

**5th European User Conference
Microdata from Eurostat
SILC, LFS, AES, SES, CIS, CSIS, EHIS, HBS and TUS**

**Introducing an index of early job insecurity: a comparative
analysis among European countries with evidence from the EU-LFS**

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Abstract

Recently, there has been a growing attention in the study of young people's careers in Europe and the identification of the risk factors affecting them. The study of transitions between labour market states and the measurement of the school-to-work or school-to-unemployment and inactivity transition probabilities has become crucial, since young people's pathways from school to sustained and "secure" work have become even harder and more unpredictable. The chances of someone who has concluded full-time education to move successfully into full-time occupation seem to decrease, while, on the other hand, the chances of engaging into a part-time or temporary job increase. Importance should therefore be given to the estimation of different indicators that can be used in order to capture the extent and forms of early job insecurity. This specific matter has been receiving increasing research and policy attention throughout the two last decades. However, its definition, measurement and conceptualisation remain open questions within the relevant literature. The present study⁴ introduces a new index

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⁴ This paper has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649395 (NEGOTIATE – Negotiating early job-insecurity and labour market exclusion in Europe, Horizon 2020, Societal Challenge 6, H2020-YOUNG-SOCIETY-2014, Research and Innovation Action (RIA), Duration: 01 March 2015 – 28 February 2018).

for measuring the degree of early job insecurity on the basis of the estimation of the transition probabilities between labour market states and school-to-work transitions, with raw data drawn from the latest available EU's Labour Force Survey (EU- LFS), i.e. for the year 2014. Moreover, this new indicator reflects a more meaningful way of estimating labour mobility or fluidity for young individuals aged between 15 and 29 adjusting the well-established mobility indices to the labour market area. While in most contexts, a young person is defined as a person aged between 15 to 24, for this analysis, the year is extended to 29 years. This is done mainly in the hopes of capturing more information on the post-graduation occupational experience of young people, but also to increase the number of cases examined. The main variables that will be used in this analysis are MAINSTAT and WSTAT1Y, for all European countries and the theory of non homogeneous Markov systems will be used in order to model transitions among different labour market states and transition probabilities from education to employment, unemployment and inactivity, for the year 2014. Thus, an attempt is made basically to provide a new measure for early job insecurity, connecting it also to school-to-work transition probabilities, that captures the extent of early job insecurity. This study, moreover, serves the purpose of comparing European countries taking into account the estimations of the proposed early job insecurity index in order to consider whether there is a convergence or a divergence in early job insecurity across Europe. Using this new indicator we are not only able to compare countries but also cluster them producing different clusters of countries according to the degree of early job insecurity present in the country. The results uncover that there are significant differences between countries and three different clusters are produced with the aid of cluster analysis.