



Monitoring Early Employment Security in Greece

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ABSTRACT

In the present paper, the composite indicator of early employment security introduced in Symeonaki et al. (2022) is used to measure and monitor early employment security in Greece. The composite indicator is estimated for the year 2018 using raw data drawn from the European Union Labour Force Survey (EU-LFS) and is compared with its values for the years 2008 and 2016 which mark the beginning and the end of the economic crisis given in Symeonaki et al. (2022). More specifically, ten indicators are estimated to refer to three different domains capturing the entire procedure of the school-to-work transition of a young individual. The domains refer to the conditions that young individuals might face when entering the labor market, i.e., the labor market conditions, the quality of jobs that are accessible to them, and the transition smoothness when transferring from education and/or training to the labor market. The composite indicator synthesizes the many facets of school-to-work transition and reveals a very slight improvement for the year 2018 when compared to the year 2016. Nonetheless, the value of the early employment security indicator a decade after the economic crisis is still behind its value in 2008, implying that the country had not fully recovered in 2018 about early job insecurity.

Keywords: job insecurity, composite indicators, EU-LFS, labour market, school-to-work transitions

1. Introduction

Following Chung and van Oorschot (2011), the term employment security is defined as “the potential of having a secure and continuous employment career, which may entail changing employers or jobs”. It has been linked with the terms of flexibility and precarity in the sense that flexible, non-standard forms of employment may lead to long-term unemployment or unstable employment. One of the most vulnerable groups seems to be the young people who are more at risk of insecure and precarious forms of employment in their first stages of entering the labor market, compared to older and more established workers. A high percentage of people aged 15-29 are facing greater challenges in their search for secure employment after completing their education, and they often end up in casual or undeclared employment, part-time or temporary contracts, insufficiently paid jobs, or jobs without insurance (Kretsos 2010, Eurofound 2014, Eurostat 2022). These forms of employment may accelerate their entry into the labor market, acting as a stepping stone to a regular job for some graduates (Booth et al. 2002, Baranowska et al. 2011). However, many young people are trapped in a system of occasional, non-standard employment, characterized by a higher risk of in-work poverty and job insecurity, and many turnovers between employment, unemployment, and inactivity. According to Quintini et al. (2007), a considerable turnover between labor market states is evident in all OECD countries, while Matsumoto and Elder (2010) examine more than thirty countries between 2012 and 2016 and find out that only one-fourth of young graduates had completed their transition to fixed-term and satisfactory employment. Moreover, De Graaf-

Zijl et al. (2011) have shown that temporary jobs do not facilitate young people to move from unemployment to regular employment, and Scherer (2005) concludes that flexible forms of employment may result in greater career instability, especially in countries with low employment protection, such as Great Britain and Germany. On the other hand, Gebel (2010) reports that temporary contracts increase the risk of repeated temporary employment for new entrants in Germany, however, these effects are disappearing five years from the initial entry.

The prolonged economic recession has worsened even more the employment situation of young individuals in Europe (Broughton et al. 2016). Especially in Greece, a country that has been hit more than the other Member States by the crisis, the austerity measures imposed by the EU and the IMF have caused a dramatic increase in youth unemployment rates and a deterioration of young peoples' working conditions (European Parliament 2013). Thus, negative trends in the majority of labor market indicators are reported since 2008, and young Greeks seem to be more unsafe regarding their position in the labor market for other countries (Renold et al. 2014, Pusterla 2016, Karamessini et al. 2019). In particular, Karamessini et al. (2016a, 2016b) and Symeonaki et al. (2019) show that the transitions of young individuals from employment to unemployment have increased significantly during the years of the crisis, while in Eurofound (2014), the Mediterranean countries, including Greece, report the lowest transition rates for temporary employees into permanent jobs for the period 2008-2009. Even highly educated workers have struggled to achieve suitable employment after the crisis in Greece (Kazana-McCarthy 2022, Themelis 2017). The unemployment rates seem

to gradually scale down after 2017, without however being accompanied by an improvement in the quality of employment, as the indicators of precarity and insecurity do not reach the pre-crisis levels (ILO 2020, Kakoulidou et al 2021).

In this paper, the composite indicator of early employment (in)security introduced in Symeonaki et al. (2022) is used to monitor the evolution of early job security in Greece. Raw data are drawn from the EU-LFS survey for the year 2018 and ten indicators that capture different domains of early employment security are estimated. More specifically, the labor market conditions in Greece are measured, as well as indicators that provide information about the type of contracts that young individuals have, along with indicators related to the school-to-work transition process. In addition, the composite indicator is used to point out how the indicator has changed through time, estimated for the year 2018 and compared with its values for the year that marks the beginning of the economic crisis, i.e., 2008, and the year 2016.

The paper is organized as follows: Section 2 provides the required information concerning the composite indicator used. The next section provides the estimation of the indicators, domain scores, and the value of the composite indicator for the year 2018, while Section 4 includes the discussion and aspects of future work.

2. Materials and Methods

This paper makes use of raw data drawn from the EU-LFS survey with Greece as a case study. The EU-LFS is a cross-sectional household sample survey and the key source that provides monthly, quarterly, and annual data on the participation of Europeans in the labor market, their working conditions, and their job characteristics. At the same time, it is the basis for the estimation of unemployment rates and other indicators, such as NEET rates, etc. all monitored by EUROSTAT. Several different indicators drawn from the EU-LFS were examined in Symeonaki et al (2022) and through correlation and Principal Components Analysis (PCA) ten of them were proposed for inclusion in the composite indicator of early employment security (EJSec). All indicators are measured for the 15-29 age category, as the interest falls upon the careers and labor market pathways of young individuals.

For the first domain that is linked to what young individuals face when they enter the labor market, i.e., the labor market domain, the indicators used are:

1. The youth employment rate (YER) is the percentage of employed young individuals in the total population.

2. The youth participation rate (YPR) is the percentage of young individuals in the labor force with the total population.
3. The youth unemployment rate (YUR) is the number of unemployed young individuals as a percentage of the active population.
4. The long-term unemployment rate (LTU) is the share of young individuals unemployed for 12 months or more in the total number of unemployed.
5. The NEET rate young individuals neither in employment nor in education and training (NEET) corresponds to the percentage of the population of the given age group (15-29) who is not employed and not involved in further (formal or non-formal) education or training.

Two indicators were also measured for the job quality domain:

1. Involuntary part-time workers (InPT) are young individuals working part-time but wish to work additional hours and are available to do so.
2. Involuntary temporary workers (InTEMP) are young individuals who work under a limited duration job/contract but wish to have a permanent contract.

Finally, three indicators relevant to the transition smoothness domain are estimated using the following variables:

1. The school-to-work transition probability (StE) is the probability that a young individual (15-29) is employed at the time of the survey given that he/she was in education or training a year ago.
2. The school-to-unemployment probability (StU) is the probability that a young individual (15-29) is unemployed at the time of the survey given that he/she was in education or training a year ago.
3. The employment rates of recent graduates (ERRG) as the employment rates of young individuals (15-29) that have graduated within the last three years and have not received education or training in the last four weeks preceding the survey.

Indicators are rescaled for all to have values between 1 to 7. Higher scores in each domain reveal better conditions for the young individual when entering the labor market.

3. Results

The results of this analysis for the year 2018 are exhibited in Table 1, where the indicator' values and respective values are exhibited.

Table 1. Indicators' values per domain, age 15-29, EU-LFS, 2018

Labour Market Conditions	Values
Youth employment rate (YER)	37.2 %
Youth participation rate (YPR)	55.7 %
Youth unemployment rate (YUR)	33.3 %

The long-term unemployment rate (LTU)	60.2 %
NEET rate (NEET)	26.2 %
Job Quality	
Involuntary part time workers (InPT)	69.9 %
Involuntary temporary workers (InTEMP)	62.1%
Transition Smoothness	
School-to-work transition probability (StE)	0.283
School-to-unemployment probability (StU)	0.415
Employment rates of recent graduates (ERRG)	49.3%

Having estimated the values of the indicators the employment security score for Greece in the year 2018 using domain scores (Score LMC, Score JQ, Score TS) are estimated Equation (1):

$$\text{using the methodology introduced in Symeonaki et al (2022) } EJSec = \text{Score}(LMC) + \text{Score}(JQ) + \text{Score}(TS). \quad (1)$$

(Table 2). Domain scores are summed up to provide the early

Table 2. Domain scores and early employment security score, ages 15-29, EU-LFS, 2018

Domain Scores	Values
Score LMC	4.078
Score JQ	3.040
Score TS	3.722
Early employment Security Score (EJSec)	10.840

Figure 1 reveals the evolution in each domain score and the total EJSec score between the years 2008, 2016 and 2018.



Figure 1. The evolution in each domain score and total EJSec score between 2008, 2016 and 2018.

The results show that the EJSec score in Greece was 11.75 in 2008, dropped to 10.84 in 2016, and then slightly increased to 10.84 in 2018, being approximately one unit less than what it was at the beginning of the economic crisis. We

note here that EJSec scores could take values between 3 and 21 with higher values indicating more early employment security. Now, one of the main advantages of the composite index is that it gives us a way of examining each domain separately and



concluding how the improvement or deterioration has taken place. In case we are interested in examining exactly how the decrease and the subsequent increase have taken place, we can examine the shifts in the scores of the individual domains. In Greece, the decrease between 2008 and 2016 is related to a decrease in all domain scores. On the other hand, the increase between 2016 and 2018 originates from an improvement in the quality of jobs (from 2.79 to 3.04) and the transition smoothness domain (from 3.45 to 3.722), with a simultaneous decline in the domain of labor market conditions (from 4.16 to 4.078). Therefore, we can conclude that in Greece labor market conditions are in a downward trend from 2008 to 2018. However, transition smoothness and the quality of jobs have also deteriorated but show an increase between 2016 and 2018.

Conclusions and Discussion

In this paper, the composite indicator of early employment (in)security introduced in Symeonaki et al (2022) is used to shed light on the employment situation of young people aged 15-29 in Greece. The main purpose is to see whether the scarring effects of the 2008 economic crisis may still affect the young people's working life, eight and ten years after the beginning of the economic crisis. With data drawn from the EU-LFS 2018, indicators related to different aspects

of early job security are measured and compared with their values for the years 2008 and 2016. Although a downward trend in the values of early job security from 2008 to 2016 has been reported, the results show that the situation seems to slightly differ in 2018. More particularly, an improvement in the quality of jobs as well as the rates regarding the transition smoothness of young people is noted in Greece, whereas a steady downward trend is detected between the years 2008, 2016, and 2018.

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