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Labor market entries and early careers in Great Britain since the 1980s

Abstract

The United Kingdom has experienced significant socio-political changes since the period of conservative government, beginning with Margaret Thatcher's entrance in 1979: product and service markets were liberalized, labor market deregulated, trade union influence limited, taxes reduced, and social benefits curtailed. While the consequences of some reforms for the labor market are broadly acknowledged, the impact of deregulation of the labor market is highly controversial. Deregulation of the labor market can be hardly considered as mono causal explanation for the increase of precarious forms of employment. Globalization and deindustrialization might have played an equally prominent role in the restructuring of the labor market. Thus, the current increase of precarious work reflects not so much deregulation, but primarily the changing demand of precarious forms of work. The exigency for flexibilization induced employers to apply prevalently temporal, numerical, and wage flexibility strategies that have also been fostered by an uncoordinated market economy. The government under Tony Blair maintained the strategy of the flexible labor market. Striving against unemployment, new programs, known as the New Deal were introduced that targeted integration of the unemployed. At the same time, the Labor Party intensified the policy of sanctions and incentives for unemployed workers. Introduction of a statutory National Minimum Wage in 1999 and fiscal policy changes (Working Families Tax Credit) improved the situation of low-income households.

Within the context of mentioned changes on the labor market, I will examine how these flexibilization processes affected careers of young generations, above all because they lack work experience, lobby, networks, and seniority. Furthermore, I will investigate which groups are especially exposed to atypical and precarious forms of employment and how these changes might transform social inequality structure in British society. For this purpose, I investigate the entry into the labor market, focusing on the duration until the first job and the quality of the first job. In the second step, early careers are the subject of my analysis, which gives an idea of establishing processes among different cohorts and groups.

By means of the British Household Panel Survey I take full advantage of longitudinal data to model different transitions: duration until the first job, upward and downward mobility, leaving initial employment in unemployment, and transition to re-employment. Logit models will be also applied for analyzing the quality of the first job.

As results show precarious and atypical forms of work increased significantly over the cohorts. Younger cohorts also start below the employment status of older cohorts. With respect to early careers I found that overall mobility increased over cohorts. I observe a clear picture of destabilization of the early careers for younger generations. The risks of moving downward and of becoming unemployed as well as the chances of moving upward increased over the cohorts considerably. However, the chances and risks of employment are unequally distributed and are strongly dependent on the individual attributes and the path dependencies of one's life course.

Though the increasing instabilities affect all young generations well-educated persons occupying better positions are better protected from employment risks and display better chances of becoming established on the labor market: educational achievement gained importance for moving upward, and for protection from risks of becoming unemployed. Entrants starting their first job in higher occupational classes are more likely to get full and permanent contracts and are protected from the risk of becoming unemployed.