

POST-SCHOOL EXPERIENCE AND ITS IMPACT ON YOUTH UNEMPLOYMENT: AN AUSTRALIAN PERSPECTIVE

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This study adds to the knowledge of the transition period for young workers from formal schooling to the workforce. In particular, the article addresses the issue of whether previous employment experience in one or more part-time or full-time jobs increases the probability of the individual having a current job, five years after leaving school. Using the longitudinal character of the Australian Youth Survey, the study uses a bivariate probit to test empirically whether there is a 'scarring' effect on young workers by employers who, it is often alleged, discriminate against young workers with a poor early work history on the basis that this demonstrates a high probability of having developed poor attitudes to work. The empirical estimates also attempt to answer the question of whether accepting relatively poorly paid employment rather than holding out for better paid employment, influences the probability of obtaining future jobs. The study concludes that attempts by government to impose some order on the 'chaotic' nature of early job experiences by youths in their transition from school to the workplace may be counterproductive by negating the positive returns to job shopping, whereby those youths who otherwise may have found a good match with an employer of their own choice, no longer do so.

1 Introduction

Youth unemployment remains a serious problem in most western countries. In Australia, for example, although the unemployment rate for young workers has been falling in the face of relatively high rates of economic growth, the

unemployment rate for 15 to 19 year old youths not at school or at a tertiary educational institution full-time was still about 16.5% in the December quarter of 1999. That rate peaked at 26.4% in the December quarter of 1992, in the severe recession of the early 1990s. On the other hand, in the period of high economic growth in the late 1980s, the rate was at its lowest in the June quarter of 1989, at 12.9%. The close relationship between the youth unemployment rate and that for the workforce as a whole can be seen in the comparable unemployment rates for those three quarters – 6.7% in December 1999, 11.9% in December 1992 and 6.5% in June 1989. While there seems little doubt that microeconomic reforms and macroeconomic policy offer the best avenues for reducing the high level of youth unemployment, there is undoubtedly a role for improving the efficiency of the youth labour market in matching young workers to available jobs.

Understandably, the transition from school to work is characterised by high levels of movement into and out of jobs, as many young workers sample different labour market experiences, and revise their plans as their levels of knowledge increase. For example, a RAND study found that a substantial proportion of US high school seniors in the 1980s lacked direction when they left school, and that their subsequent activities were marked by false starts and backtracking (Haggstrom et al, 1991). In October following graduation, only about half of the 1980 graduates were pursuing the activities they had planned to pursue as seniors. The concern is that if young people have an early discouraging labour market experience, this will have long term consequences on their attitudes towards work and their assimilation into the labour market (Lynch, 1983). Ullah (1985) remarks that the literature on attitude-behaviour relationships and on human motivation implies that attitudes towards job seeking, expectations of obtaining a job, and the value placed on employment may all predict job-seeking behaviour, and that his study reveals that lower values of all three are associated with longer spells of unemployment.

The search theoretical literature on labour market dynamics assumes that optimising agents choose the labour force state which provides the highest computed returns, with transition probabilities depending on the worker's optimising strategies subject to the constraints imposed by the market environment and by the unilateral decisions of employers (Ordine, 1992). For those who have decided to enter the labour market, young workers are often faced with the decision to search for, and accept an offer for any available job, or

to hold out for the possibility that they will be offered what they consider a better job, one more suited to what they perceive as being compatible with their longer-term aspirations. The decision to accept any job is often accompanied by advice that the gaining of some work experience will, in the long run, improve their prospects for obtaining subsequent jobs, amongst which will be one which fulfils their aspirations. Such advice is generally based on some perceived demonstration effect on future employers, that the individual has demonstrated the motivation to search for and perform the duties associated with entering the workforce, and that skills and positive attitudes associated with holding down a job are important, even if the skills, in particular, are not transferable to the new job. The obverse argument is that to remain unemployed for long periods of time results in a scarring process, which reduces the probability of an employer offering a position.

Whether such a scarring effect amongst young workers is actually reflected in the labour market is largely an empirical question. Studies on transitional probabilities from unemployment to work give conflicting results. Lynch (1985), for example, shows strong negative duration dependence in youth unemployment for a sample of London youth, with the longer the current spell of unemployment, the more difficult it becomes for a young person to become re-employed. Offered as possible explanations, are that employers use employment histories as a sorting device or that youths with longer spells become more discouraged. In the Australian context, Brooks and Volker (1986) arrive at similar conclusions. Hui (1986,1991), however, comes to the opposite conclusion, that is, that the typical experience of unemployed youths in Australia is one of increasing probability of escape from unemployment as duration increases.

Hui (1991) also offers some insights into the role of wages, concluding that his results concur with the prediction of the theoretical search model with the reservation wage declining with elapsed unemployment, albeit at a declining rate. Again, however, for the sample of London youth, Lynch (1983), differs in concluding that duration had no significant influence on the reservation wage. In terms of the advice often given to potential new entrants to the labour market that they accept any job and the possible attendant low wages, Hui (1991) also reports that individuals with high past incomes seem to encounter significantly better employment offers, presumably because these act as signals to employers of their potential productivity. There may be a danger then, that

accepting a low wage job with the aim of demonstrating some level of work experience, at the same time demonstrates an attendant low level of productivity.

Some direct evidence for Australian youth on the importance of early job experiences on later labour market success comes from a Federal Government report to investigate the role and importance of casual, part-time and temporary work in assisting disadvantaged jobseekers to re-enter the labour force and to establish a more secure place in it (AGPS,1992). The results from discussion groups consisting of unemployed jobseekers not currently in labour market programs, jobseekers who were in government sponsored skills courses, and workers who were doing casual and/or part-time work, were that, whereas most thought that casual or temporary work could facilitate entry into the permanent workforce, their prior experience was that it had not done so for them. In many instances it was observed that the desire simply to have a job was more pressing than any idea of using it to progress to more secure work. Moreover, the experience of the respondents had been that, whatever the balance of skills and contacts generated from having insecure work, the benefit from having that work was that it could lead to more insecure work but seldom to more secure work. In an analysis of the Australian Longitudinal Survey for the years 1985 to 1989, the results showed that in terms of the chances of securing permanent employment, there was little difference between having held a casual job or being unemployed in the previous period, and that the evidence of casual employment acting as a bridge to permanent employment was not strong.

The current study takes advantage of the longitudinal nature of the Australian Youth Survey to track the work histories, for the first four years, of a sample of Australian youths who left school in 1988. The probability of the individual having at least one full-time or part-time job in 1991, and then again in 1993 is modelled as a function of a range of explanatory variables described in more detail below, but including variables such as family background and schooling, previous and current levels of post-school formal training, job histories in terms of numbers and lengths of both full-time and part-time jobs, and relative wage variables. The empirical analysis attempts to answer questions about the factors firstly which influence the probability of obtaining employment, and secondly, those which influence the probability of obtaining different types of employment. The question to be answered is whether previous job histories

significantly influence the probability of a youth holding down a job at some future time.

The structure of the paper is as follows. Section II outlines the theoretical models to be used. Section III describes the data and variable construction, while Section IV presents the empirical estimates and discussion. Section V presents a summary and conclusion.

II The Theoretical Model

The basic model used in this study is a bivariate probit model with sample selection, derived from Greene (1998). The bivariate nature of the model arises firstly because, through sample attrition, an individual in the initial 1989 sample may or may not still be in the sample in the year in question (for example, 1991), and secondly, having survived into the later year sample, the individual may or may not have a job in that year. The model is of the form

$$\begin{aligned} z_1 &= \mathbf{b}_1' x_1 + \mathbf{e}_1, & y_1 &= 1 \text{ if } z_1 > 0, \text{ otherwise } 0 & (1) \\ z_2 &= \mathbf{b}_2' x_2 + \mathbf{e}_2, & y_2 &= 1 \text{ if } z_2 > 0, \text{ otherwise } 0 & (2) \\ \mathbf{e}_1, \mathbf{e}_2 & \text{ distributed as } \text{BVN}(0,0,1,1, \mathbf{r}), \\ (y_1, x_1) & \text{ is observed only when } y_2 = 1. \end{aligned}$$

where z_2 is the probability of still being in the sample after n years have elapsed; z_1 is the probability of having either a full-time or part-time job in the n th year (Model1), or z_1 is the probability of being in a full-time versus a part-time job in the n th year (Model2). The need for a sample selectivity model is embodied in equation (2), where the potential for selectivity bias exists since those individuals who were able to be interviewed in 1991, for example, may have different characteristics from those in the initial 1989 sample. Whether the individual survives into the later year sample is modelled as a probit with a matrix of explanatory variables, x_2 .

In Model1, z_1 is the probability of having either a full-time or part-time job in the n th year, and is modelled as a probit with a matrix of explanatory variables, x_1 . In Model2, z_1 is the probability of being in a full-time versus a part-time job in the n th year, and is modelled as a probit with the same matrix of explanatory variables, x_1 . In each model, the matrix of explanatory variables x_2 , is a subset of the matrix x_1 .

III The Data and Variable Construction

The data used come from the annual Australian Youth Survey (AYS) for the years 1989 through 1993. The AYS began in 1989 with a nationally representative sample of more than 5000 young people aged 16-19. The initial sample was augmented annually by the addition of a new group of around 1200 16-year-olds from 1990 to 1994. In this study, only youths who reported leaving formal schooling in 1988 are considered, comprising 1148 individuals. The work histories of those in this group were tracked through to 1991 in the first instance; 906 or 78.9% were still in the sample in 1991. These remaining individuals were further tracked until 1993, where information on 744 or 64.8% of the original sample was recorded.

A set of work history variables was constructed and combined with variables on formal education since leaving school, together with a range of background characteristics to act as control variables. The set of work history variables initially concentrates on total number of weeks of full-time and part-time work over the early two year period immediately after leaving school, from 1989 to 1990, total number of full-time and part-time jobs over that period, and a range of appropriate wage variables. Formal education undertaken since leaving school is reflected in a range of variables measuring the enrolment in and/or the obtaining of certificates, degrees or trade qualifications, together with a measure of years of compulsory schooling. Control variables include gender, age, English speaking background, geographical location, type of high school attended and a range of formal qualifications possessed by the individual's mother and father. Table 1 provides a summary of the variables used in the models to follow.

Table 1

LIST OF VARIABLES

Control variables

SEX	Male=1, Female=0
AGE	Age in years in 1989, having left school in 1988
ENGLISH	=1 if racial origin English; omitted category Abor/Asian/Other
OTHCITY	Where mostly lived before you were 14 : =1 if city other than capital city; omitted category Capital City
RURAL	Where mostly lived before you were 14 : =1 if country town or village or rural area or farm; omitted category Capital City
OVERSEAS	Where mostly lived before you were 14 : =1 if mostly oversea; omitted category Capital City
YRSECSCH	Years of secondary schooling
MOTUNI	=1 if mother has bach deg/higher deg; omitted 'Secondary School Ed';
MOTCERT	=1 if mother has bach cert; omitted 'Secondary School Ed';
MOTPRIM	=1 if mother has only primary school education/higher deg; omitted 'Secondary School Ed';
MOTNAV	=1 if mother has no formal schooling or not known; omitted 'Secondary School Ed';
FATUNI	=1 if father has bach deg/higher deg; omitted 'Secondary School Ed';
FATCERT	=1 if father has bach cert; omitted 'Secondary School Ed';
FATPRIM	=1 if father has only primary school education/higher deg; omitted 'Secondary School Ed';
FATNAV	=1 if father has no formal schooling or not known; omitted 'Secondary School Ed';
CATHSCH	=1 if last secondary school Catholic; omitted is Gov. Sec. School
OTHSCH	=1 if last secondary school Other; omitted is Gov. Sec. School

Education variables

CURRUNI	=1 if currently studying bach degree in 1989; omitted is currently not studying any post-school qualification in 1989;
CURRCERT	=1 if currently studying dip/cert/trade in 1989; omitted is currently not studying any post-school qualification in 1989;
CURRTNG	=1 if currently studying traineeship in 1989; omitted is currently not studying any post-school qualification in 1989;
BACH90	=1 if completed a bach deg/higher deg/diploma at time of 1990 interview; omitted is no post-school qualification
CERT90	=1 if completed a trade qual/cert/traineeship at time of 1990 interview; omitted is no post-school qualification
CURUNI90	=1 if currently (ie in 1990) studying bach/ higher deg/diploma; omitted category is not studying FT or PT in 1990;
CURCER90	=1 if currently (ie in 1990) studying trade qual/cert/traineeship; omitted category is not studying FT or PT in 1990;

Work History variables

TWFT8990	total number of weeks of full-time work in 1989 and 1990;
TWPT8990	total number of weeks of part-time work in 1989 and 1990;
TJFT8990	total number of full-time jobs in 1989 and 1990;
TJPT8990	total number of part-time jobs in 1989 and 1990;
RAGWP89	ratio of average gross hourly pay in 1989 to the average gross hourly pay of both FT and PT by Sex in 1989; =Gross weekly pay per hours worked in the current or last job in 1989 + \$6.8187 (females) OR \$6.2924 (males);
RAGWP90	ratio of average gross hourly pay in 1990 to the average gross hourly pay of both FT and PT by Sex in 1990; =Gross weekly pay per hours worked in the current or last job in 1990 + \$7.6717 (females) OR \$7.2488 (males);
NOJOB89	=1 if no full-time or part-time job in 1989;
NOJOB90	=1 if no full-time or part-time job in 1990;
NOJ8990	=1 if no full-time or part-time job in 1989 or 1990;

III Empirical Estimates and Discussion

The initial two models to consider look at the influence of various aspects of the individual's work history over the first two years after leaving school, on having either a full-time or part-time job in 1991 and again in 1993. As mentioned above, some respondents were lost to the survey in the period between 1991 and 1993; Table 2 supplies some average values and proportions for the variables for the samples remaining for these two years.

Table 2
Average Values/Proportions

	Has a job in 1991	Has a job in 1993
Control variables		
SEX	.4934	.5013
AGE	17.64	17.64
ENGLISH - racial origin	.9713	.9677
OTHCITY - other city than capital city	.1556	.1599
RURAL - country town/village/rural area	.3245	.3132
OVERSEAS - mostly lived overseas before 14	.0242	.0241
YRSECSCH - years of secondary schooling	11.46	11.48
MOTUNI - if mother has degree/higher degree	.1159	.1156
MOTCERT - if mother has certificate	.1887	.1935
MOTPRIM - if mother has only primary school	.0816	.0779
MOTNAV - if mother has no formal schooling	.0518	.0551
FATUNI - if father has degree/higher degree	.1600	.1680
FATCERT - if father has certificate	.2439	.2594
FATPRIM - if father has only primary school	.0849	.0819
FATNAV - if father has no formal schooling	.1689	.1707
CATHSCH - from Catholic high school	.1921	.1935
OTHSCH - from other high school	.1038	.1022
Education variables		
CURRUNI - studying bach.degree in 1989	.2450	.2621
CURRCERT - studying certificate in 1989	.1512	.1478
CURRTNG - traineeship in 1989	.0485	.0403
BACH90 - bachelor/higher/dip.in 1990	.0154	.0134
CERT90 - trade qual./cert/traineeship in '90	.1336	.1237
CURUNI90 - currently studying bach. In 1990	.2594	.2661
CURCER90 - currently studying cert. In 1990	.1336	.1331
CURTNG90 - currently in traineeship in 1990	.0518	.0524
APPREN90 - in apprenticeship in 1990	.1325	.1331
FAILCO90 - failed a course in 1990	.0408	.0389
DEFCO90 - deferred a course in 1990	.0165	.0201
Work History variables		
TWFT8990 - total weeks full-time 89 and 90	24.47	24.08
TWPT8990 - total weeks part-time 89 and 90	18.72	18.96
TJFT8990 - total number jobs full-time 89 & 90	1.351	1.328
TJPT8990 - total number jobs part-time 89 & 90	1.102	1.114
RAGWP89 - ratio average gross hourly wage etc	.8049	.8155
RAGWP90 - ratio average gross hourly wage etc	.8054	.7865
NOJOB89 - no job in 1989	.1567	.1640
NOJOB90 - no job in 1990	.0805	.0873
NOJ8990 - no job in both 1989 and 1990	.0596	.0631
Sample size	906	744

As can be seen from Table 2, each of the 1991 and 1993 samples comprises approximately half males and females, with average ages of 17.5 years, with an average of 11.5 years of primary and secondary schooling. Approximately 97% come from an English speaking background, with about 53% having been living in a capital city at age 14, and approximately 32% from a country town or rural environment. In terms of family background, about 12% of mothers possessed a degree or higher degree, and a further 19% a certificate qualification; the corresponding figures for fathers were 16% and 25%. About 70% of the individuals went to government schools, 19% to Catholic high schools, with the remaining 11% to other private schools.

In terms of further education after leaving high school, about 25% reported being enrolled in University in the year after leaving high school, with about 15% studying for a certificate, 4% in some form of traineeship, and 12% in a formal apprenticeship. Just in excess of half of this group were involved in some formal post-secondary school education or traineeship. In the two years since leaving school, these individuals averaged 24 weeks of full-time employment, 19 weeks of part-time employment, and 1.4 full-time and 1.1 part-time jobs. Approximately 16% had no part-time or full-time job in the year after leaving school, and about 8% had no job in the following year. Approximately 6% had no type of job in both these years.

In each of the models reported below, a further set of dummy variables reporting whether the individual had received any formal classroom training (as opposed to on-the-job training) were entered, but then discarded when they proved insignificant in all specifications. For this reason, none of these training variables are included in Tables 1 and 2.

Table 3 shows the results of the bivariate probit with sample selection for the sub-sample interviewed in 1993, that is five years after leaving school. The dependent variable is 'Has either a full-time or a part-time job in 1993 = 1; =0 otherwise'. Though not reported here, the results of the probit model on whether the individual was still in the sample in 1993 (744 or 64.8% of the original sample took part in the 1993 survey) suggested that older members have a lower probability of having remained in the sample, while those who were enrolled in either a degree or certificate course reported a higher probability of being in the sample, with those undergoing a traineeship program in 1989 reporting the opposite.

The left-hand part of Table 3 shows the probability of having either a full-time or part-time job in 1993, after correcting for the potential sample selectivity. In this specification, to test whether not having any job in 1989 or 1990 affects the probability of having a job in 1993, the relative wage variables are omitted. Of the 744 individuals, 106 or 14.3% had no job in 1993, with 638 or 85.7% reporting at least one job. Concentrating on the work experience variables significant at the 5% level, only those with a larger number of weeks of full-time work experience in the first two years show a higher probability of having a job five years later. The marginal effect is, however, not strong, with an additional 10 weeks of full-time work in 1989 and 1990, increasing the probability of having a job in 1993 by about 2.8%. The total number of similar weeks of a part-time nature held during the first two years after leaving school have no lasting affect, as do the number of full-time or part-time jobs.

Similarly, whether the individual had no job in 1989 or 1990, or in both those years appears to have no long-run influence on the probability of having a job several years later. While not reported here, further evidence of job stability in terms of remaining in the same industry and/or in the same occupation with the same employer, also was shown to have little influence on the probability of having a job in 1993.

The right-hand part of Table 3 shows the probability of having either a full-time or part-time job in 1993, for those who actually held at least one full-time or part-time job in 1989 and 1990. This enables the introduction of the two relative hourly wage rate variables; notice that the 'no job' variables have to be omitted in this specification. Again the model has little explanatory power, but it does show that, if anything, there is a weak positive relationship between the relative hourly wage in 1989 and the probability of having a job in 1993. Accepting low paid jobs for the sake of having any job, does not appear to be a necessary strategy to obtaining jobs in the future.

Table 3

Probability of Having a Full-time or Part-time Job in 1993

Without relative hourly pay variable			With relative hourly pay variable	
Variable	Coefficient	t-value	Coefficient	t-value
Control variables:				
SEX	-.140	-.906	-.328	-1.019
AGE	-.248	-2.164*	-.372	-1.553*
ENGLISH	.345	1.128	.791	1.652
OTHCCITY	.023	.129	.147	.478
RURAL	.342	2.117*	.345	1.208
OVERSEAS	-.353	-.800	5.035	.000
YRSECSCH	.162	1.249	.177	.718
MOTUNI	.053	.210	.080	.203
MOTCERT	.291	1.362	.589	1.190
MOTPRIM	.355	1.165	1.145	.844
MOTNAV	.608	2.193*	.378	.764
FATUNI	.192	.732	.140	.293
FATCERT	.032	.017	.072	.218
FATPRIM	-.141	-.539	-.594	-1.057
FATNAV	-.244	-1.239	-.237	-.645
CATHSCH	.076	.420	.243	.715
OTHSCH	-.100	-.449	-.125	-.308
Education variables				
CURRUNI	.437	1.076	.594	.833
CURRCERT	.254	.705	.761	.500
CURRTNG	.438	.936	.256	.219
BACH90	-.523	-1.213	-1.545	-1.127
CERT90	-.015	-.070	.172	.488
CURUNI90	.245	.639	-.256	-.461
CURCER90	.848	2.094*	5.629	.000
CURTNG90	.477	1.050	5.003	.000
APPREN90	.105	.272	.171	.211
FAILCO90	.145	.332	4.676	.000
DEFCO90	.362	.534	5.051	.000
Work History variables:				
TWFT8990	.014	3.495*	.094	1.296*
TWPT8990	-.014	-.028	-.079	-.820
TJFT8990	.017	.189	-.141	-.901
TJPT8990	.147	1.197	.113	.501
NOJOB89	-.148	-.561	-	-
NOJOB90	-.425	-1.355	-	-
NOJ8990	-.024	-.060	-	-
RAGWP89	-	-	.861	1.645
RAGWP90	-	-	-.155	-.360
Constant	2.665	2.043*	4.294	1.971*
Sample Size	744		499	
McFadden's pseudo R ²		0.050		0.067 ¹

* significant at 5% level; ** significant at 10% level; for omitted categories of dummy variables, see Table 1

The overwhelming impression from Table 3, is that past work history in the early years after leaving school, has little lasting effect on the probability of being in employment several years further into the individual's working history. While an increase in number of weeks in one or more full-time jobs within the two years from leaving school does increase the probability of having a job five years later, there appears to be no statistical evidence of any scarring effect of

¹ Likelihood ratio test: $McFadden's\ pseudo\ R^2 = 1 - LnL / LnL_0$, where LnL = maximum likelihood of the log-likelihood function and LnL_0 is maximum likelihood of the log-likelihood function with only a constant term. See Greene (1993, pp 651-3).

not having a job, whether full-time or part-time during that period. This would suggest that employers do not look upon this as a signal that the individual has poor work habits, or poor attachment to the job market. Similarly, whether the young individual has attempted some educational program, but has failed to complete it, or has decided to defer it, also did not appear to show any scarring effect. In terms of suggesting that an individual leaving school should accept any job even if it paid a low wage so as to gain some work experience which would then help towards obtaining a better paid job later on, the evidence also appears to contradict this advice. In the first two years after leaving school, individuals with high relative hourly wages with respect to the average of their whole peer group, in fact had a higher probability of being in a job five years further on. While this might reflect some return to better qualifications, additional and/or more relevant work experience, or some unmeasured motivational factors, there were controls, at least for the first two of these sets of variables.

To check on shorter-term influences of work history on the probability of obtaining future jobs, a similar analysis to that embodied in Table 3 was carried out for the probability of the individual having at least one full-time or part-time job in 1991, that is, three years after leaving school in 1988, again with the inclusion of the sample selectivity component of the model. The results are reported in Table 4; of the 906 individuals still in the sample in 1991 (78.9% of the 1148 in the initial sample), 110 or 12.1% had no full-time or part-time job during 1991, while 796 or 87.9% did have at least one full-time or part-time job. For the specification without the relative hourly wage variables, while the model again has little overall explanatory power three of the four work experience variables related to full-time or part-time jobs held in 1989 and 1990 are significant and positive at the 5% level. The marginal effects are, however, very small; for example, an increase of 10 weeks of full-time work experience in 1989 and 1990 or an increase of 10 weeks of part-time work experience in 1989 and 1990, both increased the probability of having a job in the following year by around 1%. In terms of the effects of having no job, there is some weak evidence of a negative carryover effect of reporting no job in the previous year;

having no job in 1990 reduces the probability of having a job in 1990 by about 3.4%. In terms of the relative wage effect shown in the right-hand specification of Table 4, although both relative wage variables are positive, neither is significant at the 5% level.

Table 4

Probability of Having a Full-time or Part-time Job in 1991

Without relative hourly pay variable			With relative hourly pay variable	
Variable	Coefficient	t-value	Coefficient	t-value
Control variables:				
SEX	-.149	-.775	-.051	-.103
AGE	-.059	-.306	-.481	-1.080
ENGLISH	.286	.381	-1.379	-.061
OTHCITY	.428	1.195	-.075	-.129
RURAL	.108	.328	-.063	-.144
OVERSEAS	-.853	-.800	.565	.000
YRSECSCH	.192	.385	.445	.965
MOTUNI	-.095	-.295	.115	.157
MOTCERT	.090	.019	.148	.165
MOTPRIM	-.102	1.165	.177	.131
MOTNAV	-.151	-.208	-.289	-.405
FATUNI	.375	.906	2.132	.000
FATCERT	.078	-.299	.131	.197
FATPRIM	-.373	-.917	-.387	-.399
FATNAV	-.482	-1.727**	-.572	-.894
CATHSCH	.161	.276	.103	.107
OTHSCH	.065	.145	-.067	-.091
Education variables				
CURRUNI	.577	.796	.5731	.732
CURRCERT	.417	.506	.629	.485
CURRTNG	.448	.683	1.934	.000
BACH90	.102	.122	-.033	-.045
CERT90	.346	1.191	-1.422	-1.285
CURUNI90	-.487	-1.220	-.256	-.461
CURCER90	.124	.308	-.359	-.451
CURTNG90	-.692	-1.930**	-.865	-.877
APPREN90	4.429	.000	.495	.000
FAILCO90	.424	.705	.721	.002
DEFCO90	-.300	-.460	.159	.006
Work History variables:				
TWFT8990	.023	2.595*	.014	.787
TWPT8990	.023	2.716*	.017	.780
TJFT8990	.258	2.060*	-.333	-1.013
TJPT8990	.038	.468	-.254	-1.319
NOJOB89	.365	1.146	-	-
NOJOB90	-.896	-2.186*	-	-
NOJ8990	-.309	-.626	-	-
RAGWP89	-	-	1.152	1.306
RAGWP90	-	-	.701	.804
Constant	-1.307	-.237	5.097	.217
Sample Size	906		617	
McFadden's pseudo R ²		0.149		0.142

* significant at 5% level; ** significant at 10% level; for omitted categories of dummy variables, see Table 1

One further model was fitted using the 1991 sample. A similar bivariate probit model with sample selectivity was fitted for the 796 who reported at least one full-time or part-time job in 1991, namely for the probability of having a full-time

job versus a part-time job as a function of the range of control, educational and work related variables generated over the 1989 and 1990 period immediately after leaving school. The left hand side of Table 5 shows the results without the relative wage variables; of the 796 in the sample, 285 or 35.8% reported having at least one part-time job while the remaining 511 or 64.2% reported having at least one full-time job during 1991.

There is fairly weak evidence that males relative to females show a higher probability of having a full-time rather than a part-time job in 1991; those with higher years of high school similarly show a higher probability of having a full-time job. In the latter case, the effect is quite strong, with the marginal effects suggesting that a further year of schooling increases the probability of obtaining a full-time rather than a part-time job by around 10%. Understandably, those currently studying for a university degree report a higher probability of having a part-time rather than a full-time job; for apprentices, whose conditions require holding down a full-time job, the opposite is the case. Not surprisingly, in line with similar studies (Gaston and Timcke, 1999), those with the highest number of weeks of full-time employment and those with the largest numbers of full-time jobs in the 1989- 1990 period also exhibit a higher probability of having a full-time job in 1991. It must be acknowledged, however, that a relatively high proportion of the youths in this sample were post-secondary school students, whose main focus for the period they were studying would most likely have been to earn some income towards their living and other costs, rather than to gather work experience to help in securing some future job.

Reporting not having had any job in 1989 and/or 1990 did not appear to have any lasting influence on the probability of reporting at least one full-time job in 1991. For the second specification in Table 5, only the relative hourly wage in 1989 is reported; the model would not converge with the inclusion of the 1990 relative wage variable. Although weakly significant and positive, the results suggest little independent influence of the relative hourly wage in 1989 on the probability of obtaining at least one full-time job in 1991.

Table 5

Probability of Having a Full-time versus a Part-time Job in 1991

Without relative hourly pay variable			With relative hourly pay variable	
Variable	Coefficient	t-value	Coefficient	t-value
Control variables:				
SEX	.245	1.860**	.120	.803
AGE	-.090	-.917	-.240	-2.057*
ENGLISH	.491	1.502	.689	1.619
OTHCITY	-.268	-1.625	-.204	-1.080
RURAL	.127	.818	.092	.467
OVERSEAS	.375	.700	.306	.527
YRSECSCHE	.277	2.543*	.420	3.351*
MOTUNI	-.045	-.223	-.145	-.629
MOTCERT	.047	.272	.051	.238
MOTPRIM	-.049	-.180	.002	.008
MOTNAV	-.275	-.864	-.006	-.017
FATUNI	-.267	-1.407	-.233	-1.022
FATCERT	-.194	-1.003	-.279	-1.181
FATPRIM	-.550	-2.155*	-.710	-2.382*
FATNAV	-.260	-1.463	-.440	-2.208*
CATHSCH	-.125	-.807	-.152	-.808
OTHSCH	-.176	-.915	-.227	-1.102
Education variables				
CURRUNI	.162	.603	.103	.347
CURRCERT	.300	1.244	.352	1.266
CURRTNG	.113	.374	-.053	-.169
BACH90	-.459	-.661	-.247	-.142
CERT90	.239	1.344	.248	1.170
CURUNI90	-.765	-2.988*	-.293	-3.302*
CURCER90	-.188	-.819*	-.276	-1.031
CURTNG90	-.027	-.102	-.094	-.323
APPREN90	.785	2.240*	.801	2.026*
FAILCO90	-.161	-.601	-.135	-.449
DEFECO90	-.462	-1.128	.005	.008
Work History variables:				
TWFT8990	.008	1.904**	.007	1.674**
TWPT8990	-.004	-1.176	-.004	-1.011
TJFT8990	.284	3.309*	.257	2.703
TJPT8990	-.053	-.896	-.086	-1.317
NOJOB89	.028	.147	-	-
NOJOB90	.649	1.224	-	-
NOJ8990	-.202	-.307	-	-
RAGWP89	-	-	.241	1.687**
Constant	-1.983	-1.482	-1.108	-.700
Sample Size	796		663	
McFadden's pseudo R ²		0.234		0.257

* significant at 5% level; ** significant at 10% level; for omitted categories of dummy variables, see Table 1

III Summary and Conclusion

The empirical analyses presented support that found in similar studies, namely that evidence of early job stability has, at best, only weak positive impacts on later job history, or the converse that a job history marked by relatively long periods without any job at all, or a history of many relatively short duration jobs has little or no scarring effects (Gardecki and Neumark,1998). Employers presumably recognize that the first several years after leaving school are often

characterised by a lot of job 'churning', where young individuals try one job and then another, move into and out of unemployment, and intersperse this with further formal and informal learning. The analyses also showed that high relative hourly wage rates in the early career years did not appear to adversely affect later probabilities of obtaining a job.

The overall conclusion is that attempts via government initiatives to devote additional resources to the transition from school to work, with a view to reducing the amount of job 'churning' or job uncertainty and impose some extra stability in the early years after leaving school, are largely ill advised. As an example, the current Federal Government's Work-for-the-Dole policy appears to be partly designed to impose some order on what is seen as costly chaotic early labour market experiences of young workers. The rationale behind this is presumably the evidence from much research documenting positive returns to training and job attachment, suggesting that it is optimal to get workers into steady jobs as soon as possible after leaving school (Gardecki and Neumark,1998). But there is also research evidence of positive returns to job shopping, and it may well be that funnelling workers more quickly into jobs not of their choosing, could prove counter-productive if those youths who otherwise may have found a good match with an employer of their own choice, no longer do so. With little or no evidence of 'scarring' from early job experiences identified in this and other studies, the case for imposing some additional 'order' on the early job experiences of young school leavers appears weak.

Similarly, the analyses suggested that advice to those who have recently left school to accept any job, even a low paying job, or one judged incompatible with the youth's skills, experience or temperament, could also be counterproductive.² Although the statistical evidence is relatively weak, the study did show that those with relatively high hourly wages in the early years after leaving school, were also shown to be those with the higher probability of having a job several years

² For example, Employment Services Minister Tony Abbott as quoted in the Weekend Australian (April 1-2,p.1): 'Jobseekers need to know that the best way to get the job you want tomorrow is to take the job available today, and that is the expectation this Government will enforce'.

further into their work history, with the hourly wage rate possibly acting as a signalling device to potential employers of levels of work productivity. This quite weak association is consistent with other studies showing the relative wage received by youths is not important in the high turnover and quit rate of young workers which accompanies the time spent 'sampling' jobs and searching for more satisfying jobs (Junankar, 1987).

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