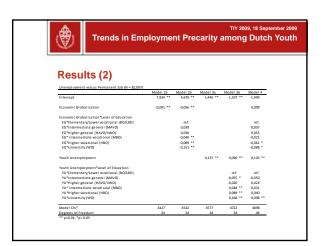
Trends in Employment Precarity among Dutch Youth

### **Analysis**

Multinomial logistic regression: flexible employment versus permanent employment and unemployment versus permanent employment.

Models also include: gender, ethnicity, time since leaving education, level of education, type of education and year (dummies).







Trends in Employment Precarity among Dutch Youth

### Results (3)

H1a: The level of economic globalization has a positive effect on the likelihood of flexible employment.

H1b: The level of economic globalization has a negative effect of the likelihood of unemployment.

H2a: The youth unemployment rate has a positive effect on the likelihood of flexible employment.

H2b: The youth unemployment rate has a positive effect on the likelihood of unemployment.



Trends in Employment Precarity among Dutch Youth

## Results (4)

H3a: The positive effect of the level of economic globalization on the likelihood of flexible employment is stronger for the lower educated

H3b: The negative effect of the level of economic globalization on the likelihood of unemployment is weaker for the lower educated.

H4a: The positive effect of the youth unemployment rate on the likelihood of flexible employment is stronger for the lower educated.

H4b: The positive effect of the youth unemployment rate on the likelihood of unemployment is stronger for the lower educated.



Trends in Employment Precarity among Dutch Youth

#### Conclusion

- Globalization has led to an increase in the likelihood of flexible employment, but especially among lower educated and to a decrease in the likelihood of unemployment, but especially among higher educated.
- Growing youth unemployment rate leads to more precarious employment (flexible employment and unemployment), but especially among higher educated, which contradicts our expectations. Explanation?



Trends in Employment Precarity among Dutch Youth

Questions or more information? m.delange @maw.ru.nl