

MEASURING LABOUR MARKET TRANSITIONS USING A LIFE-COURSE PERSPECTIVE: AN INVENTORY OF EXISTING PANEL DATA AND METHODS OF ANALYSIS

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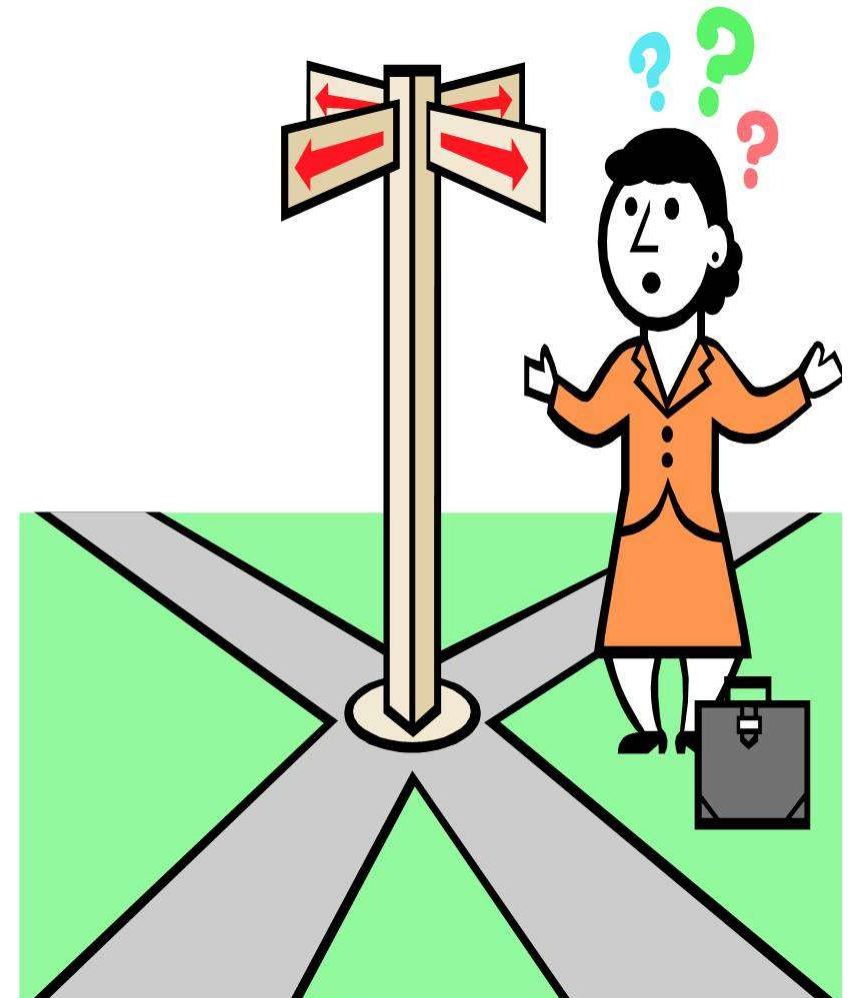


STRUCTURE

1. Introduction
2. Methods
3. Data
4. Conclusions

1. INTRODUCTION: MOTIVATION

- We know little about about labour market transitions:
 - ✓ **School-to work:**
 - What are the difficulties for making smooth school-to-work transitions?
 - What are the consequences for people's career?
 - ✓ **Work-to-work:**
 - Why individuals change jobs during the labour active age?
 - ✓ **Work-to-retirement:**
 - How do labour market trajectories matter for quality of life in the retirement age?
 - ✓ **International comparaisons:**
 - Are answers to these questions country/context specific?
 - Which factors drive the answers?

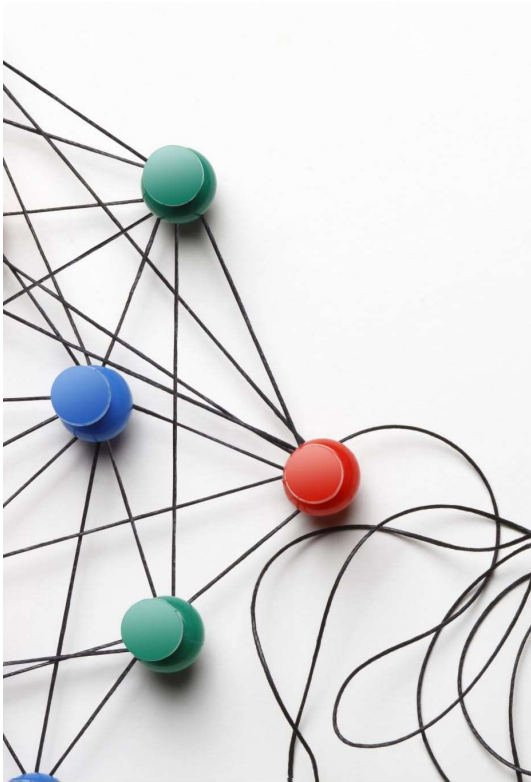


1. INTRODUCTION: LIFE COURSE PERSPECTIVE

- We need a *holistic approach*:
 - ✓ To understand *where* the life course trajectories are situated
 - Link previous and future life phases to better understand life trajectories.
- We require specific *data* and *methods*
 - Longitudinal data
 - Best suited Methods to investigate age and/or period effects



2. METHODS



- There are two broad methodological approaches to using and analysing longitudinal data:
 1. Focusing on *within*-individual differences i.e., how a change *for a specific* individual can change an outcome
 2. Focusing on *between*-individual differences i.e., how differences between two (or more) individuals lead to different outcomes
- Life-course approaches require the use of longitudinal methods

2.1. WITHIN-INDIVIDUAL DIFFERENCES

- These approaches try to establish causal effects
- Longitudinal data is often used but it is *not always* a requirement
- Most common approach with longitudinal data: fixed-effects estimators
- Other approaches:
 - Dynamic panel models
 - Difference-in-difference
 - Regression discontinuity

2.2 BETWEEN-INDIVIDUAL DIFFERENCES

- These approaches can be thought of as more “descriptive” but also more *holistic* approaches
- Many different methods with different goals
- Describing trajectories:
 - Growth curve models
 - Sequence analysis and longitudinal latent class analysis
- Studying transitions and events:
 - Survival analysis
 - Latent transition analysis

2.3 DATA REQUIREMENTS

- Within-individual approaches require less data:
 - 2 to 3 waves usually
 - Certain methods also work with cross-sectional data
- Between-individual approaches vary but have more strict requirements:
 - Sequence analysis needs 4 to 5 waves of *evenly spaced* data
 - Other methods work with 3 waves

3. DATA

- **32 datasets** from **14** high-, middle-, and low income **countries**
- **Brief overview of each dataset** is provided: sample design, N obs, frequency and availability to study school-to-work and work-to-retirement transitions.
- **Variables** socio-demographics, labor market, availability of complementary data.
- When information allows, **availability of harmonized data** for studies with comparative perspective.
- We also provide modalities for **accessing the data**.

3.1 DATA STRUCTURE

Panel Data

Cross-sectional Data

Rotating Panels

Data with combined designs

Provide at the same time panel
and cross-sectional samples

3.3. EVALUATION OF THE POSSIBILITY TO STUDY LABOUR MARKET: LESSONS

Ideally, we will use panel data or data that includes panels.

1. Panel Data:

- Preferable type of data when adopting a life course perspective.
Available in 9/14 evaluated countries.
- All panel data available in our study allow to study school-to-work transitions, but not work-to-retirement transitions (only in 7 countries).

3.3. EVALUATION OF THE POSSIBILITY TO STUDY LABOUR MARKET: LESSONS

2. Combined datasets (including panel components):

- They can be used to study work-related transitions
- Most methods discussed in our document can be used with these datasets.
- We did not find the possibility to use this type of data for comparison research, due to lack of harmonized comparable data.

3.3. EVALUATION OF THE POSSIBILITY TO STUDY LABOUR MARKET: LESSONS

3 & 4. Cross-Sectional Data and Rotating Panels

- The use of these data to study school-to-work and work-to-retirement transitions depends on:
 - Survey structure
 - Availability of retrospective information
 - Enough observations

FINAL CONTRIBUTIONS

- In addition of providing an overview of the data and methods, we provide an evaluation of those:
 - ✓ Indicate which data will allow to study particular type of transitions (school-to-work and/or work-to-retirement).
 - ✓ Point out which methods can be used.
 - ✓ Provide caveats and warnings for the types of biased that can be introduced.
 - ✓ Indicate whether the data analyzed allows international comparisons.

4. CONCLUSIONS

- We provide an overview and evaluation of methods and 32 selected datasets to study labour market transitions in a life course perspective in 14 countries.
- Main difficulties: Data availability, number of waves, data collection intervals.
- We propose a combination of data sources and methods to study these transitions in low- and medium-income countries in a life-course perspective.
- Nevertheless, choice of method *primarily* depends on the research question.

**THANKS!
QUESTIONS?**

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