

TIY 2009, 17-19 September 2009

Trends in Employment Precarity among Dutch Youth:
the impact of globalization and economic climate on educational differences

Marioes de Lange
Maurice Gesthuizen
Maarten Wolbers

Radboud University Nijmegen

TIY 2009, 18 September 2009

Trends in Employment Precarity among Dutch Youth

Background (1)

Since 1990s: growth of precarious work in many industrialized societies, especially among youth.

Precarious Employment among Youth

Year	Flexible Employment (%)	Unemployment (%)
1992	10	5
1993	12	7
1994	15	9
1995	17	10
1996	18	10
1997	17	9
1998	16	8
1999	17	7
2000	18	6
2001	17	6
2002	16	6
2003	15	6
2004	16	7
2005	17	8
2006	18	8
2007	18	7

TIY 2009, 18 September 2009

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.

TIY 2009, 18 September 2009

Trends in Employment Precarity among Dutch Youth

Background (3)

Two major developments causing growth of precarious work:

1. 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).
2. 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?

TIY 2009, 18 September 2009

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.

TIY 2009, 18 September 2009

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.

TIY 2009, 18 September 2009

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.

TIY 2009, 18 September 2009

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, aged 15-27, 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.

TIY 2009, 18 September 2009

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).

TIY 2009, 18 September 2009

Trends in Employment Precarity among Dutch Youth

Results (1)

Flexible job versus Permanent job (N = 82,097)

	Model 2a	Model 2b	Model 3a	Model 3b	Model 4
Intercept	-1,817 **	-3,420 **	-0,228 **	0,043	-6,207 **
Economic Globalization	0,019 **	0,037 **			0,064 **
Economic Globalization*Level of Education					
EG*Elementary/Lower vocational (BO/LBO)		ref.			ref.
EG*Intermediate general (MAVO)		0,011			-0,004
EG*Higher general (HAVO/WVO)		0,046 **			0,034
EG*Intermediate vocational (MBO)		-0,020			0,018
EG*Higher vocational (HBO)		-0,055 **			0,014
EG*University (WO)		-0,074 **			0,010
Youth Unemployment			0,026 **	-0,010	0,064 **
Youth Unemployment*Level of Education					
YU*Elementary/Lower vocational (BO/LBO)			ref.		ref.
YU*Intermediate general (MAVO)			-0,019		-0,024
YU*Higher general (HAVO/WVO)			-0,044 *		-0,019
YU*Intermediate vocational (MBO)			0,043 **		0,058 **
YU*Higher vocational (HBO)			0,092 **		0,100 **
YU*University (WO)			0,120 **		0,125 **
Model Chi ²	4427	4542	4577	4722	4898
Degrees of Freedom	24	34	24	34	46

** p<0.01, *p<0.05

TIY 2009, 18 September 2009


Trends in Employment Precarity among Dutch Youth

Results (2)

Unemployment versus Permanent job (N = 82,097)

	Model 2a	Model 2b	Model 3a	Model 3b	Model 4
Intercept	7,534 **	4,670 **	-1,445 **	-1,107 **	-3,999
Economic Globalization			-0,091 **	-0,056 **	0,009
Economic Globalization*Level of Education					
EG*Elementary/Lower vocational (BO/LBO)			ref.		ref.
EG*Intermediate general (MAVO)			0,039		0,007
EG*Higher general (HAVO/WVO)			0,036		0,055
EG*Intermediate vocational (MBO)			-0,040 **		-0,021
EG*Higher vocational (HBO)			-0,089 **		-0,064 *
EG*University (WO)			-0,151 **		-0,088 *
Youth Unemployment				0,137 **	0,096 **
Youth Unemployment*Level of Education					
YU*Elementary/Lower vocational (BO/LBO)				ref.	ref.
YU*Intermediate general (MAVO)				-0,055 *	-0,050
YU*Higher general (HAVO/WVO)				0,020	0,024
YU*Intermediate vocational (MBO)				0,048 **	0,033
YU*Higher vocational (HBO)				0,089 **	0,046 *
YU*University (WO)				0,168 **	0,098 **
Model Chi ²	4427	4542	4577	4722	4898
Degrees of Freedom	24	34	24	34	46

** p<0.01, *p<0.05

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


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** TIY 2009, 18 September 2009


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** TIY 2009, 18 September 2009

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** TIY 2009, 18 September 2009

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