Employment Insecurity at Labour Market Entry and Its Impact on Parental Home Leaving and Family Formation: A Comparative Study among Recent Graduates in Eight European Countries
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Employment Insecurity at Labour Market Entry and Its Impact on Parental Home Leaving and Family Formation
A Comparative Study among Recent Graduates in Eight European Countries

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Abstract
This article explores whether employment insecurity (i.e. unemployment and flexible employment) at labour market entry has a negative impact on parental home leaving and family formation. To answer this question, data from a large-scale European graduate survey carried out in 1998 were analysed. The results show that graduates with an insecure employment status at labour market entry are indeed less likely to leave the parental home and establish a nuclear household and family than those with stable first employment. With regard to entry into marriage and parenthood, these results especially hold true for men. Furthermore, it is found that in European countries in which unemployment among tertiary education graduates is high, the likelihood of leaving the parental home and starting a nuclear household and family is smaller than in European countries where such unemployment is low.

Key words: employment insecurity • Europe • graduate survey • transitions to adulthood • youth unemployment

INTRODUCTION
The transition from education to work has been the topic of various comparative studies in recent years (Müller and Gangl, 2003; Ryan, 2001; Shavit and Müller, 1998, 2000; see also Müller, 2005). This major interest was caused in particular by the occurrence of persistently high youth unemployment rates in Europe and other (post-)industrial societies since the 1980s. In many European countries, a considerable number of school-leavers and graduates are unemployed for quite some time after leaving initial education, and even those who do find a job immediately, frequently have a flexible and insecure labour market position...
The transition from education to work is only one of the events in the transition from youth to adulthood. In private life too, events take place, often related to leaving the parental home and starting one’s own nuclear household and family (Hogan and Astone, 1996). The sequential order, in which these different life-course events take place, varies for individuals, countries and points in time, but clear patterns can be discerned (Corijn and Klijzing, 2001; Iedema et al., 1997). For example, it hardly ever happens that young people decide to start a family before they have completed their careers in initial education.

In this article, I examine how the transition from education to work is causally related to parental home leaving and family formation. The rationale behind it is that decisions about different events in the transition from youth to adulthood are not made independent of, but in close relationship with each other (Buchmann, 1989; Modell, 1989). In particular, it is expected that events such as starting a household or family often take place in connection, and also concurrently with the transition from education to work. More specifically, this article addresses the question whether employment insecurity at labour market entry has negative effects on parental home leaving and family formation. Are young people with an insecure employment status at labour market entry less likely to leave the parental home and start one’s own nuclear household and family than those with stable first employment? Employment insecurity refers here to (phases of) unemployment as well as flexible forms of employment such as temporary contracts and part-time work that are gaining importance in modern societies as against continuous full-time work. These trends are supposed to be most pronounced at labour market entry – as school-leavers without work experience have to compete for the available jobs with those who have already acquired a position in the labour market – leading to a prolonged entry process and increasing problems of getting established in the labour market. This increased employment insecurity, in turn, raises uncertainty about young people’s ability and willingness to make a stable commitment to adult family roles (Oppenheimer, 1988).

In addition, the focus in this article is on a cross-national perspective. Following earlier studies on this topic (see among others Blossfeld et al., 2005; Corijn and Klijzing, 2001; Iacovou, 2002), it explores whether there are country-specific differences in Europe with regard to parental home leaving and family formation. I advance on these studies by analysing the countries simultaneously in one statistical model rather than estimating separate models for each single country, which enables to measure explicitly the various conditions considered relevant and, subsequently, try to replace the names of the countries by measured variables (Przeworski and Teune, 1970). The perspective that is chosen to explain the observed variation between countries is once again – just like at the level of individuals – related to employment insecurity. Employment insecurity
is related here to cross-national differences in macro-economic labour market conditions, which inherently affect young people’s entry process and, in turn, have consequences for setting up an independent household and family life. So, do young people in European countries with high youth unemployment rates have a smaller likelihood of leaving the parental home and starting one’s own nuclear household and family than those in European countries with low youth unemployment rates?

To answer these research questions, I make use of a unique European survey, which was carried out in 1998 among some tens of thousands of graduates from tertiary education. The data set resulting from this survey contains information on both the labour market entry of graduates and their household situation. I analyse the data collected in eight countries: Italy, Spain, France, Austria, Germany, Netherlands, United Kingdom and Norway. At first sight, this data set seems limited for the purpose of this article, since the empirical analysis can only relate to higher educated young people rather than the total youth population, possibly making the findings not (fully) generalizable. However, focusing exclusively on the higher educated may be the best way to determine the relationship between different events in the transition from youth to adulthood. After all, among the higher educated, these events more often take place in the same stage of life (‘sensitive period’) than among the lower educated. Lower educated young people enter the labour market at such a young age that, even though many have had their first love relationship, serious family formation is still something for the future. In addition, the sole emphasis on higher educated young people has the advantage that differences in employment insecurity that are related to level of education are – by definition – accounted for.

THEORY AND HYPOTHESES

The Impact of Employment Insecurity at the Level of Individuals

The transition from education to work is a stage of life in which young people enter the labour market. This transition process takes place in steps and can be described as a turbulent and uncertain period (Kerckhoff, 2000). First of all, labour market entrants must compete for the available jobs with those who have already acquired a position in the labour market. Their lack of work experience often causes them to face unemployment. Second, labour market entrants who do find employment, relatively often start in a job that they had not anticipated. In many cases, it concerns a temporary job, for fewer hours than they would like, or which requires skills that do not fully match the qualifications that they obtained. To this should be added that the employment opportunities of young people have deteriorated considerably during the past quarter of a century (OECD, 2000). In many OECD countries, youth unemployment has risen sharply since the 1980s and – partly as a reaction – the proportion of labour market entrants in flexible employment has increased.
Mills and Blossfeld (2005) explained this increased employment insecurity at labour market entry from the perspective of globalization. Globalization is thought to have led to increasing uncertainty about economic and social developments in today’s societies. In particular young people who enter the labour market for the first time are exposed to this uncertainty. Two aspects of uncertainty are of primary importance here: economic and temporal uncertainty. Economic uncertainty refers to the lack of (sufficient) income from labour. Temporal uncertainty relates to the temporal nature of the jobs. Both types of uncertainty are thought to be reflected in the deteriorating employment opportunities for young people.

Based on the idea that the transition from youth to adulthood consists of different stages, in which young people participate (and also take responsibility) to increasing degrees in various, related domains of life (Buchmann, 1989; Modell, 1989), one may present as a basic principle that employment insecurity at labour market entry (i.e. unemployment and flexible employment) has negative consequences for parental home leaving and family formation (Golsch, 2003; Mills and Blossfeld, 2005). The underlying argument is that labour market positions characterized by a high degree of economic and temporal uncertainty prevent young people from entering into long-term commitments, such as family formation (Oppenheimer, 1988; Oppenheimer et al., 1997). A lack of financial independence (i.e. the absence of income from a permanent job) creates uncertainty when it comes to the responsibilities relating to the creation of one’s own living arrangement and family formation. The lower the degree of employment security, the greater is one’s financial dependence. This leads to the first hypothesis of this article: the more employment insecurity higher educated young people have at labour market entry, the smaller the likelihood of leaving the parental home and starting one’s own nuclear household and family (Hypothesis 1). This general hypothesis, however, needs further characterization in three areas.

First, it is assumed that unemployed young people experience more uncertainty about their labour market position than employed youngsters (in whatever type of job or contract), since the financial dependence of the former group is considered to be larger. Hence, the prediction is that in particular higher educated young people who are unemployed, have a smaller likelihood of leaving the parental home and starting one’s own nuclear household and family (Hypothesis 2).

Second, it is expected that young people are less likely to experience a transition in which the claim for financial independence is higher or, stated differently, where responsibilities are greater. Responsibilities are greater in the case of entry into marriage or parenthood than in the case of entry into independence. This leads to the hypothesis that the negative impact of employment insecurity at labour market entry in particular applies to the transition into marriage and the transition into parenthood (Hypothesis 3).

Third, the negative effect of employment insecurity at labour market entry differs between men and women. Given the existence of a sex-specific division
of labour within the family, men traditionally specialize in labour market activities, making them the main breadwinner (Becker, 1981). Family formation events, be it marriage or parenthood, hardly interfere with their responsibilities as the main provider of family income (Liefbroer and Corijn, 1999). For this reason, I hypothesize that the negative impact of employment insecurity at labour market entry on the transition into marriage and the transition into parenthood is greater for male higher educated young people than for female ones (Hypothesis 4).

The Impact of Employment Insecurity at the Level of Countries

At the level of countries, the employment opportunities of young people depend greatly on the degree to which the labour market absorbs them. In this process, both structural and institutional factors play a role. As far as structural factors are concerned, macroeconomic conditions in the labour market are perhaps of primary importance. Or, as stated in a recent OECD report: ‘A well functioning economy is perhaps the most fundamental factor to shape young people’s transition from initial education to work’ (OECD, 2000: 13). Unemployment differs greatly from one country to another. Also with respect to cyclical trends in unemployment, large differences can be observed between countries. Young people are most susceptible to unemployment, because their relative position in the queue for jobs deteriorates more easily when the growth of employment slows down. The reason for this lies in the high training costs of newcomers in the labour market, compared to those of experienced workers (Thurow, 1975).

When looking at institutional factors, the contrast between ‘insiders’ and ‘outsiders’ in the labour market is of particular relevance (Lindbeck and Snower, 1988). Individuals who have a job are insiders, while those who are out of work are regarded as outsiders. A specific group of outsiders are newcomers in the labour market (De Vreyer et al., 2000), because labour market entrants without work experience have to compete for the available jobs with those who have already acquired a position in the labour market. Wage negotiations take place between insiders and employers. Outsiders play no role in this process. The main objective for insiders is to determine their wages in a strategic way in order to ensure that their employment is guaranteed. The employment opportunities for outsiders have no priority.

Apart from wage bargaining, insiders negotiate on employment protection. Employment protection refers to legislation on hiring and firing employees. In general, insiders try to improve their legal position by embedding a number of employment conditions (terms of notice, severance pay, seniority, and so on) more strongly in the law and/or collective labour agreements. In particular, seniority is an important criterion. This principle usually protects workers with a long employment history with the company against redundancy, while young people who joined the company last are the first to be fired if the company is forced to let workers go (‘last in, first out’). For outsiders, the result of a strengthening of the
legal position of workers is usually that they end up being trapped in (long-term) unemployment or in an instable labour market position, in which periods of unemployment alternate with temporary jobs. From this point of view, legislation that protects the employment position of workers undermines the opportunities of young people to obtain a secure and stable labour market position. However, countries differ as to the extent to which the legal position of workers is protected (OECD, 1999). Within Europe, for example, employment protection legislation is strictest in Southern Europe, while the working population in Ireland and the United Kingdom has relatively little protection against dismissal and other types of job uncertainty.

At the macro-level, unemployment among young people constitutes a good, consolidated measure for their employment opportunities at labour market entry. Youth unemployment in a country is an indicator both of the general macro-economic conditions in the labour market, and of the degree to which employers filling vacancies are open to newcomers in the labour market. In other words: in a country with a high youth unemployment rate, the employment insecurity at labour market entry can be regarded as high. With regard to the context of this article, I therefore deduce as a general hypothesis that in countries in which unemployment among higher educated young people is high, the likelihood of leaving the parental home and starting one’s own nuclear household and family is smaller than in countries where such unemployment is low (Hypothesis 5). This macro-level effect of employment insecurity on parental home leaving and family formation acts over and above the individual level effect of employment insecurity. Just like at the level of individuals, this hypothesis needs to be differentiated in three ways.

First, it is predicted that the negative effect of a high unemployment rate among higher educated young people in a country in particular applies to the transition into marriage and the transition into parenthood (Hypothesis 6). Again, the argument is that (financial) responsibilities are greater in the case of entry into marriage or parenthood than in the case of entry into independence, and uncertainty in this area is greater when the employment opportunities of labour market entrants in a country are less favourable.

Second, it is assumed that the negative effect of a high unemployment rate among higher educated young people in a country on the transition into marriage and the transition into parenthood is greater for men than for women (Hypothesis 7). Once again, it is supposed that the traditional breadwinner model is still predominant in the majority of European countries under investigation, with men being the primary persons responsible for the financial situation within families and women (still) being secondary wage earners. This makes it more important for men to establish themselves in a secure employment position as opposed to women (Mills and Blossfeld, 2005; Oppenheimer et al., 1997).

Third, it is hypothesized that the negative impact of employment insecurity at labour market entry on the likelihood of leaving the parental home and
starting one’s own nuclear household and family is greater in countries in which unemployment among higher educated young people is high (Hypothesis 8). This interaction between the individual and macro-level effect of employment insecurity is based on the idea that young people in an insecure employment position hesitate primarily with regard to leaving the parental home and starting a nuclear household and family (with the related (financial) responsibilities) if the general prospects in the youth labour market are unfavourable.

**RESEARCH DESIGN**

**Data**

To test these hypotheses I used data from the ‘Careers after Higher Education: a European Research Study’ (CHEERS) research project, an international comparative study on the labour market entry process of tertiary education graduates in 11 European countries (Italy [IT], Spain [ES], France [FR], Austria [AT], Germany [DE], the Netherlands [NL], the United Kingdom [UK], Finland [FI], Sweden [SE], Norway [NO] and the Czech Republic [CZ]) and in Japan (JP). Within the framework of this research project, a large-scale survey (with an effective sample size of around 3000 respondents in each country) was conducted in the autumn of 1998 among a representative sample of graduates from the 1994/5 academic year. This means that the survey focused on the situation in the first few years after graduation. The graduates were questioned by means of a standardized written questionnaire that was sent to them by mail. The overall response rate was 39 percent, which is not high, but quite acceptable for a mail questionnaire nowadays. The information collected relates in particular to characteristics of the study programme completed in tertiary education and the subsequent labour market entry process. In addition, socio-demographic characteristics of the graduates were collected, including data on their household situation. For a more detailed description of the methodology used in the survey, we refer to Schomburg and Teichler (2006). After a selection of graduates with maximally 35 years of age who belonged to the labour force and after removing those respondents whose data were lacking for one or more of the variables used, information on 14,831 graduates from eight countries remained. The unweighted country samples were used in the empirical analysis.

**Measurement of Variables**

The dependent variables in the multivariate analysis relate to three important events in the transition from youth to adulthood: the transition into independence, the transition into marriage and the transition into parenthood. These transitions have been constructed by combining information on the household situation at the time of graduation and the current household situation. The latter concerns the household situation approximately three to four years after graduation. The risk sets defined differ for each transition. In the case of the transition...
into independence, all respondents who were still living with their parents at the
time of graduation were at risk. Entry into independence was defined as having
left the parental home and having started any type of independent living arrange-
ment at the time of the interview. With respect to the transition into marriage, the
risk set concerned all of those who were not married (or cohabiting) at the time of
graduation. Entry into marriage was defined as having started a marriage (or an
unmarried cohabitation) at the time of the interview. Regarding the transition
into parenthood, finally, all respondents with no child(ren) at the time of gradu-
ation were at risk. Those, who were having any child(ren) at the time of the inter-
view, entered into parenthood.

The employment status just after graduation was used to indicate employment
insecurity at labour market entry. This variable was based on information of the
graduates regarding the main activity immediately (i.e. in the first episode) after
graduation of those who belonged to the labour force and a number of character-
istics of their first job. The following statuses were distinguished: 1) unemployed,
2) working part-time, 3) working full-time, temporary job, and 4) working full-
time, permanent job. There are, of course, quite many graduates who already had
side jobs during their studies in tertiary education (not only during the summer
holidays, but also during academic terms), but these jobs are often unrelated (in
terms of required knowledge and skills) to their studies or intended future work
and are, therefore, not counted here as their first (significant) job. Also, the status
of unemployed refers in most cases to first job seekers. I considered the statuses 1)
to 3) as insecure labour market positions, with unemployment indicating a more
insecure labour market position than part-time and temporary employment.

In addition, a number of covariates were included in the multivariate analy-
isis. These variables were measured as follows. The age of respondents refers to
their age at graduation. The following values were defined: <= 22 years, 23–4
years, 25–6 years, 27–8 years, 29–30 years and >= 31 years. The field of educa-
tion was determined on the basis of the study programme completed in tertiary
education. All programmes were subsequently narrowed down to seven fields
of education: 1) language and culture, 2) behaviour and society, 3) economics, 4)
law, 5) science, 6) technology, and 7) health care. The parental level of education
was measured as the maximum educational level attained by both parents. The
values of this variable are: 1) primary or lower secondary education, 2) higher
secondary education, and 3) tertiary education. In those cases in which informa-
tion on one of the parents was missing, only the information on the other parent
was used. Differences between male and female graduates were distinguished
by the variable sex. Differences between countries were determined by creating
a dummy variable for each country. Table 1 gives a statistical description of these
independent variables for each country.

To determine the extent to which differences between countries with regard to
parental home leaving and family formation can be attributed to cross-national
variation in employment opportunities of higher educated young people, I defined
Employment Insecurity at Labour Market Entry

the unemployment among 20–9-year-olds with tertiary education in a country. This measure was taken from the OECD (OECD, 1997, Table E3.1) and describes the average unemployment rate in 1995 among all young people from 20 to 29 years of age with tertiary education in a country. The unemployment rate for the different countries is represented in Figure 1. The highest rate of unemployment among young people with tertiary education was found in Spain (38 percent); the lowest rate in Austria (3 percent).

RESULTS

A Description of Parental Home Leaving and Family Formation among Graduates in Europe

For an initial assessment of the impact of employment insecurity on parental home leaving and family formation, in Figure 2 the transition rates into independence,
marriage and parenthood are broken down by the employment status just after graduation and sex. For men, the results show a clear relationship between employment insecurity on the one hand and parental home leaving and family formation on the other hand. In all cases, events in the transition from youth to adulthood are more likely to occur for those who have a more secure labour market position. The transition rates into independence, marriage and parenthood are highest for graduates who are working full-time in a permanent job, followed by those working full-time in a temporary job and those working part-time. Graduates, whose employment status just after graduation is unemployment, are least likely to experience events in the transition from youth to adulthood. For women, the same results are found, with one interesting exception. Working part-time facilitates events in the transition to adulthood for females, especially with regard to parenthood. Female graduates, who are working part-time just after graduation are most likely to have one (or more) child(ren) three or four years thereafter. Also regarding the transition rates into independence and marriage, part-time working women score relatively well, immediately following those who are working full-time in a permanent job.

Furthermore, Figure 2 displays that the transition into independence is most likely to occur among recent graduates. Around half of the graduates who are living with their parents at the time of graduation, leaves the parental home to start any type of independent living arrangement in the three to four years thereafter. Next, the transition into marriage is experienced most. For more than one third of the graduates who are unmarried at the time of graduation, their
civil status at the moment of the interview is being married. Parenthood occurs much less among graduates in the first years after their graduation. Only a bit more than 10 percent of the graduates with no child(ren) at the time of graduation, has one (or more) child(ren) three to four years later. All these findings hold for both men and women.

Figure 3 describes differences between countries in the transition rates into independence, marriage and parenthood. The figure shows striking cross-national differences in the transition rates into independence. In Southern Europe, these rates are by far the lowest, as has been reported in several studies before (see for instance Holdsworth, 2000; Jones, 1995). In Spain, only 35 percent of the higher educated young people leave the parental home within three to four years after graduation, given that they are living with their parents at the time of graduation. In Italy, the corresponding percentage is 45 percent. In all other countries, the transition rates into independence are considerably higher. These vary between 76 percent for the United Kingdom and 95 percent for Norway. With respect to the transition into marriage, the lowest entry rates are found in Spain and Italy as well. The percentages are 23 and 33 percent, respectively. Also in the United Kingdom, relatively few higher educated young people start a union in the first years after graduation. Of those, who are unmarried at the time of graduation, 38 percent is married or cohabits three to four years later. The highest likelihood of being married or being unmarried cohabiting is found in the Netherlands, where the transition rate amounts to 58 percent. Regarding the transition into parenthood, it can be observed that becoming a parent is least

**Figure 2** Transition rates into independence, marriage and parenthood by employment status just after graduation and sex: percentages

![Graph showing transition rates into independence, marriage and parenthood by employment status just after graduation and sex: percentages](http://cos.sagepub.com)

**Source:** CHEERS (1998).
likely in Spain and the United Kingdom. In both countries, only four percent of the graduates is having at least one child in the first years after graduation. Also in the Netherlands and Italy, the transition rates into parenthood are relatively low. The corresponding figures are 9 and 10 percent, respectively. In Norway, on the other hand, more than one third of the graduates with no child(ren) at the time of graduation enters parenthood in the three to four years thereafter.

### Multivariate Analysis

In the Tables 2–4 the above-mentioned findings are refined using logistic regression models. These models show the multivariate effects of a number of independent variables on the likelihood (odds) of entering independence, marriage and parenthood, respectively. An odds ratio greater than 1 indicates a positive effect of an independent variable, while an odds ratio smaller than 1 refers to a negative effect; an odds ratio of exactly 1 implies the absence of any effect. To be able to determine sex differences in the effect of employment insecurity at labour market entry on the transition into independence, marriage and parenthood, the analysis is carried out separately for male and female graduates. Furthermore, the tables only present the parameter estimates that are of direct importance for testing the formulated hypotheses. Full information on the estimation results is, of course, available on request.\(^5\)

In Model 1 of Table 2, the effect of the employment status just after graduation on the transition into independence is estimated, statistically controlling
Table 2  Effect of employment insecurity among higher educated young people on the transition into independence: odds ratios

<table>
<thead>
<tr>
<th>Model</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Employment status just after graduation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>0.462**</td>
<td>0.573**</td>
</tr>
<tr>
<td>Working part-time</td>
<td>0.617**</td>
<td>0.710*</td>
</tr>
<tr>
<td>Working full-time, temporary job</td>
<td>0.798*</td>
<td>0.774*</td>
</tr>
<tr>
<td>Working full-time, permanent job</td>
<td>ref.</td>
<td>ref.</td>
</tr>
<tr>
<td>Country</td>
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</tr>
<tr>
<td>IT</td>
<td>0.146**</td>
<td></td>
</tr>
<tr>
<td>ES</td>
<td>0.212**</td>
<td></td>
</tr>
<tr>
<td>FR</td>
<td>1.229</td>
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</tr>
<tr>
<td>AT</td>
<td>1.333</td>
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</tr>
<tr>
<td>DE</td>
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</tr>
<tr>
<td>UK</td>
<td>1.420</td>
<td></td>
</tr>
<tr>
<td>NO</td>
<td>2.821*</td>
<td></td>
</tr>
<tr>
<td>NL</td>
<td>ref.</td>
<td></td>
</tr>
<tr>
<td>Unemployment among 20–9-year-olds with tertiary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment among 20–9-year-olds with tertiary education*</td>
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<td>Employment status just after graduation</td>
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<td>Unemployed</td>
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<tr>
<td>Working part-time</td>
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<td>Working full-time, temporary job</td>
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<tr>
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<tr>
<td>Model Chi²</td>
<td>102**</td>
<td>636**</td>
</tr>
<tr>
<td>d.f.</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Number of transitions</td>
<td>1764</td>
<td>1764</td>
</tr>
<tr>
<td>Number at risk</td>
<td>2900</td>
<td>2900</td>
</tr>
</tbody>
</table>

\* = p < 0.10; \* = p < 0.05; \** = p < 0.01 (two-tailed).

Note: Statistically controlled for age at graduation, field of education and parental level of education.

for the age at graduation, field of education and parental level of education. The model shows that graduates who are more insecure about their labour market position (i.e. those who are unemployed, working part-time or working full-time in a temporary job) less often enter into independence than graduates who are working full-time in a permanent job. The greatest effect is found for those who are unemployed just after graduation. The implied odds ratio is 0.462 for men and 0.381 for women.

In Model 2, dummy variables for the countries are added. Just like in Figure 3, this model shows that the transition into independence least often occurs in Spain and Italy. A relatively large part of the graduates in these Southern European countries still lives with their parents three to four years after graduation. In Norway, in contrast, the likelihood of entering an independent household is largest. All other countries take a position in the middle. These results hold for both men and women, although the significant differences between countries are stronger for women than for men.

In Model 3, the dummy variables for the countries are replaced by an indicator for the employment opportunities of higher educated young people in a country. This makes it possible to investigate whether, and if so to what extent, differences between countries in the likelihood of leaving the parental home and starting an independent living arrangement can be attributed to cross-national variation in youth labour market perspectives. The results from Model 3 show that the employment opportunities of higher educated young people in a country do indeed matter with regard to the transition into independence. In countries in which unemployment among 20–9-year-olds with tertiary education is high, the likelihood of entering independence is smaller than in countries in which unemployment among 20–9-year-olds with tertiary education is low. In fact, the employment opportunities of higher educated young people in a country explain to a very large extent the observed differences between countries in the likelihood of graduates entering a nuclear household. By comparing the Chi² values of Models 1, 2 and 3, it is possible to calculate that 96 percent – for men: (613–102)/(636–102) = 0.957; for women: (773–119)/(800–119) = 0.960 – of the variation between countries, after controlling for the impact of individual level variables in Model 1, can be attributed to national differences in unemployment among young people with tertiary education.

Model 4 shows statistical interaction terms between the employment status just after graduation and the unemployment rate among 20–9-year-olds with tertiary education. Only two of the eight interaction terms appear to be significant. In both cases, the sign of the interaction term is positive, while the related main effect is negative. This implies that the negative impact of employment insecurity at labour market entry on the likelihood of starting one’s own nuclear household is smaller in countries in which unemployment among young people with tertiary education is high.
Table 3  Effect of employment insecurity among higher educated young people on the transition into marriage: odds ratios

<table>
<thead>
<tr>
<th>Model</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 2 3 4</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>Employment status just after graduation</td>
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<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>0.484**</td>
<td>0.524**</td>
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<tr>
<td>Working part-time</td>
<td>0.608**</td>
<td>0.937</td>
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<tr>
<td>Working full-time, temporary job</td>
<td>0.782**</td>
<td>0.746**</td>
</tr>
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<td>ref.</td>
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<tr>
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<td></td>
</tr>
<tr>
<td>IT</td>
<td>0.263**</td>
<td>0.322**</td>
</tr>
<tr>
<td>ES</td>
<td>0.346**</td>
<td>0.175**</td>
</tr>
<tr>
<td>FR</td>
<td>1.196</td>
<td>0.849</td>
</tr>
<tr>
<td>AT</td>
<td>0.646**</td>
<td>0.805~</td>
</tr>
<tr>
<td>DE</td>
<td>0.678**</td>
<td>0.698**</td>
</tr>
<tr>
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<td>0.594**</td>
<td>0.458**</td>
</tr>
<tr>
<td>NO</td>
<td>0.709*</td>
<td>0.802~</td>
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<tr>
<td>NL</td>
<td>ref.</td>
<td>ref.</td>
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<tr>
<td>Unemployment among 20–9-year-olds with tertiary education</td>
<td>0.972**</td>
<td>0.965**</td>
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<tr>
<td>Unemployment among 20–9-year-olds with tertiary education</td>
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<td></td>
</tr>
<tr>
<td>Employment status just after graduation</td>
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</tr>
<tr>
<td>Unemployed</td>
<td>0.996</td>
<td>1.002</td>
</tr>
<tr>
<td>Working part-time</td>
<td>1.000</td>
<td>0.996</td>
</tr>
<tr>
<td>Working full-time, temporary job</td>
<td>1.007</td>
<td>1.000</td>
</tr>
<tr>
<td>Working full-time, permanent job</td>
<td>ref.</td>
<td>ref.</td>
</tr>
<tr>
<td>Model Chi²</td>
<td>169**</td>
<td>125**</td>
</tr>
<tr>
<td>d.f.</td>
<td>16 23</td>
<td>16 23</td>
</tr>
<tr>
<td>Number of transitions</td>
<td>2184 2184</td>
<td>2682 2682</td>
</tr>
<tr>
<td>Number at risk</td>
<td>5368 5368</td>
<td>5784 5784</td>
</tr>
</tbody>
</table>

--- = p < 0.10; * = p < 0.05; ** = p < 0.01 (two-tailed).
Note: Statistically controlled for age at graduation, field of education and parental level of education.
In Table 3, the estimates of the logistic regression models with regard to the transition into marriage are reported. Model 1 demonstrates that graduates who are unemployed, working part-time or working full-time in a temporary job less often experience the transition into marriage than graduates who are working full-time in a permanent job. Once again, being unemployed just after graduation has the strongest effect on the likelihood of getting married. The negative impact of being unemployed is somewhat larger for men than for women. The same holds for the effect of working part-time. For men, there is a rather strong negative effect of working part-time on the likelihood of entering a marriage, whereas for women, the negative effect is not significant.

According to Model 2, entry into marriage is most likely in the Netherlands and France. In all other countries, particularly in Spain and Italy, the likelihood of getting married in the first years after graduation is significantly lower. This holds for both men and women. The finding for Spain and Italy may be related to the fact that cohabitation is not usual in these two countries, whereas it is part of the definition of the transition into marriage as used in this article.

Employment insecurity matters at the macro-level as well (see Model 3). In countries in which unemployment among 20–9-year-olds with tertiary education is high, entry into marriage is smaller than in countries in which unemployment among 20–9-year-olds with tertiary education is low. For both men and women, a bit more than two thirds of the differences between countries in the likelihood of getting married can be ascribed to cross-national variation in unemployment among young people with tertiary education.

Above-mentioned results do not change when statistical interaction terms between the employment status just after graduation and the unemployment rate among 20–9-year-olds with tertiary education are added in Model 4. In fact, there is no significant interaction effect found, indicating that the negative impact of employment insecurity at labour market entry on the transition into marriage does not differ under varying aggregate labour market conditions for higher educated young people.

In Model 1 of Table 4 it is found that only unemployment has a negative impact on the transition into parenthood. Graduates, who are unemployed just after graduation, are less likely to become a parent in the first years after graduation than graduates, who are working full-time in a permanent job. In terms of odds ratios, the effect is stronger for men (0.572) than for women (0.840).

Entry into parenthood for graduates is most common in Norway (see Model 2). This finding especially holds for women. Also in France, Austria and Germany, the likelihood of entering parenthood is larger than in the Netherlands (i.e. the reference category). In Spain, Italy (only for men) and the United Kingdom (only for women), on the contrary, graduates are less likely to become a parent than in the Netherlands. In addition, Model 2 demonstrates that, once controlled for cross-national differences in the likelihood of entering parenthood, female graduates who are working part-time are more likely to become a mother than
### Table 4  Effect of employment insecurity among higher educated young people on the transition into parenthood: odds ratios

<table>
<thead>
<tr>
<th>Model</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
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<td>2</td>
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<tr>
<td>Employment status just after graduation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>0.572**</td>
<td>0.530**</td>
</tr>
<tr>
<td>Working part-time</td>
<td>0.828</td>
<td>0.862</td>
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<td>0.876</td>
<td>0.864</td>
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<tr>
<td>Working full-time, permanent job</td>
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<td></td>
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<tr>
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<td>0.498**</td>
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<tr>
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<td>0.502**</td>
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<tr>
<td>FR</td>
<td>2.099**</td>
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</tr>
<tr>
<td>AT</td>
<td>1.694**</td>
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</tr>
<tr>
<td>DE</td>
<td>1.345*</td>
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<tr>
<td>UK</td>
<td>0.840</td>
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<tr>
<td>NO</td>
<td>2.958**</td>
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<tr>
<td>NL</td>
<td>ref.</td>
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<tr>
<td>Unemployment among 20–9-year-olds with tertiary education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment among 20–9-year-olds with tertiary education*</td>
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<td></td>
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<td>Employment status just after graduation</td>
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</tr>
<tr>
<td>Unemployed</td>
<td>0.975</td>
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<tr>
<td>Working part-time</td>
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<tr>
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<tr>
<td>Model Chi²</td>
<td>274**</td>
<td>492**</td>
</tr>
<tr>
<td>d.f.</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Number of transitions</td>
<td>896</td>
<td>896</td>
</tr>
<tr>
<td>Number at risk</td>
<td>6908</td>
<td>6908</td>
</tr>
</tbody>
</table>

* = $p < 0.05$; ** = $p < 0.01$ (two-tailed).

Note: Statistically controlled for age at graduation, field of education and parental level of education.

those who are working full-time in a permanent job. This finding suggests that part-time employment for women cannot be considered as marginal labour. Rather, it is an adequate copying mechanism for them to combine their working careers with bringing up children (Visser, 2002).

The results from Model 3 reveal that the employment opportunities for higher educated young people in a country affect the transition into parenthood. In countries in which unemployment among 20–9-year-olds with tertiary education is high, the likelihood of becoming a parent is smaller than in countries in which unemployment among 20–9-year-olds with tertiary education is low. This applies to both men and women. However, the contribution of this aggregate labour market characteristic to the explanation of cross-national differences regarding entry into parenthood is relatively small: 56 percent for men and 20 percent for women.

Once again, the findings do not alter after introduction of interaction terms between the employment status just after graduation and the unemployment rate among 20–9-year-olds with tertiary education. Model 4 shows that none of the included interaction terms is significant.

**Evaluating the Hypotheses**

In view of these findings, what can be concluded in terms of the formulated hypotheses? First of all, the empirical results lend considerable support to Hypothesis 1. Higher educated young people in insecure labour market positions do indeed experience transitions into independence, marriage and parenthood less often than those who are in stable first employment. In accordance with Hypothesis 2 is the finding that the negative impact of employment insecurity at labour market entry is most distinct among those who are unemployed. Hypothesis 3 cannot be corroborated. The negative impact of employment insecurity among higher educated young people is not stronger in the case of marriage and parenthood. Furthermore, as predicted by Hypothesis 4, the negative impact of employment insecurity on the likelihood of getting married and becoming a parent is greater for higher educated young men than for higher educated young women. In this respect, however, it should be noted that having a part-time job has a different meaning for women than men when it comes to family formation. A part-time job for women usually does not indicate employment insecurity (i.e. no effect of part-time employment was found for female graduates on entry into marriage and a positive effect was found on entry into parenthood), but the possibility of setting up a family life in combination with labour market participation. Empirical support is also found for Hypothesis 5. In countries in which unemployment among young people with tertiary education is high, the likelihood of leaving the parental home and starting a nuclear household and family is smaller than in countries where such unemployment is low. Hypothesis 6 cannot be confirmed. There is no empirical evidence found that high unemployment among young people with tertiary education in a country plays a role primarily in the likelihood of getting married or becoming a parent.
In addition, there is no support for the hypothesis that the negative impact of unemployment among young people with tertiary education in a country on the likelihood of leaving the parental home and starting a nuclear household and family is greater for men than for women (see Hypothesis 7). Lastly, no evidence was found that the negative impact of employment insecurity at labour market entry on the likelihood of leaving the parental home and starting a nuclear household and family is greater in countries in which unemployment among young people with tertiary education is high. As a result, Hypothesis 8 cannot be corroborated.

Sensitivity Analysis

In the cross-national analysis of transitions into independence, marriage and parenthood, a clustering of countries emerged that shows clear correspondence with the dominant types of welfare regimes existing in Europe (Esping-Andersen, 1990, 1999; see also Mills and Blossfeld, 2005, who distinguished a fourth group of Southern European countries in addition to Esping-Andersen’s three-group typology). Norway serves as an example of a socio democratic welfare regime. The Netherlands, Germany, Austria and France have a welfare regime that comes under the conservative model. The United Kingdom is regarded as a country with a liberal welfare regime. Italy and Spain are examples of a welfare regime that is characterized by a high degree of familialism. To explain differences between countries with regard to parental home leaving and family formation, this article only focused on the impact of employment insecurity at labour market entry. It is true that the strength of the division between ‘insiders’ and ‘outsiders’ in the labour market played a role in defining types of welfare regimes, but they were primarily based on (national ideologies concerning) the level of social security facilities in a country. This level is high in socio-democratic and conservative welfare regimes (where the emphasis in the first category is on the individual and in the second one on the family) and low in liberal and familialist welfare regimes (where responsibility for social support is left to the market or to the family, respectively). A strong safety net of social security facilities (in particular, ample benefits and sufficient opportunities for child care) offers young people (financial) independence, which enables them – irrespective of their degree of employment insecurity – to form a nuclear household and family.

Other factors that may play a role in the explanation of cross-national differences with regard to parental home leaving and family formation include the dominant religion and the situation on the housing market (Iacovou, 2002). Southern Europe may be characterized as predominantly Roman Catholic, while Scandinavia is largely Protestant. Perhaps the more traditional values and norms regarding marriage and the family in Roman Catholic countries lead to different choices regarding independent living arrangements and family formation among young people. As far as the housing market is concerned, it is considerably more difficult for young people in Southern Europe to find their own accommodation than elsewhere, in particular because of the high prices of...
houses compared to starting salaries and the small supply of rented accommodation (Holdsworth and Irazoqui Solda, 2002).

To be able to assess the macro-level effect of employment insecurity at labour market entry properly, the empirical part of this article ends with a sensitivity analysis that investigates whether the impact of unemployment among young people with tertiary education continue to exist if account is taken of alternative explanations for the observed country differences in parental home leaving and family formation. Table 5 presents the results of this analysis. The findings show that the impact of unemployment among young people with tertiary education largely remains intact. Only with respect to the transition into marriage, the effects have become smaller in size for both men and women. Overall, this suggests that the findings presented above are quite robust. In addition, Table 5 displays that welfare provisions and, to a lesser extent, the situation on the housing market matter with regard to the explanation of cross-national differences in parental home leaving and family formation. In general, the higher the level of social security expenses, the larger the number of public childcare places and the greater the share of rented houses in a country is, the more likely it is that graduates in this country leave the parental home and start their own nuclear household and family.

CONCLUSIONS AND DISCUSSION

In this article, I examined to what extent the transition from education to work is causally related to the transition from the parental home to one’s own nuclear household and family. More specifically, the question was formulated whether employment insecurity at labour market entry among young people has negative consequences for parental home leaving and family formation. To answer this question empirically, data from a large-scale European graduate survey carried out in 1998 were used. Employment insecurity at labour market entry was measured both at the level of individuals and countries. Three important events in the transition from youth to adulthood were analysed: the transition into independence, the transition into marriage and the transition into parenthood. The results of the empirical analysis can be summarized as follows.

First of all, the findings showed that at the individual level employment insecurity at labour market entry does indeed have a negative impact on leaving the parental home and starting a nuclear household and family. In general, it was found that graduates with an insecure labour market position (i.e. those who are unemployed, working part-time or working full-time in a temporary job just after graduation) less often enter into independence and marriage than graduates with stable employment (i.e. those who are working full-time in a permanent job). The greatest effect was reported for those who are unemployed just after graduation. With respect to the transition into parenthood, only unemployed graduates are less likely to become a parent.

Furthermore, it can be concluded that the negative impact of employment insecurity at labour market entry on the likelihood of getting married and the
likelihood of becoming a parent is, in general, greater for higher educated young men than for higher educated young women. However, it should be emphasized that part-time employment has a different meaning for women than men when it comes to family formation. The results demonstrated that for young women a part-time job does not indicate employment insecurity, but it offers them the opportunity of setting up a family, where care tasks at home can be combined with labour market participation.
In addition, the results pointed out that employment insecurity has a negative impact at the macro-level as well. It was found that in countries in which unemployment among young people with tertiary education is high, the likelihood of entering independence, marriage and parenthood is smaller than in countries where such unemployment is low. The negative effect of this youth unemployment measure proved to be equally strong for male and female graduates.

I also examined the robustness of the findings. It was analysed whether the macro-level effect of employment insecurity continues to exist if alternative explanations (i.e. welfare provisions, dominant religion and situation on the housing market) for the observed cross-national differences in parental home leaving and family formation are taken into account. This sensitivity analysis yielded similar results for the macro-level effect of employment insecurity, maybe with the exception of the transition into marriage, suggesting that the findings are rather robust. In addition to the effect of unemployment among young people with tertiary education, welfare provisions and, to a lesser extent, the situation on the housing market turned out to be important factors in explaining cross-national differences with regard to parental home leaving and family formation. At the individual level, such a sensitivity analysis was not carried out. It is evident that the individual labour market characteristics that were analysed in this article can only partly explain the observed individual differences in parental home leaving and family formation. A broader demographic view, including cultural factors, is needed to reach a more encompassing explanation (Lesthaeghe and Surkyn, 1988).

Finally, I have to remark on two issues. First, a shortcoming of this article is that it takes for granted that employment insecurity just after graduation affects parental home leaving and family formation – irrespective of how long the initial employment insecurity lasts and the early career develops. This issue especially matters, since it is known from other studies that in most European countries the first labour market position is volatile and of transitory character (see for instance Kogan and Müller, 2003). Often, it only lasts for a short while. However, the data set used in the empirical analysis does not provide any additional information about employment insecurity at labour market entry and in the early career, making it impossible to present a more comprehensive picture. Nevertheless, the results clearly indicate that – given the restricted data set and the limited measure of employment insecurity – the initial labour market position is important for explaining parental home leaving and family formation among higher educated young people. It can be expected that with better data and measures even stronger effects may be found.

Second, the empirical analysis presented in this article has been limited to higher educated young people. It may well be, therefore, that the findings are not (fully) generalizable. As is suggested in the literature, higher educated young people have different values and preferences with regard to parental home leaving and family formation than lower educated young people (Liefbroer, 1991). In addition, their attachment to the labour market is higher, as educational attainment
increases the labour market value of individuals. So, the presented findings may be specific for higher educated young people. Only when data become available that cover the whole population of young people, it will be possible to find out whether the conclusion that employment insecurity at labour market entry negatively affects parental home leaving and family formation is a general one.

ACKNOWLEDGEMENTS

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NOTES

1 The prevalence of (married) women in the labour force has certainly undermined the traditional division of labour (Crompton and Lyonette, 2006; Scott, 1999). Nevertheless, the male breadwinner model is still predominant in the majority of countries that are under investigation in this article. The Southern European countries (i.e. Italy and Spain) have preserved traditional forms of family life that do not encourage mother’s employment, the conservative welfare regimes of Germany and Austria have an institutional framework committed to the traditional family model and also the United Kingdom does – in comparison with the other countries – little to stimulate women’s labour supply, at least until very recent times (Lewis, 2001). France, however, can be described best nowadays as a ‘modified male breadwinner’ country, characterized by extensive state sponsored childcare provision, which helped women into (full-time) employment (Lewis, 1992). Also in the Netherlands, the male breadwinner model has shifted in the last two decades, but here to a one-and-half family model, in particular due to the huge rise of part-time employment among women (Visser, 2002). Despite the recent developments in the latter two countries, women still are secondary wage earners and they participate in the labour market only when family responsibilities allow them to do so. The only country in which the dual-earner family model clearly dominates is Norway, with extensive childcare provision, as well as paid parental leave and caring entitlements for both women and men (Korpi, 2000).

2 The research project was mainly funded via the European Commission’s Targeted Socio-Economic Research (TSER) programme (TSER EGS-SOE2-CT97–2023) and co-ordinated by the Centre for Research on Higher Education and Work of the University of Kassel, Germany.

3 Unfortunately, the data on graduates from Finland, Sweden, the Czech Republic and Japan were not analysed. For Finland, Sweden and the Czech Republic, no information was available on the household situation of respondents; in Japan, no questions were asked about the level of education of the parents, which is one of the independent variables in the empirical analysis.

4 Given the relatively low response rate, there may be biases expected that call for weighting. For descriptive purposes, it may indeed be useful to use weighted data, especially in the case of selective (non-)response. However, for the multivariate
analysis that is carried out in this article, it is less appropriate to weight the data, as the main interest here is to make inferential decisions about (causal) relationships.

In the models, the parameter estimates were constrained to be equal across all countries. The equality of the parameter estimates on the employment insecurity variable as measured at the individual level was tested through estimation of statistical interaction terms between the variables country and employment status just after graduation. Of the in total 126 estimated interaction terms, there were only a few significant, leading to the conclusion that, in general, the parameter estimates happen to be statistically indistinguishable between countries, in which case it is fine to use a pooled sample of countries.

The results from specific tests of significance that were carried out for this purpose – in particular to test differences between men and women – can be obtained from the author.

The expenses on social security in a country related to the share of GDP that was spent on social security in 1996 (Eurostat, 2004). The number of public childcare places was measured as the number of places per 100 children under age three in the period 1990–5 (Uunk, 2004). The share of Roman Catholics in a country was based on figures from the CIA (1998) for the mid-1990s. The share of the rental sector of the total housing market in a country was taken from Iacovou (2002). The data refer to the year 1994.

Given the two-level data structure (individuals nested in countries), a multilevel analysis would have been most appropriate for this purpose. However, such an analysis is not very sensible with only eight units (i.e. countries) at the second level of analysis (Snijders and Bosker, 1999). Therefore (single level) logistic regression models have been estimated, ignoring the nested structure of the data. The implies that interpreting the effects of the country characteristics included in the models in terms of statistical significance is not very meaningful, since the standard errors of the parameter estimates are biased. Instead, the parameters are interpreted in terms of their effect size. For that purpose, the original scale of measurement of each country characteristic is converted into a single common scale, the standard score distribution. The obtained standardized variables make it possible to compare the parameter estimates of the various country-specific characteristics in terms of their effect size.

REFERENCES


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