

## Sen-sitising life course research?

**Exploring Amartya Sen's capability  
concept in comparative research on  
individual working lives**

**Actes du Séminaire CAPRIGHT  
Goettingen, 24-25 Septembre 2008**

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(Éditeurs)

Ce séminaire a été conjointement organisé par le Céreq et le SOFI dans le cadre du projet CAPRIGHT financé par le 6ème PCRD de la Commission Européenne. Il s'inscrit dans le cadre du groupe de travail 3 (WP3) dédié à l'analyse des vies actives.

Ce document est présenté sur le site du Céreq afin de favoriser la diffusion et la discussion de résultats de travaux d'études et de recherches. Il propose un état d'avancement provisoire d'une réflexion pouvant déboucher sur une publication. Les hypothèses et points de vue qu'il expose, de même que sa présentation et son titre, n'engagent pas le Céreq et sont de la responsabilité des auteurs.

Avril 2009



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# **Introduction**

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This publication presents the proceedings of the European workshop “Sen-sitising life course research? Exploring Amartya Sen’s capability concept in comparative research on individual working lives” held in Goettingen 24<sup>th</sup> and 25<sup>th</sup> September 2008. The debate was organized by a working group on individual working lives (Work Package 3) within the framework of the European integrated project Resources, rights and capabilities – in search of social foundations for Europe (CAPRIGHT), financed by the Sixth Framework Programme of the European Union. Two CAPRIGHT project partners, Céréq<sup>1</sup> (France) and SOFI<sup>2</sup> (Germany), were jointly responsible for organizing this public workshop.

The debates in Goettingen addressed questions that arise from applying the capability concept to life course research and from comparing findings on working lives across different countries. In this, the CAPRIGHT network benefited from an exchange with other eminent researchers in these fields. The workshop consisted of three panels:

### **Panel 1 : Life course, resources and capabilities**

The central idea of this panel was to submit the capability approach to discussion and to look for issues of common concern and for possible linkages between capability research and the life course research agenda.

### **Panel 2 : Research perspectives in CAPRIGHT**

A number of CAPRIGHT partners presented the research perspectives they developed within the WP3 and benefited from comments by external discussants.

### **Panel 3 : Using longitudinal data in a cross-country perspective**

In the concluding session, the workshop dealt with the issues of comparative research on individual working lives and of using both quantitative and in qualitative data.

This reader comprises all the papers presented by the speakers, sometimes in an augmented version that takes up some of the workshop debates, and some contributions by discussants. As the workshop debates were held in English, the documentation is in English as well, with summaries in French, German and English.

The editing team is greatly indebted to all the authors for submitting their papers and for re-editing them for this reader.

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1 Centre d'études et de recherches sur les qualifications,, Marseille, France, <http://www.cereq.fr/>

2 Soziologisches Forschungsinstitut an der Georg-August-Universität Göttingen, Germany, <http://www.sofi-goettingen.de/>

### **About the CAPRIGHT project**

One of the targets the European Integrated Project CAPRIGHT<sup>3</sup>, short for “Resources, rights and capabilities: In search of social foundations for Europe”, is to promote the cross-national analysis of individual working lives under the aspects of collective resources and employment quality.

The promotion of individual and collective capabilities underpins CAPRIGHT's research on the relations between labour markets, employment and welfare regimes. This project results in a positive dynamics between social justice and economic efficiency, the vital foundations for a knowledge economy. The important priority is to allow every person, wherever they live and work, to develop their own future with the resources that are available to them. What possibilities are open to them? What effective freedom of choice do they have? What obstacles impede their plans? What forms of public action, subject to what types of public debate, are available to overcome these restrictions? How can public policy overcome the inequalities in capabilities? What political procedures can Europe undertake to drive Member states in the direction of such change?

CAPRIGHT integrates two approaches into one research process: one addresses resource regimes<sup>4</sup>, the other inequalities in capabilities, a term derived from the work of Amartya Sen<sup>5</sup>. This research agenda involves the disciplines of anthropology, economics, history, law, political science and philosophy, sociology. CAPRIGHT inquires into three key areas: gender equality, professional development and work restructuring. Each area is analysed from three entry points, offering empirical evidence "from the bottom up" within a Work Package: the actual trajectories of people's working life; situated public action; social dialogue and European policy development. CAPRIGHT intends to contribute to the creation, on several levels, of public spaces within which processes of deliberative social democracy can address these issues.

### **About Work Package 3 “Individual working lives: collective resources and employment quality”**

One of the CAPRIGHT working groups is using the capability approach promoted by Amartya Sen as a sensitising concept to evaluate employment and social protection programmes and institutions of the welfare state according to the sets of options and choices – or capabilities – they provide for individuals' professional trajectories. The objective is to analyse, in a longitudinal perspective, critical points in individual working lives and to shed light on mechanisms and process connecting individual and collective resources to individual and collective capabilities on three transversal domains, gender equality, professional development and work restructuring. WP3 will combine statistical and econometric approaches based on existing surveys with qualitative tools such as in-depth interviews and participatory observation.

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3 Integrated project, contract n°CIT4-CT-2006-028549. [www.capright.eu](http://www.capright.eu)

4 <http://www.univ-nancy2.fr/ILSTEF/RESORE/>

5 <http://www.idhe.ens-cachan.fr/Eurocap/>

**FR**

Cette publication présente les actes du séminaire européen « Sen-sitising life course research ? Exploring Amartya Sen's capability concept in comparative research on individual working lives » qui a eu lieu les 24 et 25 septembre 2008 à Goettingen, et qui s'inscrit dans le cadre du groupe de travail 3 (WP3) dédié à l'analyse des vies actives du projet intégré européen « Ressources, droits et capacités : vers les fondements d'une Europe sociale ? » CAPRIGHT. Ce séminaire a été conjointement organisé par deux équipes partenaires du projet CAPRIGHT, le Céreq<sup>6</sup> et le SOFI<sup>7</sup>, et financé par le 6<sup>ème</sup> PCRD de l'Union Européenne.

L'objectif de ce séminaire public était de mettre en débat l'application du concept de « capacité » à l'analyse des parcours de vie et la comparaison de travaux sur les trajectoires individuelles dans différents pays, à partir d'échanges avec d'autres chercheurs dans ces domaines. Le séminaire était organisé en trois sessions :

### **Session 1 : Parcours de vie, ressources et capacités**

L'idée centrale de cette session était de débattre de l'approche par les capacités et des possibilités de fertilisation croisée avec les travaux sur les parcours de vie.

### **Session 2 : Les perspectives de recherche au sein du projet CAPRIGHT**

Plusieurs équipes partenaires du projet CAPRIGHT ont présenté les travaux qu'elles conduisent dans le cadre du WP3 et ont bénéficié de discussions de la part de chercheurs extérieurs.

### **Session 3 : L'utilisation de données longitudinales dans une perspective comparative**

La session conclusive portait sur les recherches comparatives sur les trajectoires d'activité utilisant à la fois des données quantitatives et qualitatives.

Le présent document contient les papiers présentés par les intervenants, parfois dans une version révisée et incluant des éléments du débat. Les discussions s'étant tenu en anglais, les papiers sont tous rédigés dans cette langue et introduits par des résumés en français et en allemand.

Les éditeurs de ce volume tiennent à remercier tous les auteurs pour leur aimable participation à la réalisation des actes du séminaire.

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6 Centre d'études et de recherches sur les qualifications, <http://www.cereq.fr/>

7 Soziologisches Forschungsinstitut Göttingen, <http://www.sofi-goettingen.de/>

## A propos du projet CAPRIGHT

Un des objectifs du projet CAPRIGHT<sup>8</sup>, acronyme pour « Ressources, droits et capacités : vers les fondements d'une Europe sociale ? », est de promouvoir l'analyse des trajectoires d'activité des individus sous l'angle des ressources collectives et de la qualité de l'emploi.

Dans la perspective de promouvoir les capacités individuelles et collectives, le projet CAPRIGHT étudie les liens entre marché du travail, emploi et régimes de protection sociale. Il s'agit, par la recherche, de mettre à jour les conditions de possibilité d'une dynamique positive entre justice sociale et efficacité économique, les deux piliers de l'économie de la connaissance. Il est en effet essentiel de permettre à chaque individu, quels que soient son lieu de vie, son histoire et sa trajectoire salariale de construire son propre avenir en fonction des ressources dont il dispose. Cela implique de mettre en évidence les possibilités qui s'offrent à lui, sa liberté effective de choix, les obstacles auxquels il peut être confronté, les formes d'action publique dont il dispose pour s'en sortir et les débats démocratiques auxquels tout cela renvoie : Comment une politique publique peut-elle neutraliser les inégalités sociales ? A quels processus politiques l'Europe peut-elle recourir pour encourager les Etats membres à mettre en œuvre des changements allant dans ce sens ?

CAPRIGHT intègre deux approches dans son programme de recherche : l'approche par les régimes de ressources<sup>9</sup>, et celle en terme d'inégalités des capacités développée par Amartya Sen<sup>10</sup>. Les disciplines mobilisées sont : l'anthropologie, les sciences économiques et politiques, l'histoire, le droit, la philosophie et la sociologie.

CAPRIGHT interroge trois domaines clés : égalité de genre, développement professionnel et recomposition du travail. Ils sont analysés à partir de trois points d'entrée, dont chacun fait l'objet d'un travail empirique : les trajectoires salariales, l'action publique « située », le dialogue social et le développement des politiques européennes. CAPRIGHT entend contribuer à la création, à plusieurs niveaux, d'espaces publics dans lesquels la démocratie sociale délibérative pourrait traiter ces questions.

## A propos du sous-groupe de travail n° 3 (WP3), « Trajectoires salariales : ressources collectives et qualité de l'emploi »

Ce groupe de travail du projet CAPRIGHT utilise l'approche par les capacités développée par Amartya Sen pour l'évaluation des institutions et des politiques d'emploi et de protection sociale sous l'angle des possibilités et des choix – ou capacités- qu'ils procurent aux individus au cours de leur trajectoire.

L'objectif est d'analyser, dans une perspective longitudinale, les moments critiques auxquels les individus sont confrontés durant leur parcours professionnel, et d'éclairer les mécanismes et processus reliant les ressources aux capacités (aussi bien individuelles que collectives) dans trois domaines transversaux : l'égalité de genre, le développement professionnel et la recomposition du travail. Cet atelier combinera des approches statistiques et économétriques fondées sur des études existantes et des outils qualitatifs (entretiens biographiques, observation participante...).

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8 Integrated project, contract n°CIT4-CT-2006-028549. [www.capright.eu](http://www.capright.eu)

9 <http://www.univ-nancy2.fr/ILSTEF/RESORE/>

10 <http://www.idhe.ens-cachan.fr/Eurocap/>

## DE

Diese Veröffentlichung ist eine Dokumentation des europäischen Workshops “Sen-sitising life course research? Exploring Amartya Sen’s capability concept in comparative research on individual working lives” der am 24. und 25. September 2008 in Göttingen stattfand. Die Beiträge wurden von der Arbeitsgruppe zu individuellen Erwerbsleben (Arbeitspaket 3) im Rahmen des europäischen Forschungsprojekts ‚Ressourcen, Rechte und Verwirklichungschancen – auf der Suche nach einer sozialen Fundierung für Europa‘ (CAPRIGHT) organisiert. Der öffentliche Workshop wurde durch das sechste Forschungsrahmenprogramm der Europäischen Union finanziert und von zwei CAPRIGHT Projektpartnern, Céréq<sup>11</sup> (Frankreich) und SOFI<sup>12</sup> (Deutschland), gemeinsam ausgerichtet.

Die Debatten in Göttingen bezogen sich auf Fragen, die bei Anwendung des Capability-Konzepts auf die Lebensverlaufsforschung und beim Vergleich von Erwerbsverläufen zwischen Ländern aufkommen. Hierin profitierte das CAPRIGHT-Netzwerk vom Austausch mit anderen Wissenschaftlern aus diesen Forschungsbereichen. Der Workshop bestand aus drei Foren:

### **Forum 1: Lebensverlauf, Ressourcen und Verwirklichungschancen**

Hauptgedanke dieses Forums war, den Capability-Ansatz zur Diskussion zu stellen und nach gemeinsamen Anliegen und möglichen Verbindungen zwischen ihm und dem Lebensverlaufsansatz zu suchen.

### **Forum 2: Forschungsperspektiven in CAPRIGHT**

Eine Reihe von CAPRIGHT-Partnern stellten Forschungsperspektiven vor, die sie im Arbeitspaket WP3 entwickelt hatten, und erhielten Anregungen von externen Disputanten.

### **Forum 3: Die Verwendung von Längsschnittdaten im Ländervergleich**

Diese letzte Sitzung des Workshops widmete sich den Themen der vergleichenden Beforschung individueller Erwerbsverläufe und der gemeinsamen Nutzung quantitativer und qualitativer Daten.

Der vorliegende Reader besteht aus den Papieren der Referenten, die teilweise weiter ausgearbeitet und mit Anregungen der Disputanten und Debattierenden des Workshops angereichert wurden. Der Workshop wurde in englischer Sprache gehalten, die Papiere sind ebenfalls auf Englisch mit Zusammenfassungen in Französisch, Deutsch und Englisch.

Die Herausgeber, Céréq und SOFI, sind allen Autoren tief verpflichtet für die Überlassung ihrer Beiträge und deren Aufbereitung für diese Dokumentation.

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11 Centre d'études et de recherches sur les qualifications, <http://www.cereq.fr/>

12 Soziologisches Forschungsinstitut Göttingen, <http://www.sofi-goettingen.de/>

## Zum Projekt CAPRIGHT

Eines der Ziele des europäischen Verbundprojekts CAPRIGHT<sup>13</sup>, abkürzend für „Ressourcen, Rechte und Verwirklichungschancen: Auf der Suche nach einer sozialen Fundierung für Europa“, ist die Unterstützung von ländervergleichenden Analysen individueller Erwerbsleben im Hinblick auf kollektive Ressourcen und Beschäftigungsqualität.

Die Förderung persönlicher und kollektiver Verwirklichungschancen liegt der Erforschung der Beziehungen zwischen Arbeitsmärkten, Beschäftigung und Wohlfahrtsregimen durch CAPRIGHT zugrunde. Dieses Anliegen soll sich in einer positiven Dynamik zwischen sozialer Gerechtigkeit und wirtschaftlicher Effizienz äußern, welche die Grundlagen einer Wissensgesellschaft darstellen. Vornehmliche Priorität ist es, allen Menschen, wo auch immer sie leben und arbeiten, zu ermöglichen, mit den verfügbaren Ressourcen ihre eigene Zukunft zu gestalten. Welche Möglichkeiten stehen ihnen offen? Welches Maß an realer Wahlfreiheit besitzen sie? Welche Hindernisse stehen zwischen ihnen und der Verwirklichung ihrer Pläne? Welche Formen öffentlichen Handelns, im Zeichen welcher Arten öffentlicher Diskussion, bieten sich an, um jene Hindernisse zu überwinden? Wie kann Politik die Ungleichheiten von Verwirklichungschancen bekämpfen? Welche politischen Schritte kann Europa unternehmen, um Mitgliedsstaaten in eine solche Richtung zu leiten?

CAPRIGHT fasst zwei Ansätze zu einem Forschungsprozess zusammen: der eine hat Ressourcenregime<sup>14</sup> zum Gegenstand, der andere die Ungleichheit von Verwirklichungschancen im Sinne der Arbeit von Amartya Sen<sup>15</sup>. Das Forschungsprogramm bezieht die Disziplinen Anthropologie, Wirtschaftswissenschaften, Geschichtswissenschaften, Rechtswissenschaften, Politikwissenschaften, Philosophie und Soziologie ein. CAPRIGHT forscht in dreierlei Richtungen: Geschlechtergerechtigkeit, berufliche Entwicklung und Umstrukturierung von Arbeit. Jeder dieser Bereiche wird unter drei Blickwinkeln analysiert, somit werden in jedem Arbeitspaket empirische Belege von der Basis verfügbar: die tatsächlichen Verläufe individueller Erwerbsleben, öffentliches Handeln im lokalen Zusammenhang, sozialer Dialog und europäische Politikentwicklung. CAPRIGHT möchte auf verschiedenen Ebenen zur Schaffung öffentlicher Räume beitragen, in denen Prozesse beratender sozialer Demokratie solche Themen verhandeln können.

## Zum Arbeitspaket 3, „Individuelle Erwerbsleben: kollektive Ressourcen und Qualität von Beschäftigung“ (WP3)

Eine der Arbeitsgruppen in CAPRIGHT nutzt den Ansatz der Verwirklichungschancen von Amartya Sen als ein Sensibilisierungskonzept, um Programme für Beschäftigung und soziale Sicherung und Institutionen des Wohlfahrtsstaates gemäß der Auswahl an Optionen – oder Verwirklichungschancen – zu bewerten, welche sie Individuen auf ihren Berufswegen zur Verfügung stellen. Ziel ist es, in einer Längsschnittperspektive kritische Momente in individuellen Erwerbsleben zu analysieren und die Mechanismen und Prozesse zu beleuchten, die persönliche und kollektive Ressourcen mit persönlichen und kollektiven Verwirklichungschancen verbinden. Letzteres wird vor allem in den drei Bereichen Geschlechtergerechtigkeit, berufliche Entwicklung und Umstrukturierung von Arbeit untersucht. WP3 verbindet statistische und ökonometrische Ansätze, die auf bestehenden Erhebungsdaten basieren, mit qualitativen Werkzeugen wie Tiefeninterviews und teilnehmender Beobachtung.

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13 Integrated project, contract n°CIT4-CT-2006-028549. [www.capright.eu](http://www.capright.eu)

14 <http://www.univ-nancy2.fr/ILSTEF/RESORE/>

15 <http://www.idhe.ens-cachan.fr/Eurocap/>



## **Panel/Session/Forum 1**

**Life course, resources and capabilities**

**Parcours de vie, ressources et capacités**

**Lebensverlauf, Ressourcen und  
Verwirklichungschancen**

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# **Abstracts/Résumés/Zusammenfassungen**



## **Paper 1**

**Peter Bartelheimer, Nathalie Moncel, Joan Miquel Verd, Josiane Vero**

### **“Towards analysing individual working lives in a resources/capabilities perspective”**

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#### **Abstract**

This collective paper aims at presenting the current state of conceptual and methodological reflection pursued within the Work Package 3 in the CAPRIGHT research agenda that has the ambition to examine the impact of social and labour market policies on the contrasting realities found in individual working lives. The starting point is built out two analytical frames.

The first section deals with the central notions of Sen’s capability approach – resources, capabilities and functionings - and the developments in the field of working lives. The focus is put on the way to address time within a dynamic approach of capabilities, and on how to operationalise this approach in order to assess real freedom of choice in individual’s actions.

The second section presents the resource regime framework as a political understanding of the wage-welfare nexus defined by the institutional forms of resources flowing through the wage. Resource regimes identify societal configurations of rights over resources that are constitutive of social groups and evolve in relation to changes in employment relations. The centrality of resources and public policies makes the bridge between the two approaches.

However, a longitudinal perspective is required to deal with individual working lives. In this way, the third section reviews the perspective developed by life course research and discusses ideas on how to link it with the CAPRIGHT analytical grids. Developed as a sociological theory of social structure or individual action, the life course approach provides key concepts to analyse changes in individual’s trajectories. While standardization of social integration through employment and salary secured quite homogeneous social rights in the “fordist” period, de-standardization, differentiation and pluralization imply both the diversification of rights and entitlements and the diversification of the origin of resources.

Finally, the fourth section sketches out the methodological issues related to our research perspective, with a specific attention to longitudinal approach and the combination of quantitative and qualitative data.

#### **Résumé**

Ce papier collectif a pour objectif de présenter un état de l’actuelle réflexion conceptuelle et méthodologique développée dans le groupe de travail 3 du projet CAPRIGHT, groupe qui a pour ambition d’analyser l’impact des politiques sociales sur les réalités contrastées de la vie active des individus. Le point de départ mobilise deux cadres d’analyse.

La première section explicite les notions fondamentales de l’approche de A. Sen – ressources, capacités, fonctionnements – et leur application dans les études sur la vie active. La prise en compte du temps pour une approche dynamique des capacités ainsi que la mise en œuvre de cette approche pour évaluer la liberté réelle de choix dans les actions des individus constituent des enjeux centraux.

La deuxième section présente le cadre d’analyse en termes de régimes de ressource comme une interprétation politique du rapport salarial bâtie d’après les formes institutionnelles des ressources véhiculées par le salaire. Les régimes de ressource permettent d’identifier des configurations sociétales de droits à ressource constitutifs de groupes sociaux et évolutifs selon les transformations des relations d’emploi. La centralité des ressources et des politiques publiques est un point commun aux deux approches mobilisées.

Toutefois, une perspective longitudinale est nécessaire pour analyser les parcours des individus. Dans ce sens, la troisième section passe en revue la perspective développée par les approches en termes de parcours de vie et discute des possibilités de liens avec les grilles d’analyse mobilisées par le projet CAPRIGHT. Développée en tant que théorie sociologique de la structure sociale ou de l’action individuelle, l’approche en termes de parcours de vie fournit des concepts essentiels pour l’analyse des transformations dans les trajectoires individuelles. Alors que l’intégration standardisée à l’emploi et au salaire de la période fordiste assu-

rait des droits sociaux plutôt homogènes à la population active, les mouvements de de-standardisation, de différenciation et de pluralisation impliquent la diversification à la fois des droits et de l'origine des ressources.

Finalement, la quatrième section présente les questions d'ordre méthodologique liées à nos perspectives de recherche avec une attention particulière portée à l'approche longitudinale et à l'utilisation combinée de données quantitatives et qualitatives.

### **Zusammenfassung**

Dieses Papier versucht, den aktuellen Stand der konzeptionellen und methodologischen Überlegungen darzustellen, wie sie im Arbeitspaket 3 des Forschungsprogramms CAPRIGHT angestellt werden. Das Programm untersucht die Einwirkung von Sozial- und Arbeitsmarktpolitik auf die verschiedenartigen Manifestationen individueller Erwerbsleben. Als Ausgangspunkte dienen zwei Analyserahmen.

Der erste Abschnitt befasst sich mit den zentralen Begriffen des Sen'schen Capability-Ansatzes – Ressourcen, Verwirklichungschancen und Funktionen – und den Entwicklungen im Bereich der Erwerbsleben. Der Schwerpunkt liegt auf dem Einbezug der Zeit in einen dynamisierten Ansatz der Verwirklichungschancen, und dessen Operationalisierung zur Beurteilung realer Wahlfreiheit in den Handlungen von Individuen.

Im zweiten Abschnitt wird der Analyserahmen der Ressourcenregime vorgestellt. Er bringt ein politisches Verständnis der Verknüpfung von Lohn und Wohlfahrt mit sich, demzufolge Ressourcen in institutionalisierter Form durch den Lohn kanalisiert werden. Ressourcenregime spezifizieren gesellschaftliche Zuteilungsmuster von Rechten auf Ressourcen, die gesellschaftliche Gruppen formen und sich in Verbindung mit Wandlungen von Erwerbsbeziehungen weiterentwickeln. Die Verbindung zwischen den beiden Ansätzen wird durch die zentrale Position von Ressourcen und Politik hergestellt.

Jedoch bedarf es einer Betrachtung im Längsschnitt, um individuelle Erwerbsleben adäquat zu untersuchen. Somit führt der dritte Abschnitt in die Perspektive der Lebensverlaufsforschung ein und diskutiert mögliche Verknüpfungen mit den Analyserahmen aus CAPRIGHT. Die Lebensverlaufsforschung wurde als soziologische Theorie der Sozialstruktur und des individuellen Handelns entwickelt, sie bietet Schlüsselkonzepte für die Analyse von Wandlungen in individuellen Verläufen. Während im Fordismus die Standardisiertheit sozialer Inklusion der Erwerbsbevölkerung via Beschäftigung und Entlohnung relativ gleich verteilte soziale Rechte sicherte, bringen Differenzierung und Pluralisierung die Diversifikation sowohl von Rechten und Ansprüchen als auch der Quellen von Ressourcen mit sich.

Im vierten Abschnitt werden zum Abschluss die methodischen Hindernisse in Bezug auf den verwendeten Forschungsansatz skizziert, wobei der Längsschnittbetrachtung und der Kombination quantitativer und qualitativer Daten besondere Aufmerksamkeit gewidmet ist.

## **Paper 2**

**Ute Klammer**

### **“The life course research perspective on individual working lives: Findings from the European Foundation research”**

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#### **Abstract**

Using results out of several research reports for the ‘European Foundation for the Improvement of Living and Working Conditions’ since the year 2000 and the summary report written by Ruud Muffels, Ton Wilthagen and herself, finished in 2008, Ute Klammer argues the necessity of looking at working lives in a life course research perspective.

The life course approach having made its way into political agendas during recent years, the authors still diagnose the lack of a comprehensive approach, permitting both the synchronization of parallel professional and private activities and a secured diachronization of activities over successive life phases. Most of the empirical research has focused on the individual micro-level analysis and the important changes occurring in today’s life courses: labour market participation and mobility, flexible working time schemes, distribution of income, work and working time preferences over the individual’s life course. The authors distinguish several companies’ flexible strategies with specific impact on employees’ working life course, the challenge being to adapt the needs of companies and their employees. Finally, labour laws and social security systems can be regarded as crucial factors for participation in working life for men and women and for flexible distribution of time over life course. In conclusion, policy recommendations for implementing the life course perspective are presented, pointing out the risks related to individualization in planning of working life, the need for collective agreements supporting flexible schemes, and the diversity in national labour markets and welfare regimes.

#### **Résumé**

A partir des résultats de plusieurs recherches produites pour la Fondation européenne pour l’amélioration des conditions de vie et de travail depuis 2000, et sur la synthèse de ces travaux écrite par Ruud Muffels, Ton Wilthagen et elle-même en 2008, Ute Klammer argumente dans sa présentation en faveur d’une analyse de la vie active dans une perspective de parcours de vie.

Si l’approche en termes de parcours de vie est présente depuis quelques années maintenant dans les préoccupations politiques, les études soulignent toutefois l’absence d’une approche globale permettant à la fois la synchronisation des activités professionnelles et personnelles et la sécurisation dans le temps des différentes phases du cycle de vie. La plupart des études empiriques ont analysé le niveau individuel et les importants changements survenus dans les parcours de vie : participation et mobilité sur le marché du travail, flexibilité des temps du travail, répartition du revenu, du travail et des préférences en termes de temps de travail sur le parcours de vie. Les auteurs distinguent également les types de stratégie de flexibilité développés par les entreprises et leur articulation aux parcours de vie des salariés en soulignant le défi de faire coïncider leurs besoins respectifs. Finalement, les systèmes de protection sociale et de législation du travail apparaissent comme des facteurs déterminants des formes d’engagement des hommes et des femmes dans la vie active et des modalités de variation du temps de travail au cours de la carrière. En conclusion sont évoquées des recommandations pour des politiques inscrites dans une perspective en termes de parcours de vie, mettant en avant les enjeux liés à l’individualisation de l’organisation de la vie professionnelle, à la gestion mutualisée de la flexibilité en entreprise et à la diversité des situations nationales en Europe.

## **Zusammenfassung**

.Ausgehend von den Ergebnissen mehrerer Berichte für die ‚Europäische Stiftung zur Verbesserung von Lebens- und Arbeitsbedingungen‘ seit dem Jahr 2000, sowie von einem zusammenfassenden Bericht, welcher im Jahr 2008 durch Ruud Muffels, Ton Wilthagen und die Autorin selbst fertig gestellt wurde, vertritt Ute Klammer die Position, dass Erwerbsleben aus einer Forschungsperspektive des Lebensverlaufs betrachtet werden sollten.

Auch wenn der Lebensverlaufsansatz im Laufe der vergangenen Jahre in die politische Sphäre vorgedrungen ist, stellen die Autoren nach wie vor den Mangel eines umfassenden Ansatzes fest, der die Abstimmung paralleler beruflicher und privater Tätigkeiten erlauben und ebenso aufeinander folgende Lebensphasen mit wechselnden Tätigkeitszentren absichern würde. Der größte Teil der empirischen Arbeiten hat sich auf die Analyse der Mikroebene und die tiefgreifenden Wandlungen konzentriert, die heute in Lebensverläufen auftreten: Erwerbsbeteiligung und Arbeitsmarktmobilität, flexible Arbeitszeiten, die Einkommensverteilung, Arbeits- und Arbeitszeitpräferenzen im Laufe des individuellen Lebensweges. Die Autoren unterscheiden zwischen den Flexibilitätsstrategien mehrerer Firmen mit deren spezifischen Auswirkungen auf die Erwerbsverläufe der Beschäftigten. Die Herausforderung ist, die Bedarfe von Firmen mit den Bedürfnissen der Beschäftigten abzustimmen. Ferner werden bei Frauen und bei Männern gesetzliche Regelungen und Systeme sozialer Sicherung als entscheidende Faktoren für die Teilnahme am Arbeitsleben und für eine flexible zeitliche Verteilung der Arbeit im Lebensverlauf identifiziert. Abschließend werden politische Empfehlungen zur Umsetzung der Lebensverlaufsperspektive vorgestellt. Dabei wird auf die Risiken hingewiesen, die mit einer Individualisierung der Lebensplanung verbunden sind, auf den Bedarf an Kollektivvereinbarungen, die flexible Modelle unterstützen, und auf die Vielfalt nationaler Arbeitsmärkte und Wohlfahrtsregime.

## Paper 3

Nicolas Farvaque

### “The capability approach and the dynamics of life course”

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#### Abstract

Dealing with the operationalisation of the capability approach in a dynamic perspective, Nicolas Farvaque's presentation is about a study on young people's inclusion into the labour market in France by the end of the nineties. The integration into working life represents a crucial moment in the individual trajectory as well as a probable biographical key point; it also constitutes a progressive access to means and opportunities for independent living, social networking. The starting point of the study was to analyse the impact of resources like education and labour market and social policies on young people's capability for work. Going further, the analysis also assesses the influence of typical trajectories on various functionings like the intensity of social relations, being independent or having a car, getting job interviews. Basically, it seems that the better the trajectory (i.e. direct access to stable employment), the better the achievements for any functioning. The results also display important gender effects on the equality in converting efforts and resources into valuable achievements. In evaluating the capability of not accepting any job, the analysis also brings to the fore the difference between opportunity aspect and process aspect of capability. Finally, the author calls for construction of more complex indicators that integrate personal agency and structural constraints, taking into account the quality of the options people have.

#### Résumé

Abordant la question de l'opérationnalisation de l'approche par les capacités dans une perspective dynamique, Nicolas Farvaque présente les résultats d'une recherche sur l'intégration des jeunes dans l'emploi dans la France de la fin des années 90. L'entrée dans la vie active représente un moment crucial dans la trajectoire des individus ainsi qu'un tournant biographique important ; c'est un accès progressif aux moyens et aux opportunités pour accéder à l'indépendance et aux réseaux sociaux. Le point de départ de la recherche est d'analyser l'impact des ressources telles que l'éducation, les politiques publiques d'emploi et les politiques sociales sur les capacités des jeunes pour les travail. Plus avant, l'analyse examine également les liens entre types de trajectoires et fonctionnements tels que l'intensité des relations sociales, le fait d'avoir un logement indépendant ou une voiture, l'accès à des offres d'emploi. Il apparaît que les trajectoires les plus stables sont celles qui sont associées aux meilleurs fonctionnements. Les résultats montrent également d'importants écarts entre filles et garçons dans l'égalité de conversion des efforts et des ressources en fonctionnements valorisés. En ce qui concerne la capacité de refuser un emploi, l'analyse fait apparaître la différence entre les opportunités et les processus des capacités. Finalement, l'auteur plaide pour la construction d'indicateurs plus complexes, qui intègrent les choix personnels et les contraintes structurelles, et prennent en compte la qualité des opportunités qui se présentent aux individus.

#### Zusammenfassung

Nicolas Farvaque präsentiert eine dynamische Anwendung des Capability-Ansatzes am Beispiel der Eingliederung junger Menschen in den französischen Arbeitsmarkt der späten 90er Jahre. Der Übergang in das Arbeitsleben stellt einen kritischen Moment im Lebensverlauf dar, ebenso ist er ein wahrscheinlicher biografischer 'key-point' und geht einher mit wachsenden Mitteln und Möglichkeiten, unabhängig zu leben und soziale Netzwerke zu bilden. Der Ausgangspunkt der Untersuchung ist die Frage nach dem Einfluss von Ressourcen wie Bildung, Arbeitsmarkt und Sozialpolitik auf die 'capability for work' junger Menschen, also auf die Verwirklichungschance, zu annehmbaren Bedingungen am Arbeitsleben teilzuhaben. Im Weiteren wird der Einfluss typischer Erwerbs- oder Nichterwerbsverläufe auf verschiedene Funktionen wie die Intensität sozialer Beziehungen, Selbstbestimmung, den Besitz eines Fahrzeugs oder auch die Möglichkeit eines Vorstellungsgesprächs bestimmt. Es scheint, dass je höherwertiger der Erwerbsverlauf ist, d.h. der Zugang zu stabiler Beschäftigung, desto mehr werden auch Funktionen jedweder Dimension erreicht. Die Ergebnisse bringen auch eine große zwischengeschlechtliche Ungleichheit betreffs der Umwandlung von Anstrengungen und Ressourcen in wertzuschätzende Teilhabeerfolge ans Licht. Indem sie zudem die Verwirklichungs-

chance, nicht jede angebotene Arbeit annehmen zu müssen, beurteilt, verweist die Untersuchung auf den Unterschied zwischen Gelegenheits- und Verfahrensaspekt der Verwirklichungschancen. Abschließend wird in dem Vortrag auf die Notwendigkeit hingewiesen, komplexere Indikatoren zu schaffen, die persönliche 'agency' und strukturelle Zwänge einbeziehen, und die Qualität der Menschen zur Verfügung stehenden Optionen zu berücksichtigen.

# Towards Analysing Individual Working Lives in a Resources/Capabilities Perspective

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The overall objective of the European Integrated Project CAPRIGHT (short for “Resources, Rights and Capabilities: in search of social foundations for Europe”) is to use the capability approach (CA) promoted by Amartya Sen and the concept of resource regimes as sensitising concepts and as an “enriched informational base of judgement” in evaluating European employment and social protection programs. Work Package 3 in the CAPRIGHT research agenda is committed to implementing both quantitative and qualitative research strategies that apply these concepts to the cross-national analysis of individual working lives. This collective paper aims at presenting the current state of conceptual and methodological reflexion on this objective.

The ambition of Work Package 3 (WP3) of the CAPRIGHT project is to examine the contrasting realities found in individual working lives as their place in production systems is far less predetermined and definitive than during the Fordist period and as ties between companies and their employees become more volatile. Work trajectories in firms and employment histories in the labour market must be evaluated from the point of view of the dividing line between imposed and voluntary mobility.

A first line of enquiry concerns the collective resources available to people that enable them to control their mobility. What resources – institutionalised and/or negotiated – can guarantee professional security, or will, on the contrary, generate involuntary career fragmentation? These resources derive from public policy (education and training, labour market and social policies etc.) or from collective bargaining, or from standards and legal codification of employment. In relation to changes in the wage-welfare nexus instituted in employment relations, special attention is given to innovative forms of employment that do not fit traditional categories: para-subordination, new types of independent work, and to how work status fits (or does not fit) into regimes of social protection and collective bargaining agreements that offer the means to secure professional and social itineraries. To what extent do these resources open up areas of freedom, or do they, on the contrary, constrain individual work opportunities?

A second level of enquiry addresses effective freedom of choice, from the point of view of these collective resources, as the expression of the capability of individuals to determine their own working lives. To what extent and how can a person convert collective resources into effective achievements and valuable outcomes (for herself and for the economy)? We propose to evaluate these outcomes from the standpoint of capabilities: capacity for work, for employment, for learning stands for the extent of effective freedom of choice at key moments in the individual working life, capacity for voice implies the possibility of a real voice in collective choices concerning legal protection or collective agreements related to career security, and capacity for work-life balance addresses the quality of life that depends on how professional activity is reconciled with private life ( ).

Dealing with these two lines of enquiry, the WP3 research agenda proposes to combine two analytical grids in an attempt to analyse individual working lives: the capability matrix coming from Sen’s approach and developed in the EUROCAP network; and the resource regime framework resulting from the previous European network RESORE which constitutes an institutional perspective on configurations and changes in rights over resources<sup>16</sup>. However, the objective to analyse individuals’ trajectories also requires using methodological and theoretical elements coming from diverse biographical approaches.

Common research efforts in WP3, using both quantitative and qualitative approaches, is organised in four thematic groups exploring different dimensions of the working life course: young adult trajectories and professional development, life long learning and professional development, work-life-balance and gender inequality, and restructuring work.

The first section of this paper deals with the central notions of Sen’s capability approach and the developments in the field of working lives. The second section presents the resource regime framework as a political understanding of the wage-welfare nexus and its application to interpreting current changes in Europe. The third section reviews the perspective developed by life course research and discusses ideas on how to link it with the CAPRIGHT analytical grids. Finally, the fourth section sketches out the methodological issues related to our research perspective, with a specific attention to the longitudinal approach and the combination of quantitative and qualitative data.

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16 More information about the EUROCAP network can be found for on : <http://www.idhe.ens-cachan.fr/Eurocap/index.html> and for the RESORE network on : <http://www.univ-nancy2.fr/ILSTEF/RESORE/GB/Gb.html>

# 1. THE CAPABILITY APPROACH IN ANALYSING WORKING LIFE AND SOCIAL POLICY

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Sen's capability approach (CA) is basically a normative framework for assessing alternative policies or states of affairs. According to the CA, social arrangements should primarily be evaluated according to the extent of freedom that people have to achieve the plural functionings they value (Alkire, 2007). The capability approach has influenced research in many different areas, and it has received significant reflection in both theoretical and empirical research in social and human sciences. However, it has only recently become of increasing interest in analytical and empirical studies of issues related to employment, work, training or learning.

Here we focus on the main concepts of the capability approach and review several applications in the capability literature addressing the role of time and the working trajectories of individuals.

## 1.1. Central concepts of the capability approach

The eponymous idea of capabilities is the core concept of the capability approach. Capabilities can be thought of as a step between resources and functionings which cannot directly be observed (as illustrated in the diagram in Figure 1). Functionings are actual achievements of a person: they stand for what he or she is or does. They have to be distinguished from capabilities, representing the potential functionings of a person, i.e. what she could be or do. According to Sen (1993:31), "the capability of a person reflects the alternative combinations of functionings the person can achieve, and from which he or she can choose one collection". The distinction between the realised on the one hand and the effectively possible on the other hand could also be described as referring to the difference between achievements and freedoms. Capabilities as combinations of beings and doings that a person can achieve reflect the real set of options a person has, thus her freedom of choice. The second distinction is between resources and capabilities. Resources are entitlements and commodities available to individuals, be they produced or not on the market, exchangeable or not against money. So, the capability approach also rejects normative evaluations based exclusively on commodities, income, or material resources. As Robeyns (2005) notes: "Resources are only the means to enhance people's well being and advantage whereas the concern should be with what matters intrinsically, namely capabilities". Indeed, given equal resources, when faced with the same contingencies people do not have the same ability to overcome them (Salais and Villeneuve, 2005). They do not have the same power to convert the means at their disposal into real freedom. There are factors which influence how well a person can convert resources into capabilities.

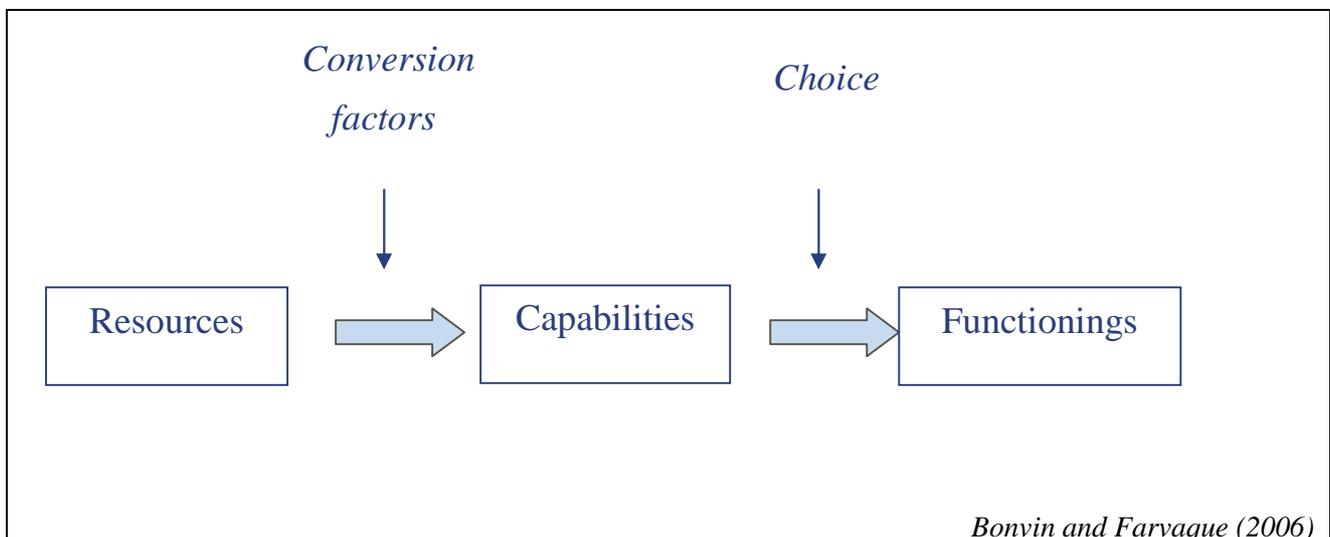
The very important advance of the CA lies in its stress on conversion factors, i.e. on the proper conditions allowing translating formal rights and formal freedoms into real rights and real freedoms. The extent to which a person can generate capabilities from resources and entitlements depends on "the factors that determine how smoothly this conversion can be made" (Robeyns, 2007). After Robeyns (2003), one can acknowledge that there are different conversion factors that influence the capability set. What people are effectively able to do and to be depends on three kinds of conversion factors: personal, social and environmental. For example, assessing employees' capabilities cannot be achieved independently of the context, which means social conversion factors, and so it requires in-situ contextualised judgements. As recalled by Bonvin and Thelen (2003), "*this concept of 'situatedness' is at the very centre of the capability approach*". If individual needs are to be duly taken into account, then the prominent role of specific conversion factors ought not to be restricted to certain variables like gender, company size or sector. Furthermore, the dynamics of conversion factors must be understood in most cases as an interplay of different factors or of different kinds of factors: an individual's joblessness due to discrimination against the colour of his skin is actually due to both an individual and a social factor, neither of whose would have rendered the detrimental outcome on its own. With regard to the sphere of working lives, the role of the conversion factors is crucial since they may either enhance or impede capability for voice, capability for work, employment, training, work-life balance.

Hence, part of the difference in attainable functionings is due to conversion factors. An individual right to training does not tell us what the person will be able to do with this right. For example, in France, employees have the right to a personal training program (DIF). While employees make the initial request for training, they must obtain the company's agreement. The final choice of training program is reached by mutual con-

sent. So the ability to convert the Individual Right to Training (DIF) into a real right is dependent on different conversion factors. Among the environmental conversion factors, companies' policies play an important role as they are in charge of implementing institutionally drafted rights. Hence, the information provided in the company about this right, the procedures for collecting and discussing employees' training wishes, the existence and role played by staff representatives, the existence of a company agreement concerning training at least in part, the company's level of training expenditure are environmental conversion factors that must be duly taken into account. Furthermore, personal conversion factors, such as ability to use informal levers, especially when there are no structuring tools accessible to everyone within companies, do impact the functioning one person can draw from a given a formal right. Such social conversion factors as child care organization, and specially women's place in child care, play a crucial role for women, especially when DIF training take place outside working hours.

Similarly the formal right to voluntary paternal or maternal leave is mediated not only by the constraints (possible reprisals) imposed by companies to fathers or mothers wanting to take a leave, but also by economic factors (economic necessity, if the leave comes with an allowance which is not wage equivalent) or cultural and social factors (men do not take it as care work is socially assigned to mothers).

**Figure 1: The Capability Analytical Framework**



This distinction leads us to emphasize the conception of individual responsibility in a capability approach. A person could not be considered responsible for individual outcomes if he or she lacks any real freedom to achieve valuable functionings. For example, as Bonvin and Farvaque (2005) recalled, responsibility of unemployed people in matters of employability or getting back to work could not be advocated if real freedom for work is not given.

To understand the stakes associated with freedom, one needs to distinguish negative and positive freedom. As underlined by Berlin (1969), negative freedom is the absence of obstacles, barriers or constraints whereas positive freedom is the possibility to act in such a way as to take control of one's life and realize one's fundamental purposes. While negative freedom is usually attributed to individual agents, positive freedom is sometimes attributed to collectives, or to individuals considered primarily as members of given collectives. This is due to the possibility of need for collective support, e.g. in the form of resources, in establishing positive freedoms. Hence, the way freedom is interpreted and defined can have important political implications. Current reforms are marked by the "negative" conception of freedom, and there are few cases of positive freedom (Corteel and Zimmermann, 2007). According to Sen, however, exercising individual responsibility requires positive freedom to act. Therefore, even if it takes an individual's point of view, the capability approach should not be misinterpreted as a concept allowing to hold the individual responsible for its achievement unless real freedom of choice was given, both concerning the existence of valuable options and the individual's ability to actual select either one of them.

This twofold condition illustrates the two aspects of freedom, as recalled by Bonvin and Farvaque (2005): the process aspect and the opportunity aspect. The process aspect deals with the ability to be agent, that is to affect the processes at work in their own lives or as general rules. The opportunity aspect deals with the ability to achieve valued functionings. According to Sen, the concept of capabilities is more suited for elaborating the aspect of freedom that deals with opportunities: "While the idea of capability has considerable merit in the assessment of the opportunity aspect of freedom, it cannot possibly deal adequately with the process aspect of freedom, since capabilities are characteristics of individual advantage, and they fall short of telling us about the fairness or equity of the processes involved, or about the freedom of citizens to invoke and utilise procedures that are equitable" (Sen 2005: 155 f.). However, Sen clearly argues that both the *opportunity* and the *process* aspect of freedom require consideration. Thus, low-quality workfare programs, designed to force unemployed people back to work by making unemployment allowance depend on their participation, cannot be justified in a capability framework: instead of enhancing opportunity freedom by adding valuable options, they reduce the individual's capability set by eliminating the capability *not* to participate. Of course, this reduction of the scope of choice implies a loss of process freedom at the same time.

## 1.2. How to address time in CA-oriented work on working lives?

For the most part, literature on the CA has been limited to information spaces that are static. But sustainable developments like working lives are in fact dynamic and would be probably best understood in an evolutionary perspective.

Several papers address a question which has not been at the core of the reflection in the literature on capability: how to handle time? Recently Comim (2003) tried to go beyond the simple acknowledgement of the importance of time and investigated "the implications of expanding even further the informational space put forward by the CA towards concerns with time and temporal aspects to the CA". He argued that "*becoming*", in addition to "*being*" and "*doing*", is a key category of analysis and that this addition to the capability informational space is consistent with its emphasis on processes and the role of valuation activities.

Other authors address the time dimension explicitly with the objective of arriving at a renewed basis of judgement in the measurement of poverty and social exclusion. The main idea is to analyse whether the lack of capability in certain dimension occurs for a number of periods in time (Comim and al. 2008). If relevant information is available across time, one would then be able to judge whether a person's failure to achieve a minimally adequate level of capability in some dimension is just temporary or chronic. Papadopoulos and Tsakloglou (2008) echo the same idea when they develop an approach to the measurement of social exclusion using the CA. If deprivation in certain dimensions occurs for a number of periods in time, it constitutes social exclusion.

Another concern with time cumulative effects is the issue of path dependency according to people's own histories and evolution, and specifically adaptive preferences. Using panel data from the British Household Panel Survey, Burchard (2003) studies subjective assessments of financial well-being at time *t* for individuals with a given income level, controlling for the income trajectory of the individual over the previous 1-9 years. The paper concludes that there is evidence of a process of subjective adaptation to material deprivation and that therefore subjective assessments of well-being are an inappropriate basis for judgements of inequality or social justice.

More generally, one may address the time dimension related to personal and collective conversion factors that play a fundamental role in Sen's capability approach. Literature has highlighted what could be called cross-sectional variety amongst individuals and society and to the evolution of interpersonal differences over time in transforming resources into functionings (Comim, 2003). Other research analyses the scope of choice at time *t* in relation with the professional life course, considered as a functioning, using individual longitudinal survey data (Farvaque 2006; Vero 2002).

Furthermore, CA oriented work has also permitted to explore 'the life course approach to capabilities' in analysing the time dimension of public intervention. Shahin Yaqub (2008) argues that interventions which affect capabilities at an early stage in life can be a crucial factor in influencing the chances that a person will escape poverty at a later stage in life. He shows that time affects (1) command over commodities of individuals, (2) their 'personal utilisation functions' and (3) the implications of their choices. Evidence presented in his paper suggests that, as the life course progresses, achievements in functionings become increasingly

determined by past achievements, and that functionings at earlier stages are correlated with functionings at later stage.

Finally, taking time into consideration leads to deal with both process and opportunity freedom. Among the papers which advocate such a perspective, several of them opt for a qualitative method of inquiry, which is seen by the authors as a key condition for a better sociological understanding of notions like freedom that stand at the core of the capability approach (Zimmermann 2006). For example, Corteel and Zimmermann (2007), starting from ethnographic surveys in companies, are interested in conditions in which social opportunities, collective support and latitude for individuals contribute jointly to a capability friendly professional development of company employees (B. Zimmermann and D. Corteel, 2007). Corteel (2004) analyses the role of the firm in securing or not securing its employees' trajectories, relying on factory fieldwork. She looks at employees' trajectories focusing on three important issues: the quality of work, the work-life balance and the possibility to decide and express one's opinion. And again, Bonvin and Farvaque (2007) are interested in conditions in which labour market policies and local actors could ensure a capability friendly conception of employability of jobseekers.

According to Salais and Villeneuve (2005), in the field of working life "the central theme of a capability approach is the construction of a framework of active security to cope with work transformation and economic uncertainty". As the capability approach is less attached to specific resources than to what people can do with them and as one and the same functioning can be achieved in different ways, "the capability approach is compatible with a specific understanding of the notion of security that is not attached to the job anymore but to the individual trajectory" (Corteel, 2005).

### **1.3. How to handle choice in a CA-oriented work on working lives?**

Operationalizing the CA is the most important challenge that lies ahead for this approach, especially when we consider working lives in a dynamic way. There are endless criticisms addressed to the CA, which pose a set of challenges to its operationalization.

One of the main criticisms addressed to the CA concerns the non-observability of capabilities - *since what someone could have done but is not doing is always counterfactual*. Data limitations are constantly pointed out by Sen as a "substantial drawback". As recalled by Comim (2001), "*depending on the context, the informational basis needed may be approximated by data that is available. It seems that practical compromises are intrinsic to the counterfactual nature of the CA.*" But Sen acknowledges that the capability set is not directly observable and argues that it is important to know what data in principle would be useful even though we may not be able to get them. From a pragmatist point of view, Sen (1999) also proposes three alternative practical approaches: (1) the direct approach which consists in directly examining vectors of capabilities or functionings (2) the supplementary approach, which consists in supplementing traditional comparisons on resources by incorporating capability considerations, thus broadening the informational basis, (3) the indirect approach which consists in calculating resources adjusted by capabilities, like adjusting income by equivalence scales (cf. Comim, 2001). As the choice of approach depends on the purpose of the examination and the available data, the direct approach is still the most accessible application of the capability approach. Still, a variety of uses are conceivable, concerning the scope of elements looked at, the comprehensiveness of their hierarchical ordering and also the decision between focussing rather on capabilities or functionings. The latter alternatives can be integrated via the frequently used concept of "refined functionings", taking note both of the actual outcome and of the available alternatives in the context of decision (Sen (1987:36-37). Nevertheless, refined functionings are a delicate concept because opportunities often focus on constraints, un-freedoms, penalties that people might face rather than on the scope of freedoms (Bonvin and Farvaque, 2007).

Farvaque (2008: 63) also uses the concept of refined functionings as a way to empirically identify capabilities. He addresses the context of decision in order to infer what the "conditions of choice" were and to assess whether the final achievements are the result of a 'free election' or the result of any kind of constriction. On their side, Burchardt and Vizard (2007) suggest supplementing the analysis of outcomes with information in each domain on personal autonomy – that is, to compare the degree of choice and control individuals have in obtaining the outcomes.

To eliminate or to minimize subjectivity of judgement related to choice matters is at the core of the CA. The problem of adaptive preferences is one of the main concerns of the capability approach. As put forward by Sen (1985) and Nussbaum (2000), individual subjective views provide an inadequate informational space with regard to capability assessment. Whenever individuals become accustomed or conform to unfavourable circumstances that distort their preferences, their subjective views are considered unreliable as an information basis for normative assessment. With regard to this problem, Sen argues for assessing specific situations in order to identify the role played by social, environmental and personal conversion factors.

The capability approach, while offering a normatively convincing answer to the key question of welfare economics: “inequality of what”, has somewhat neglected the crucial sociological question “equality of whom” (Zimmermann 2008: 123, 2006: 469). From a sociological point of view, the issue of “equality of whom?” seems crucial and is still to be addressed by the capabilities approach (ibid.). Sen is clearly not a sociologist – in his concept, persons remain abstract entities. If Sen deals with the differences in resources between individuals and also stresses the differences between individuals’ preferences or choices, based on goals, commitments or identity (2002), neither the situated action of individuals (its interactive and socially structured action) nor the role of power relations are taken into consideration. Yet the idea of dealing with different social groups that have different resources and preferences when analysing capabilities does not clash with Sen’s perspective. It is simply something that remains to be done.

## **2. RESOURCE REGIME AS A WAY TO UNDERSTAND THE WAGE AND WELFARE NEXUS IN POLITICAL ECONOMY**

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Turning now to the other analytical frame used in the CAPRIGHT agenda, this section presents the Resource Regime Approach (RRA), relating it to existing research in the field of employment and social protection. While Sen’s Capability Approach focuses on capabilities at individual level, the RRA clearly understands the notion of “resources” from a perspective of political economy. Although their spelling is similar, the two notions should be distinguished by the level of analysis. Moreover, the approach aims to characterise resource regimes in terms of several dimensions concerning financing and entitlements to social rights and control over resources. Thus it refers to “resources” in a larger “welfare economical” sense, including not only social protection but also training and all collective goods funded through socialised financial flows. Finally, being empirically based, the RRA aims at situating individual’s action both in time and space.

### **2.1. An analysis of changing institutional forms of resources flowing through wages**

While key developments in European labour markets have been analysed extensively in recent years, more and more studies have come to examine the relationship between change in employment and social protection. A lot of work was done to evaluate in greater depth the extent to which welfare systems are ‘employment friendly’ (Atkinson, 1995; Scharpf, 2000); or to examine how to reconcile work flexibility with protection for workers in a context of increasing risk (Bosco and Hutsebaut, 1997; Esping-Andersen and Regini, 2000; Schmid and Gazier, 2002). Social policies tend to be portrayed either as possible responses to labour market transformations or as one of the causes of labour market dysfunction. Similarly, major changes in welfare systems have also been closely scrutinised since the 1970s, particularly with reference to the retrenchment or revival of welfare state regimes (Esping-Andersen, 1990, 1999; Kuhnle, 2000; Pierson, 2001). In these studies, labour market developments are seen as being related primarily to economic forces existing outside of the scope of politics.

In relation to these debates, the TSER European network called RESORE has developed an original conceptual framework based on the following hypothesis: an analysis of changing institutional forms of the resources flowing through wages makes it possible to account for significant changes in the spheres of employment and social protection.

The starting point of the Resource Regime approach is to consider wages as the central institution channeling resource flows through employment and the financing of social protection. This perspective emerges from an historical and comparative approach of the wage relationship that has progressively been established as the dominant form of employment in European capitalist societies through the interweaving of work and welfare regulations. A central feature of this work–welfare nexus stemmed from the institutionalisation of resources to finance social protection of employed people and their families. Whatever the welfare model, in a situation where wages constitute the main component of personal income for the employed population, these resources flow through wages to finance social rights, using either wage-based contributions as in the Bismarkian model or income tax as in the Beveridgien model. The nature of the resources of employees – a wage paid by the employer including compulsory transfers to finance social protection – is, thus, the distinguishing feature that defines the employment status in comparison with other labour situations, such as self-employment, the employment contract or contracts for services<sup>17</sup>. The institutionalisation of social protection resource flows has been interpreted as a trend towards the de-commodification of labour and refers to the degree to which individuals can maintain a livelihood independently of market participation (Polanyi, 1944). The wage is a locus of tensions between commodification and de-commodification, and it participates in shaping both market and non-market spheres. Considering that the nexus between work and welfare is usually addressed in separate spheres<sup>18</sup>, this perspective also implies a re-examination of the embeddedness of social policies and of the labour market as a social institution (Solow, 1990) and as an instituted economic process (Moncel, 2007).

To put it simply, three dimensions of resources are taken into account to define a resource regime and the type of rights over resources it provides: the sources of the flows, the mode of attribution of resources and the forms of control over resources. Combinations of these three dimensions result in a set of institutions, rules, domains, actors and power relations that socially institute rights to resources. A central proposition is that changing institutional forms of resource flows, new societal resources and new channels are formative for the very social groups concerned in the development and exercise of rights over those resources (Harvey and Maier, 2004). Within the resource regime framework, changes in employment and social protection are examined together through transformations in the institutional forms emerging from four spheres: industrial relations systems, public policy frameworks, employment structures and social hierarchies (Clasquin and Moncel, 2004).

Empirically, the research work with the RRA has identified the vehicles of changes in a wide range of areas, more particularly in the field of pension reforms and active labour market policies and under the influence of the European integration process. While it is clear that all European societies are experiencing an erosion of employment related social rights, the question is: are new social rights emerging, and how can they be analysed? The European employment strategy reinforces the linkages between employment and social security, by actually subordinating the social protection policies to orthodox economic rationales on employment and economic growth. The lively debates that are taking place on how these linkages should be reformed in order to promote “flexicurity” or to implement “active” responses to unemployment illustrate the use of social policies for promoting new configurations of the wage-welfare nexus.

As far as the emergence of new social rights is concerned, for instance the right to lifelong training promoted by the European agenda, an approach in terms of resource regimes highlights a number of crucial issues: Which political institutions will support, finance and assess implementation of these new rights? How will these rights be deployed across the population and instituted so as to provide support to individuals within a life course perspective? How do individuals use these rights to elaborate biographical decisions?

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17 As Simon Deakin (2002) notes: “The ‘contractualisation’ of the employment relationship was associated with the gradual spread of social legislation in the fields of workmen’s compensation, social insurance and employment protection. The terms ‘contract of employment’ and ‘employee’ came into general use as a description of wage-dependant labour only as a result of this process. Contractualisation had two central aspects: the placing of limits on the employer’s legal powers of command (...); and the use of employment relationship as a vehicle for channeling and redistributing social and economic risks, through the imposition on employers of obligations of revenue collection, and compensation for interruptions to earnings” (Deakin, 2002, p. 3).

18 According to Noël Whiteside and Robert Salais (1998), this bias can be related to the historical separation between social welfare and labour market regulation in Anglo-Saxon societies: “Within such accounts, state welfare is perceived as a drag on economic performance... this juxtaposition of the state and the market is the product of an Anglo-Saxon perspective which takes a restricted view of social and economic relations and the role of government in regulating them.” (Whiteside and Salais, 1998, p. 151).

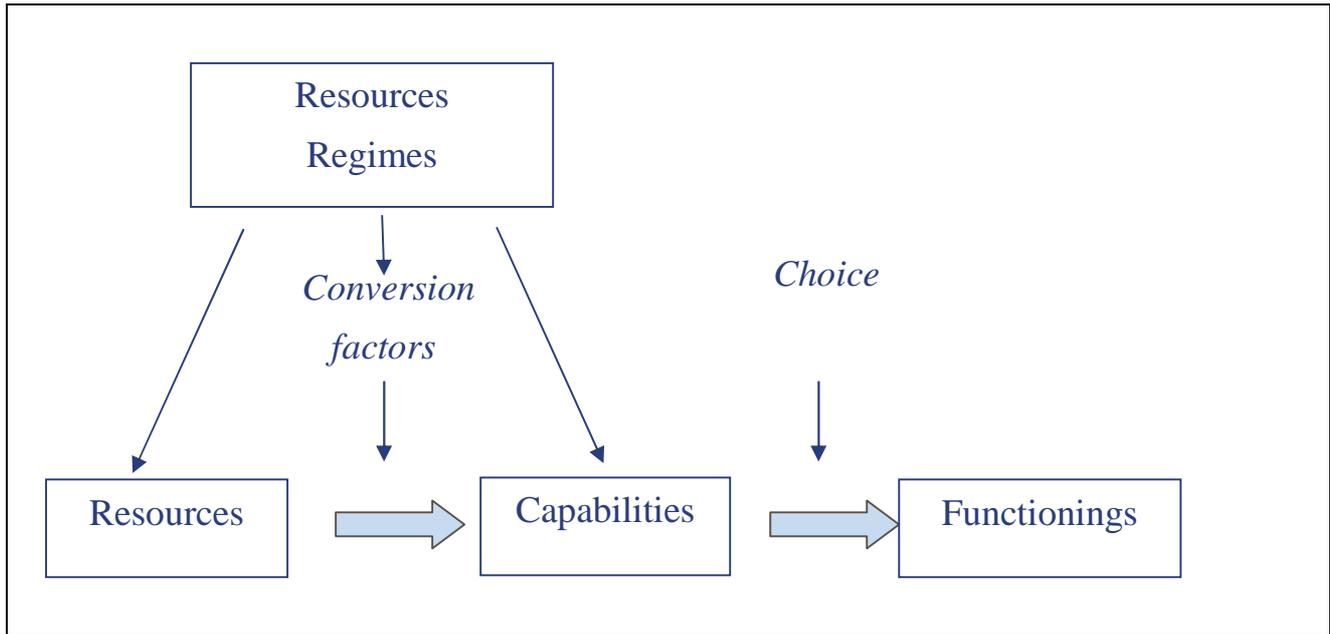
## **2.2. The central role of resources in the way to approach Capabilities**

In the first section we have insisted on the importance the capability approach attaches to the possibility to successfully convert resources into achievements. This implies that the analysis of resources (or means) includes the analysis of tools or mechanisms to convert them into ends. The available resources have not to be evaluated simply as means, but as enhancing tools considering what are the intrinsically valuable ends obtained with them (Vizard and Burchardt, 2007).

This conception of resources is partly connected to the regime resource approach, as this model addresses the conditions (legal, individual or social) that entitle workers for using those resources. The different (possible) ways of institutionalisation of the relation between social status and social rights do matter and constitute different societal spaces.

The connection between the resource regime approach and the capability approach (in the framework of our research objectives) can be better understood by considering the diagram in figure 2 elaborated following figure 1.

**Figure 2: The Resources / Capability Analytical Framework**



In both frameworks, the role of public policies is central. Drèze and Sen insist on the importance of “public policies aimed at maintaining capability” (1991: 44). They use different examples to show how public policies can be used to correct situations where the same resources are differently converted (by different individuals) in capabilities, and they even stress the role public policies should have in the growth of capabilities (real options to be chosen). The resource regime approach goes a bit further. Recognising the importance of public policies as vehicles of public and private resources (and therefore, using the capability model terminology, as setters of conversion factors and capabilities), it takes the principle of non-neutrality of public policies. This means that the different ways in which public policies establish the rights and linkages to resources have to be placed and connected to social structures of power and control. An effective freedom to choose can not exist separately from a particular political and institutional organisation of society.

It is in this sense that the Regime Resource Approach can be relevant to empirically identify the capabilities (real set of options) an individual can enjoy. While the approach by “conditions of choice” and refined functionings follows an individualistic perspective on choice (capabilities are approached from the side of functionings), the approach based on the rights and linkages to resources takes a more collective point of view (capabilities are approached from the side of resources). This way to consider capabilities has some advantages in terms of evaluative objectives, as it is possible to identify what are the individual, institutional or social characteristics that are to be changed in order to make possible that certain resources could be conceived as useful to attain potential functioning.

While the capability approach deals with the first question “inequality of what” in working lives, the concept of resource regime is concerned with “inequality of whom”, in order to address the social and institutional dimension of capabilities. “Une capacité n’est pas une propriété d’un individu, mais le produit d’une rencontre dont l’individu n’est, finalement, qu’un terme parmi d’autres, contingent et même, dans certains cas, remplaçable” (De Munk and Zimmermann, 2008: 14). Inequality of social groups can be directly connected to the institutional basis of social rights (employee versus citizen versus consumer), to different entitlements and possibilities of access to resources. These differences among social groups could be corrected by means of focussed policy interventions on the conversion factors that would make possible having an equal set of options to function (the same set of capabilities). Of course, resources and entitlements are not the only elements shaping individuals’ options; institutions, social and cultural structures, or personal characteristics also define social groups. However, when dealing with differences among specific groups of workers, the position in the labour market and the relations with resources coming from social protection and the employment relationship are almost critical.

### 3. INDIVIDUAL WORKING LIVES

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#### 3.1. Life course – from research perspective to policy agenda

Since the 1980s, the concept of the life course has been widely used as a research perspective in social sciences. In recent years, it has also moved to the top of the agenda on social security and employment policy and has become a key concept in policy evaluation (see Ute Klammer in this reader). Both the social risks involved in employment and work and the intended outcomes of labour market policy are no longer considered as functions of specific states that define the socio-economic status of individuals but are placed in the context of employment trajectories and professional pathways.

Both sociological research and policy evaluation start from the observation that today's working lives tend to differ more, both within and between national socio-economic regimes (Heinz 2003). In the "fordist" post-war decades of full employment, the temporal structure of labour market participation at least for men was uniformly characterized by rather swift and successful transitions from school to training, by continuous employment, occupational stability, long tenure within firms and upward career mobility and retirement at ages regulated by pension schemes (for the German case: Mayer/Hillmert 2003, Mayer 2004). While the sequential order of the three life stages or "boxes" of education and training, continuous full-time employment and retirement (Kohli 1990) exerted a strong "normalizing" influence on the life course patterns of men, female life courses were more diversely structured by events of marriage and childbirth, the pre-marriage phase being characterised by education and employment, the post-marriage phase by domestic care work and discontinuous sequences of predominantly part-time employment as secondary breadwinners.

Since the 1970s, the combined effects of several driving forces create a space for increasing diversity in life courses, de-standardizing life stages and creating new combinations of states in the hitherto largely separate life domains of training, employment and domestic (family) life. The unstable "post-fordist" world economic context and changes in production regimes caused unemployment and an increase in "non-standard" forms of employment, resulting in new patterns of labour market segmentation, discontinuous and precarious employment and a massive redistribution of total hours worked and labour income both among the total labour force and within individual working lives. The increasing labour market participation of women and the decreasing stability of family patterns led to a new variety of gender and care arrangements within households that went along with divergent combinations of paid labour and unpaid domestic and care work. Finally, both the upgrading and the expansion of secondary, vocational and continuous training and the ageing of the population also changed the distribution of time spent in training and work and the distribution of income over the life course.

As *life course patterns of cumulative advantage or disadvantage* tend to become a decisive dimension of inequality, social structure can no longer be analysed solely on the basis of cross-sectional distributions of social positions. Consequently, when evaluating social security and labour market policies in the European Union and its member states, social scientists and policy makers are called upon to take a life course perspective, i.e. to look at a person's trajectory in order to determine the impact of a given employment or work situation, the need for collective supports and the degree of security and flexibility the welfare state and the employment service can offer in situations of instability and transition. When looking at income inequality, information on income dynamics and on durations of poverty spells has to complement data on incidence of poverty. When judging the "generosity" of social security transfers or the effectiveness of labour market programs, their effects on different patterns of life courses have to be accounted for. Criteria like the duration of employment after transitions from unemployment are increasingly used in the evaluation of labour market programs. Finally, the risks involved in "flexible", "non-standard" employment contracts vary widely according to the individual job history that precedes that type of employment. In order to determine the potential precariousness of a fixed-term contract, we need to understand its biographical context. Does it constitute an episode in a permanently unstable employment history? Is it experienced as a turning point, marking a downturn in one person's trajectory after a long period of stable employment has come to an end? Or can it be considered as a means of re-entering the labour market after a period of – voluntary or involuntary – inactivity, and therefore as an upturn in employment history?

While the welfare state has always played a considerable role in shaping modern life course, life course effects of social policies are now claiming increasing attention in current policy debates. For example, attempts to assess “activation” policies raise the empirical question whether unemployment benefits and social assistance transfers stabilize employment careers, enabling active job search and matching strategies, or make recipients “dependent”, resulting in “poverty traps” and poorer individual employment outcomes. Leisering (2004: 217) proposes to distinguish modes of life course policy as being more or less “life course sensitive” (depending on how modes of entitlement reflect previous life course patterns) and “life course relevant” (depending on how strongly they affect the subsequent life of recipients). In discussing the evolution of the European Employment Strategy (EES), Klammer and al. (2007: 3) have pointed to an “obvious shift towards a longitudinal perspective and life course goals”. No. 18 of the 2007 EES Guidelines explicitly calls for a “lifecycle approach to work” comprising “employment pathways for young people”, policies to reduce gender gaps in employment, unemployment and pay and to reconcile work and private life, “support for active ageing” and social protection measures to support “longer working lives” (Council of the European Union 2005: 24). While this move towards life course policy also holds true for other policy domains like life long learning, “it has to be acknowledged that European social policy is still fragmented and even contradicting when it comes to life course issues” (Klammer et. al. 2007: 3). If the capability approach and the concept of resource regimes are to serve as sensitising concepts and as an “enriched informational base of judgement” in evaluating European employment and social protection programs, they obviously have to prove their worth in furthering the understanding of policy impacts on individual working lives.

### **3.2. Structure and agency – issues of common concern in life course and capability research**

For the CAPRIGHT network, the capability approach and the question of social rights regulated by resource regimes serve as sensitising concepts for evaluation of public action and not as a sociological theory of social structure or of individual action. At the core of this research perspective lies the idea that individual agency in working lives depends on collective supports that are regulated and institutionalised by labour market and welfare policies. Neither regime types which are the object of comparative political economy nor specific state programmes and policies subject to evaluation can be assessed without applying the yardstick of the individual that benefits or suffers from them. This necessarily calls for linking information on the macro-level of institutional frameworks and socio-economic performance of countries (or regions, for that matter) with information on individual life situations as they evolve over time. As even a cursory review of life course literature will show, this “intersection between individual agency and historical and cultural context” (Elliot 2005) is an issue of common concern that life course theory shares with research following the capability approach to welfare and well-being.

As Elder et al. (2004: 15) have pointed out, strands of life course research differ as to the level of analysis they define as their “point of entry for study”, and the potential of life course sociology to explain careers or pathways seems to depend precisely on how to link the macro-level of societal structure with the micro-perspective of individual agency.

One strand of research has centred on life course patterns of large population aggregates structured and determined by social institutions, and especially by social policies. The object of these sociological life course studies is to identify and to explain changes in social structure by looking at the social positions individuals hold over time, both over their life time and at different points in historical time. Kohli (1987, 1992) has stressed the close link between socially constructed life courses and the post war development of the Fordist welfare state. Much of the recent debate in life course theory revolves around the contesting theses of individualization, claiming that individuals have increasingly more options in pursuing individual life designs (Beck 1992; Brueckner and Mayer 2005 and Mayer in this reader), and the thesis that new modes of capitalist regulation result in erosion of identity and in new threats to individual control over working lives (Sennett 1998).

Other strands of research have rather focussed on the individual life course and its trajectory over time, on individual development on the micro level, paying less attention to socio-economic context. As the program of life course research is still far from being realized (Mayer 2008: 8), and life course sociology still has “only scratched the surface in understanding the mechanisms that produce the life course patterns we observe” (Brueckner/Mayer 2005: 51), both research perspectives should complement each other in some ways. Therefore, the CAPRIGHT network will have to look both ways, considering the life course as both indi-

vidually and socially constructed. This seems to be in line with recent debates in life course theory. Diewald and Mayer see the sociology of the life course on the move from “structure without agency”, leaving individuality “below the sociological radar”, towards action theoretical modelling, “bounded decision-making” “and now maybe the notion of ‘agency within structure’” (Settersten 1999, quoted in Diewald and Mayer 2008). In order to “enhance the predictive power of modelling”, they propose “to supplement individual-level information collected via surveys by information about social contexts like neighbourhoods or work organizations measured independently from the survey respondents”, for instance by multi-level designs, and “international replications for distinguishing between universal mechanisms and national (regional, local) variations” (ibid: 17). In the same vein, George (2004: 673) argues for a body of research that “focuses less on the life course itself as (on) the outcome of interest”, incorporating both principles of life course research and other sociological theories and research traditions that address effects of macro-level social, cultural and historical contexts or the significance of “linked lives”, i.e. opportunities and constraints posed by social relationships (as e.g. in couple-based patterns of retirement).

While an impressive array of empirical evidence points to a growing diversity of working lives, the question remains to what extent this diversity reflects a desirable plurality of options the potential labour force can choose from and that should be widened by public action, and to what extent it is the result of new inequalities imposed by labour market segmentation and economic constraints that public action should strive to reduce. As pointed out above, the socio-economic spaces of production and reproduction of labour force are progressively more fragmented and diverse. But only to the extent that de-standardisation, differentiation and pluralisation of working lives result from increased effective freedom of men and women to choose among options for their labour market participation can these changes be interpreted as effects of individual agency. Does increasing plurality deepen and cement differences between social groups, or does it increase heterogeneity across the social (or class) structure?

Thus, the distinction between voluntary and involuntary turbulence in life courses seems crucial in establishing the normative basis for the evaluation of social security and labour market policies. What collective resources are needed in a context of changing employment relationships? Do social security regulations and labour market programs implemented across the different European countries reduce inequality of options and valuable achievements in individual working lives? Do they give individuals more control over the temporal organisation of their working lives? How do they affect the scope of individual choice in labour market participation?

In looking for answers to these questions, both life course research and the capabilities approach are concerned with determining the relative influence of social structure (e.g. welfare state institutions or firms) and individual agency on individual life courses. To do so, they need to conceptualise “the very specific impacts which institutions and policies have on life course outcomes” (Mayer 2008: 5, 15), and they need to deal with matters of control and choice in the internal dynamics of life histories.

In cross-national analysis, both the life course and the capabilities perspective have to make use of regime concepts that will provide them with stylised yet empirically validated facts on the configuration of labour market, welfare state and family support that are specific to the countries they compare. Whereas the concept of specific life course regimes has remained controversial (Mayer 2008: 16), it seems promising to search for between-country similarities and differences using existing regime typologies. Recent life course studies have frequently taken recourse to one of the variants and derivatives of Esping-Andersen’s “regimes of welfare capitalism” (Leisering 2004) or of the “varieties of capitalism” typology defined by “new political economy” (Hall/Soskice 2001). Yet comprehensive ideal types of socio-economic formations cannot directly explain differences in the temporal organisation of life courses, e.g. the timing of transitions between life stages or the sequence of states within a life stage. There is no other way but to look into the effects specific institutions and policies have on specific life domains. As argued above (see section 2.2), the resource regime attempts to study the links between entitlements to resources and employment histories and positions in the labour market, providing the analytical concepts needed to link events and sequential patterns in individual working lives to the regulation of the macro-economic wage-labour-nexus.

The key message of the resource regime approach is that labour force status still matters in explaining inequality in the forms and degrees of control different social groups in a given country or similar groups in different countries have over resources (see above: 2.2). By situating states, stages and transitions in individual working lives within social group contexts, it can offer analytical tools for dealing with the path-dependency of working lives and with the accumulation of advantages or disadvantages, as it conjointly ad-

dresses the situation of workers in labour market and the (future) resources obtained through social protection measures linked to employment.

While standardization of social integration through employment and salary secured quite homogeneous social rights in the “fordist” period, de-standardization, differentiation and pluralisation imply both the diversification of rights and entitlements and the diversification of the origin of resources. The erosion of the socialised wage model in the Bismarckian welfare states and to some extent the workfare oriented modification of the public insurance model in the Beveridgean countries has different effects on different social groups. How that affects the levels of resources and of control and consequently the capabilities at the disposal of different groups within the workforce, i.e. to what degree they widen the scope of (voluntary) individualisation in working lives, is a matter of further detailed analysis.

If the distinction between voluntary and involuntary turbulence is a common concern in the life course and capability perspectives, research designs need to be re-focused to address this issue. For sociology, the life course has been of interest mainly as part of the institutional structure of society. Regularities observed in individual lives have been looked at as outcomes both of informal and legal norms, especially of welfare state regulations, that enforce a sequence of participation patterns in various life domains (Diewald/Mayer 2008: 4). Therefore, “explanatory factors of life course outcomes in sociology are mostly on the side of restrictions and less on the side of individual agency” (ibid.: 5). Although life course sociologists would be “definitely interested” to know if divergent life course patterns came about by agency or by constraint or both, “whether they reflect autonomous, successful goal-striving or unwanted adaptation to insurmountable barriers and anomy”, they “hardly look at individual decision-making, perceptions, and evaluations of the social situation” (ibid. 9).

As Mayer (2008: 24 sqq.) has recently pointed out, “life course sociology lacks a coherent body of theory”, especially on the issue of agency and actors in the internal dynamics of the life course. While, unfortunately, the capability approach still has to admit to the same shortcoming (see above: 1.3), its strength as a sensitizing concept lies exactly in its focus on individual choice and the societal factors that structure optional and procedural freedom. In that sense, and in that sense only, it may play its part in “Sen-sitizing” life course research.

### **3.3. Key concepts of life course research**

In pursuing its research agenda, the CAPRIGHT network has to take stock of the quantitative and qualitative research tools developed by life course research over the past three decades. Various levels of aggregation of persons may serve as units of analysis. Countries and historical periods differ as to the collective units at which life courses are primarily organised (families, households, partnerships, social status groups, c.f. Mayer (Hillmert 2003: 12). As individual life phases are interdependent in historical time, the analysis of life course patterns has to distinguish effects of age, period and cohort. Qualitative studies usually use accounts of either total life stories or more focused topical life stories gained through narrative or biographical interviews. Quantitative studies can focus on different temporal units of analysis: on institutionally defined stages that make up a life course, on the states persons are in at the same stage, on the duration of states (spells) and on transitions between them, or on the temporal order of life stages or of entire lives. They can “develop and apply algorithms to describe and explore ‘trajectories’ especially in the form of sequences” or analyse events and transitions (Mayer 2008: 28).

While it is impossible to resume the methodological diversity of life course research and its development (Mortimer and Shanahan 2004) within the context of this paper, two developments may prove of particular importance for the CAPRIGHT agenda.

- With the growing availability of longitudinal micro-data, both in the form of prospective longitudinal studies of households and individuals that have become the new “gold standard” in social sciences (Mayer 2008: 7, 9) and of longitudinal register data, quantitative research strategies and statistical models “increasingly have a temporal or chronological dimension that gives them a certain narrative quality” (Elliot 2005: 1), moving from event history modelling to continuous and discrete time approaches and to sequence analysis techniques like optimal matching (see Schmidt in this reader).

- Common interest in the narrative structure of longitudinal data has somewhat blurred the traditional dividing lines between quantitative and qualitative life course research and has created a “strong movement for linking qualitative and quantitative data” (Furstenberg 2004: 667), resulting even in strategies to create narratives from survey data (Singer et al. 1998). “The possibilities of examining developmental changes in parallel with sociological and demographic shifts in situation and context will be much enhanced if we are able to capitalize on the strengths of qualitative and quantitative data in the same study”. (Furstenberg, loc. cit.)

While projects combining qualitative and quantitative approaches become more and more “state of the art” research designs, Furstenberg draws a more sceptical balance on cross-national research: Despite the growing need to explain how patterns of life courses vary between historical periods and across national welfare, gender or socio-economic regimes, and while similar concepts of analysis are increasingly replicated in different countries, “truly comparative data collection designs are rare” (ibid.: 668).

The life course<sup>19</sup> can be defined as the sequence of states and transitions relating “to participation of individuals in different life domains, mainly education, work, family and welfare” (Heinz 2003). Accordingly, the analysis of working lives will concentrate on the sequence of events “from the first labour market entry of young workers until the transition into retirement” (Klammer et al. 2007: 13), taking into account pre-work education and post-work stages to the extent called for by the respective research issues.

There seems to be consensus about five paradigmatic qualities of the life course that may explain what is specific to this perspective in sociology (cf. Mayer 2008, 2004; Schmidt 2007; Elder et al. 2004) :

- As human development and aging are *lifelong processes*, understanding life courses calls for a long-term perspective. “By studying lives over substantial periods of time we increase the potential interplay of social change with individual development.” (Elder et al. 2004: 11.)

- Individual trajectories are constructed both socially and individually (Klammer et al. 2007: 9) in a *multi-level* process that links individual agency with historical times and places. Individuals build their life history through choices and actions that make use of options a society offers at a given time. Historical timing is important in the sense that individual lives are embedded in the cohort and social group an individual belongs to and that they are shaped by socio-economic regimes (Mayer 2001, 2005) subject to change. Consequently, research can focus on the individual life histories (micro-level), on temporal patterns of households, groups or cohorts (meso-level) and on the institutionalisation of life courses (Kohli 1992) on the macro-level of societies or countries. Even better, it can follow a multi-level approach relating observations on the individual level to changes in life course regimes over historical time.

- Life courses are *multi-dimensional*: Individual trajectories comprise and combine biological events and events in the various life domains of family, household, training, employment and professional development, and their analysis has to account for interdependence between separate yet linked time patterns in each of these domains. Life courses form “an endogenous connection of causalities” in the sense that “courses within single fields of life (occupation, family, education) cannot be understood and explained isolated from courses in other fields of life” (Mayer 1990, quoted in Naeyegele et al. 2003: 21).

- Life courses are *self-referential*: To say that timing is important in understanding individual actions not only refers to historical timing, but also to timing in a person’s life. As individual life histories follow an internal dynamic, events, phases, transitions and life-phases cannot be examined isolated from each other. This explains the importance of the narrative in mapping life courses implying a clear sequential order that connects events in a meaningful way (Hinchman/Hinchman 1997, quoted in Elliott 2005: 4). “Later results, goals and expectations can be understood and explained only out of decisions, resources and experiences made in the previous life-phase” (Diewald/Mayer 2008: 5). As “future states and events are always dependent on the prior life history in the sense of experiences, resource allocation, choices, and turning points” (ibid.), life course studies always have to reckon

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19 The differences between the terms “life course” and “life cycle” (cf. Elliott 2005: 73) as well as “life span” (cf. Diewald/Mayer 2008) have to be neglected in this paper.

with “path-dependency”, i.e. with the influence of earlier life phases on transitions and events. Advantages and disadvantages that express inequality can accumulate over time.

- By constructing their life histories, individuals are also *reproductive* of the life course as a social structure. Firstly, the linking of lives through shared relationships needs to be taken into account. “Because lives are lived interdependently, transitions in one person’s life often entail transitions for other people as well.” (Elder et al. 2004: 13.) Secondly, as personal actions and choices are not completely determined by the temporal organisation predominant in society at a given point in historical time, they can cause institutions and organisations to adapt their rules to new and divergent life course patterns. “When many people in the same cohort behave in concert, they can produce social change.” (Naegele et al. 2003: 17.) Individual agency can effect social innovation in society’s life course regime, either by the sheer weight of aggregate individual behaviour or by organised political expression of needs that arise from changed new temporal patterns.

Recent life course research offers a number of concepts that may help to observe and to analyse the increasing diversity of individual trajectories (cf. Brueckner/Mayer 2005) :

- *Institutionalization and de-institutionalization*: Kohli (1985) emphasized the standardizing effect of norms, laws and welfare state rules on individual lives. By defining and separating states and episodes like childhood, employment, unemployment, maternity, illness, old age, the institutionalized life course forms part of the social structure of society, parallel to or even in place of social class. De-institutionalisation, on the opposite, “would then mean that states, stages, events and transitions, which at earlier times were clearly differentiated, are being reintegrated or fused” (Brueckner/Mayer 2005: 32 sq.). This would be the case, for instance, when education and work are combined or family states like marriage no longer correspond to partnership or joint households.

- *Standardization* refers to a possible outcome of institutionalisation: Specific states, events or sequences become more universal across a population (e.g. secondary training), or their timing becomes more and more uniform (e.g. parenthood, legal retirement age). Conversely, de-standardisation of life states, events or sequences would mean that fewer people experience them, or at quite different ages or with more dispersed durations.

- *Differentiation* stands for a growing number of distinct, institutionally defined states or stages over the course of individual lives (e.g. employment spells with different firms).

- *Pluralization*, by contrast, refers to an increase in the number of states that may occur within the same life stage, either across a population (e.g. family and household forms) or in individual lives (e.g. multiple jobs).

- Whereas the other concepts describe different aspects of diversity in trajectories, the concept of *individualization* in life course sociology raises the question to what extent growing diversity of life courses does express greater control of individuals over their lives (what could be dubbed voluntary individualisation), and conversely, to what extent they are “condemned to pursue and experience trajectories which are not collectively well-trodden pathways” (Brueckner/Mayer 2005: 34). (It is important to note that individualization as the term is used here has a specific meaning that does not correspond to what is discussed as individualization in social protection policies.)

Using these distinctions, life course research can move from highly generalised statements on growing diversity and turbulence to more complex and precise description. For instance, institutionalisation can go along with de-standardisation (as in early retirement schemes), or pluralisation can coincide with standardisation (non-marital cohabitation preceding marriage). Changes in life course patterns can be measured by a number of concepts :

- *prevalence* measures how often a state or transition occurs;
- *age variance* indicates how often a state or transition does occur at specific ages;
- *duration variance* looks at how often people spend a similar amount of time in a state;
- *inter-event dependency* asks to what extent is one state associated with another;
- *sequence uniformity* provides information on the extent to which events and states are uniformly timed and ordered.

### 3.4. Life-courses as cumulative functionings, reflecting capabilities over time

Before the capability concept can act its part in life course oriented research designs, it obviously needs to be “life course” mainstreamed. Key categories that in “Sen literature” usually refer to static situations of choices made and functionings achieved at a given point in time have to be applied to transitions and sequences observed in longitudinal and biographical data. While this is perfectly possible in principle, studies that actually do it are few and far between, and the already substantial task of operationalising Sen is becoming even more complex.

CAPRIGHT proposes to evaluate social security and labour market policies from the perspective of individual working lives, i.e. to judge them by the extent to which they empower individuals to construct their professional trajectories and to reconcile them with gender and care arrangements in the family and with other goals they have in life. In a time when life courses tend to differ more, it becomes more and more difficult to take “normal” or standard biographical outcomes as a yardstick for the measurement of inequality. The “informational basis of judgement” Sen proposes instead is the exercise of freedom, understood as having the real possibilities to choose among different options. If equality is to be measured not by achieved functionings but by capabilities, the life course is to be considered as a set of cumulative functionings reflecting a – more or less unequal – set of capabilities, both *evolving over time*. The normative idea in evaluating policies clearly is to focus on the degree of agency and control persons have over their trajectory, on their effective freedom to choose over their life time, or on the scope of individual internal dynamics at work in their life history. To consider work and employability from a capability perspective implies attention “to the person and her agency not only at a given time but in a broader perspective that embraces past episodes as well as projections into the future” (Zimmermann 2006: 478-479), taking the individuals as a starting point without leaving aside the contextual, organisational, institutional dimensions. What resources are at hand and what conversion factors are at work as the workforce strives to translate them into what individual workers consider as quality of employment and as valuable work situations over their working lives? To what extent are individuals able to exert choice at key points in their trajectories? How do the different national contexts affect their capability sets?

Diversity in working lives cannot be understood without accounting for their “endogenous connection” with sequences of events in other life domains. Therefore, professional development over the life time does not only refer to skills development, employment history or career. One of the common issues in the diverse research approaches within the CAPRIGHT network therefore is to agree on the number of states from professional and private life that have to be included in the analysis of capabilities for employment and work – an issue that some projects address as “capability for work-life balance”.

The obvious implication of “life-coursing” the capability approach is that countless situations in which life functionings are chosen from a wider or narrower set of capabilities or imposed by restricted resources or restricting conversion factors follow each other over time. The problem of relating observed functionings to capability sets becomes more complex as their “temporal organisation” and their “path-dependency” enters into the picture. In a trajectory, present functionings are the base for obtaining future resources and conversion factors. What is a functioning at point  $t$  (e.g. training, job contract, marriage, childbirth) becomes a conversion factor or an entitlement to resources at point  $t + 1$ , and so forth. Therefore, a “capability friendly” system of collective supports provided by social security and public employment service would have the ambition of reducing path-dependency or inter-event dependency by offering a multitude of options for redressing earlier choices (e.g. dropping out of school) when they turn out to restrict capability sets at a later stage.

The evaluative idea in looking at key points or potential key points is to compare an ideal situation in which people can choose the way of life they desire to have in a context of equality and absence of domination or control with real situations in order to assess how inequality of resources or conversion factors block valuable functionings. However these “real situations” are countless along the life course, and in the inevitable selection, a distinction must be made between transitions and biographical key-points.

The concept of transition refers to the changes in state that take place in short time spans throughout a person’s biographical pathway. As Sampson and Laub point out, “some transitions are age-graded and some are not; hence, what is often assumed to be important are the normative timing and sequencing of role transitions” (1993: 8). Many transitions are also institutionally defined, e.g. by welfare state programs. Such changes in functioning states, like moves from school to work, from stable to unstable contracts, from em-

ployment to unpaid care work / parenting, etc., can usually be identified in quantitative longitudinal data. Key points, by contrast, are biographically defined transitions that imply a fundamental change in a person's life and can have a decisive influence on the choices that a person makes with regard to labour market participation. Thus, this concept rather refers to personal signification. "Potential" key points can be identified by means of quantitative or register data, especially when biographical events in life domains outside employment and work are represented in the data. But actual key points would have to be defined with recourse to qualitative data based on biographical interviews.

As in life course research in general, research designs within the CAPRIGHT network can choose a more analytical approach, looking at capabilities in situations of transition, or they can try to take a more holistic approach, looking at sequences and patterns over life stages or over the entire working life.

Another approach is to analyse sequences in life stages so as to identify clusters of typical sequence patterns, and then to look at the influence that unequal socio-economic status, firm context, regional or national differences have on those different patterns. A high degree of homogeneity within the sub-groups might then point to a low degree of individual choice expressed in these "typical" biographical outcomes. One of the many problems in following this approach is that the concept of stage implies a degree of linearity that can no longer be assumed in pluralised life courses. It is no longer trivial to statistically define cross-nationally comparable stages like adolescence, labour market entrance, family formation, career "rush hour", "empty nest", labour market exit (Klammer et al. 2007).

## 4. AN APPLIED APPROACH INTERWEAVING THREE DIFFERENT PERSPECTIVES

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Since the main objective of CAPRIGHT Work Package 3 is to examine the relationship between resources and capabilities along the individuals' working lives, a longitudinal approach is needed. As argued above (see section 2), by means of the resource regime approach we will focus on those collective resources that are directly or indirectly connected to wages; and that by means of the capability approach it will be possible to highlight how the social, environmental and personal factors (i. e. conversion factors, using Amartya Sen's terminology) mediate between the resources and the real set of options from which individuals make their choices. Thus, a methodological approach based on longitudinal data will allow us to analyse how individuals use collective resources and how they enable them to control their own mobility and to assess their effective freedom of choice.

### 4.1. The life course approach applied to social protection evaluation

Traditionally, the longitudinal approach has been rarely used to address issues linked to social protection and employment; in spite of the long standing tradition of the biographical approach in sociology and social psychology as a way to assess the interaction between individuals' decisions and contextual factors in the development of biographic trajectories (see, for example, Runyan, 1982, Creswell, 1998, and Elliott, 2005). However, in the last 15 years a growing interest in longitudinal data can be observed, as a means to consider the changing necessities for people (linked to changing situations) throughout their life course. As Rubery has noted (2004:1), "one of the best ways to conceptualise and consider both the differences in current models [of social protection] and the pressures under which they are placed for change is to view these models through the lens of a lifecycle approach". Thus, it is not extraordinary to find some lines of inquiry on the links between social protection and employment where, more or less generally, the concepts used are those belonging to the biographical tradition, such as life cycle (or life course), stages, transitions or key events.

The study by Schmid (1998; 2006) is a good example of this, and is possibly the work that is best known among those who have been inspired by this viewpoint. His reflections on transitional labour markets (TLM) are frequently cited, especially as a "guide to the analysis, management and coordination of existing and future labour market policies" (Vielle and Valthery, 2003: 81). 81).

The author begins by stating five main types of transition associated with job markets (see Schmid, 1998: 10-11). Having defined these transitions, the author describes a series of criteria for assessing the extent to which the employment policies and social protection mechanisms developed in Europe are capable of providing instruments that maximise the fluidity of the proposed transitions, while at the same time preventing the risk of precarious employment. It is important to note that despite the repeated use by Schmid of the idea of *transition*, in reality what this author is attempting to assess is the level of protection offered at an institutional level when faced with what we have previously called *biographical turning points*, and which in his study are referred to as *critical events*. In other words, the aim is to see to what extent social protection systems offer mechanisms for preventing potential situations of biographical risk during employment (2006: 9-19). For Schmid, the individual response and adaptation to such situations depends on "the way in which people perceive the change, the support existing in their environment [supportive environment] and individual characteristics" (1998: 8).

The above approach put forward by Schmid, which focuses clearly on the biographical inflection points, contrasts with the approach adopted by those authors who have worked on various studies published by the *European Foundation for the Improvement of Living and Working Conditions* (see, for example, Anxo and Erhel, 2005; Anxo and Boulin, 2005; 2006; Anxo et al., 2007; Klammer, Muffels and Wilthagen, 2008), whose analysis focuses on comparing various life stages. In these studies, the concept of biographical trajectory is used primarily as a way of addressing the different uses of time between men and women from a longitudinal standpoint, with emphasis on the relationship between domestic work and paid work. To do so, people's life cycles are divided into different stages, with the aim being to provide a typology of life stages

through which the majority of individuals in a society pass. The authors themselves recognise that this is a simplification of all the possible situations facing the individuals, and also an implicit assumption that “the individuals ‘naturally’ pursue different stages” (Anxo and Erhel, 2005: 7).

However, the typology is useful as a means for comparisons between different moments in life (implying very uneven domestic and care work demands) and between different countries. In this sense, family decisions with regard to how they devote their time are attributed to the effects (and the differences between countries) of social protection policies, of family policies, of equality policies (see Anxo and Erhel, 2005; Anxo and Boulin, 2005; Klammer, Muffels and Wilthagen, 2008) or to what has been called ‘time policies’ (Anxo et al., 2007).

Finally, we should comment here on the work, still in the process of publication (Rubery, 2004; Anxo, Bosch and Rubery, 2009), being carried out as part of the DYNAMO (Dynamics of National Employment Models) project. One of the goals of this research effort is to evaluate the social protection systems existing in ten European countries<sup>20</sup>. It adopts a clearly institution-based approach, which considers the resources that social protection in each country provides for different biographical phases, as well as the types of informal support offered by the family during these key stages. The research thus combines an approach based on the perspective of the life cycle with central issues associated with the inter-generational contract (family solidarity and support) and social protection.

This research shares the basic idea of stages in the life cycle with the work published by the *European Foundation for the Improvement of Living and Working Conditions*, although it attributes greater importance to the concept of *transition*. Four major transitions are defined between “key life stages”<sup>21</sup>, which are compared between different countries in their institutional and social organisation dimension (Anxo, Bosch and Rubery, 2009). It is important to note that, together with the family system and the social security system (with different implications depending on the life stage), this approach attributes a key role to the influence of each country’s labour market in the transitions studied, i.e. together with the aim of evaluating public policies, causal links are established with the configurations of the different (national) employment markets analysed.

It is important to note that neither the approach adopted in the DYNAMO project or those that we have previously reviewed take into account one of the key elements in the life course perspective: the effective development of the agency. In other words, neither the individual preferences nor the degree or possibility of choice that public policies offer to people are taken into account –at least explicitly– in the evaluation exercises. To account for this dimension would imply that social protection measures are also evaluated in terms of the level of constriction that they impose on individuals. Thus those models based, for example, on workfare, should be evaluated differently from those which do not involve any degree of compulsion for those benefiting from the programmes (Bonvin and Farvaque, 2005).

Leaving aside the “methodological bias” that this involves with regard to the dimensions considered in the original life course perspective, it is also important to note that the failure to take into account the decisions that individuals take (or may take) can also prevent the distinction between formal rights and duties that are actually exercisable. To introduce this element into the analysis would allow us to identify inequality factors whose origins lie in the impossibility of using resources effectively or benefiting from specific measures developed by the existing protection policies. Ultimately it would involve confirming to what extent, for example, policies aimed at life-long learning or policies that promote caring for dependent persons allow certain groups present in the labour market to be put on an equal footing when dealing with certain life stages or events, above and beyond rights of a purely formal nature.

## 4.2. Methodological challenges

The longitudinal approach to resources and capabilities that will be adopted in CAPRIGHT research will substantially extend current research – which traditionally tends to measure the effect of resources (e.g. training, unemployment benefits, etc.) on subsequent transitions or wages– in two ways. First, data about life trajectory will be used to shape the evolution of the resources and the capabilities over time, which can dra-

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20 I.e. Austria, France, Germany, Greece, Hungary, Ireland, Italy, Spain, Switzerland and the United Kingdom.

21 Rubery also uses the term critical point, but she does so in the sense of “key life stage” (2004: 20).

matically change at the beginning and the end of the life trajectory. Second, we can relate the individuals' degrees of freedom to their subsequent behaviour in the subsequent steps of their trajectory.

In relation to the operationalization of the capability approach, Zimmermann (2007) pointed out that "the capability approach does not provide a theory of society or a method of inquiry" (2006: 469). Thus one of the advantages of the capability approach is that it allows researchers to employ plural techniques, selecting the most relevant for each context (Alkire, 2007). The CA engages with and draws upon an abundance of methodologies and analytical techniques. It can draw on quantitative and qualitative data. Furthermore, the capability approach has been advanced by participatory methods; it has been represented by various indices and quantitative measures; it advocates empowerment, and draws attention to the critical role of social, political, legal and economic institutions in advancing capabilities over time.

The longitudinal approach combining the theoretical frames of resource regime and capabilities that is sketched in the previous paragraphs will be empirically developed by a methodology that will have to be necessarily pioneering and original. On the one hand, it will take transitions, and specially shifting moments in individual trajectories as core elements of research, inasmuch as they are privileged situations, "paying attention to the person and her agency" (Zimmermann, 2006: 478). On the other hand, it will have to deal with quantitative and qualitative data, as a way to build a comprehensive view of the (multilevel) phenomena that are to be researched. The concretion of these methodological objectives and the challenges they imply is developed in the following paragraphs.

### *A quantitative approach*

The quantitative approach will deal with different dimensions of the relationship between resources and capabilities. Broadly speaking quantitative studies would have three kinds of objectives.

- Quantitative studies will seek to make accurate measures of change of the population of interest.
- Quantitative studies tend to document the nature of transitions, both when they relate to imposed or voluntary mobility, or to changes in circumstances (for example, in employment status).
- Quantitative studies will be the starting point of linked quantitative-qualitative approaches by identifying typical members included in a given extension.

In order to achieve the two first objectives, new versions of EU panel data on income and living conditions (EU-SILC), and longitudinal data from national data providers will be used (e.g. the Punctual Permanent Household Survey in Argentina, FQP Survey in France, etc.). It will be possible to elaborate trajectory typologies and to characterize more fully categories of workers facing the risks of employment discontinuity: discriminating characteristics, criteria by which they are identified in different countries. Two methodologies could be used in the quantitative analysis of life trajectories. The first one is a statistical and descriptive approach, using optimal matching analysis applied to life histories (for example, Halpin and Chan, 1998) to obtain a first picture of the main life trajectories patterns in Europe. This methodology makes it possible to study and follow the professional itineraries and identify certain specific types of professional path. The second one is based on an econometric analysis of panel data (Chamberlain, 1984, Baltagi, 1995) in order to focus on causal factors of the main transition events in relation to resources and capabilities.

If quantitative research might be able to provide some indication of the reasons for different exit routes out of employment or also different transitions into employment, individual data might prove insufficient for a detailed understanding of the mechanisms. In order to account for adaptive preferences and to avoid blind spots (i.e. desires adapted to deprivation, because people's desires and preferences respond to their beliefs about norms and their own opportunities), linked employer and employee surveys (e.g. for France, AES-CVTS or Family-Employer Survey) can help to clarify those situations where subjective information should be used and those where it should not. From a capability perspective, several areas might therefore be appropriately regarded as considering the existing opportunity structures made available by the company; otherwise it is not possible to measure whether individuals are able or not to discriminate amongst different possibilities.

### *A qualitative approach*

One of the implications for research of using the capabilities theoretical frame is the outstanding role that individuals' subjectivity plays in the analysis. Fundamental differences with other approaches to social protection and employment lie both in the stress on the possibility to convert resources in real options at the disposal of individuals and on the reasons and freedom to choose a given option in the set of effective or real possibilities (capabilities). This importance of seizing the subjectivity of individuals demands the use of qualitative data. As Zimmerman has pointed out (2006: 477), "[i]f one is interested in grasping the different dimensions of capabilities, including conversion processes and what people value, a comprehensive and qualitative moment is required, at least as a complement to other methods".

Within the range of qualitative methods for data collection, biographical and in-depth interviews seem the most fitted to the objectives of the research. More specifically, the narrative biographical interviews and the life stories they produce have proved to be useful in the analysis of working life (Dupaquier and al., 1986). Analysis using life stories as its main empirical material puts individuals and their practices and experiences (along with all the pertinent contexts) at the heart of the analysis. Plus, it allows us to examine the reasons why individuals act, often a blurry realm, the crossover between the objective and the subjective, which cannot always be linked with the concept of choice.

Another advantage of using life stories is that they offer a relatively easy possibility of identifying the points of biographical rupture or turning points that are important for the individuals. The ideas of crossroads, forks in the road or "points of no return" are constant features of biographical stories. It is important to point out that there are not too many alternative routes to the use of life stories to identify relevant individual turning points. There is the possibility of identifying "potential" turning points by means of quantitative or register data, but in this way it is not possible to distinguish between transitions that do not change the biographical trajectory and those shifting moments in individuals' lives that can have a decisive influence on the choices of workers or unemployed people make related to training, paid work or domestic work.

### *The challenge of combining methods and cross-countries comparisons*

There is no question that the use of biographical stories and of quantitative panel data (exploited with econometric and statistical methods) offer information on different dimensions of the complex realities we intend to analyse. Consequently, the simultaneous use and analysis of quantitative and qualitative information will offer a more complete portrait of the various levels of the object we deal with. Our perspective implies a combination of micro- and macro- dimensions and the question will be how to cross these various levels. The subjectivity and choices of individuals have to be analysed in a contextualised way, taking into account the more structural elements affecting their actions, which are not always evident for them. Likewise, individuals do not always know the resources they may have at their disposal or the conditions of access to those resources. Thus, one of the most important methodological challenges that the research will have to meet will be the combination and articulation of the qualitative and quantitative data that will be obtained with the already reviewed methods and how to develop a design that suits the different sources of information. This combination makes sense as long as there is what some authors have called the fundamental principle of multi-method designs (Teddlie and Tashakkori, 2003: 16): "Methods should be mixed in a way that has complementary strengths and non-overlapping weaknesses". In our view the combination of methods in our research can fulfil this principle.

In practice, this involves combining both intensive (that is, qualitative) and extensive (that is, quantitative) information in the best way possible. Years ago, De Waele and Harré pointed out the logic of both types of information (1979: 190): "intension varies inversely as extension", that is, the more in-depth an individual is studied, the fewer individuals can be studied. As Sarabia (1985) points out, the ideal in an extensive design would be to examine all the individuals from a single class, and when this is impossible to use a sample from which the researcher derives a type via averages of characteristics derived from his/her sample. Intensive design means examining thoroughly a typical member, and then identifying the extension of the class by means of setting the common properties shared by other members.

In order to make the most of the advantages of both types of design, it is necessary to identify a typical member included in a given extension. Once the subject has been chosen, it could be subjected to an intensive examination which would enable us to gain detailed knowledge of the type. Obviously, this logic is based on the supposed homogeneity of the extension from which the type is extracted.

Nevertheless, in numerous studies it is not possible to extract from a statistically representative sample a smaller sample to which applying qualitative methods of data gathering (in our case, biographical interviews). In these cases, not having a known homogeneous extension from which to extract the cases to be analysed in detail means that a purposive selection of cases is needed.

Both Flyvbjerg (2004) and Yin (1994) have outlined a set of criteria that may help in this selection. To simplify, these authors set forth three main criteria that justify the selection of the cases for a qualitative analysis. The first criterion is critical in nature. According to this criterion, the case (or cases) is chosen because he/she perfectly represents the characteristics of the population that is going to be studied. In short, this is a form of typological representativeness that must be based on in-depth knowledge of the setting, on the consideration of factors that might produce heterogeneity and on the drawing up of typologies based on the factors of heterogeneity (Lago, 2008: 45). The second criterion is the one that justifies the choice of the case due to its extreme or unique nature. In these cases, the representativeness is not typological; rather a case is chosen precisely because it does not display the characteristics that it purportedly should display given the typology drawn up. These cases that behave differently from what is expected or that depart from the norms enable us to prove the validity of the inferences made for the entire set of a given profile, as well as to identify to what extent certain factors that may not have been taken into consideration at first may have effects on the phenomenon being studied. The third guideline applicable is the one based on the criterion of maximum variation in a single dimension. By this we mean choosing cases following the criterion of critical nature but seeking variation in one of the characteristics the relevance of which the researcher would like to verify. It is important to point out that in all these situations of purposive selection, there is no correspondence between the units for which one has statistical information (the statistical sample) and those chosen qualitatively. There is only a correspondence on the level of populations as a whole, but not on the level of units.

The second challenge of our research is related to international comparison, which can be perfectly connected to the previous reflections on mixing quantitative and qualitative methods. In fact, Bynner and Chisholm (1998) have summarily pointed out the problems of exclusively using either quantitative or qualitative data when making international comparisons of life transitions: “[...] national cohort and cross-sectional survey studies will confront problems of interpretation of differences (and similarities) across countries, and biographical and ethnographic studies will confront questions of representativeness and generalizability” (1998: 146).

A way of integrating and jointly interpreting this quantitative and qualitative information is to take societal diversity as a kind of fundamental principle when judging national differences. Thus, when comparing cross-national data it will be necessary not only to integrate the knowledge gained by the data in the “national context”, but to seek coherence and complementarity with the qualitative information available, thus producing a sum that is the result of different kinds of data and at the same time is a unique, coherent and ‘single’ picture. This is the idea at the base of the societal approach (Maurice, Sellier and Silvestre, 1982) and its known proposal of ‘comparison of the non-comparable’.

Of course, the societal approach does not renounce comparison, but addresses it in a way that looks for comparable dimensions inside the ‘coherent’ societal space. As Sartori has rightly pointed, the interesting comparisons are those that are carried out among “entities that have attributes partly shared (similar) and partly not shared (and declared non-comparable)” (1991: 35). This implies taking the comparison task not as a mechanical procedure, but as a full research strategy (Dupré et al., 2003).

Then, by taking the comparative approach as a research strategy, the above mentioned importance of combining quantitative and qualitative data adopts its complete sense. This means combining different kinds of data and different techniques, and finding ways to structure all the materials that have been gathered in order to bring to light the comparable dimensions. From an epistemological point of view this introduces necessarily an institutional perspective into research. And from a methodological point of view this calls for research designs closer to what Creswell (2003) has called concurrent nested design designs (i. e. designs combining quantitative and qualitative information, where each kind of data serves to measure different but complementary aspects of the same problem or object of study).

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# The life course research perspective on individual working lives: Findings from the European Foundation research

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# 1. BACKGROUND OF THIS PAPER

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This paper is based on the project “Flexibility and security over the life course: Key findings and policy messages“ funded by the European Foundation for the Improvement of Living and Working Conditions, Dublin, a project which the author realised in cooperation with Ruud Muffels and Ton Wilthagen, both Tilburg University (NL) in 2007 - 2008. The complete project report was published by the European Foundation in autumn 2008 (see Klammer/Muffels/Wilthagen 2008). The task of the research team in this project was to evaluate, bring together and discuss the results of the five earlier research reports on life course issues that had been funded by the European Foundation over the last couple of years and to develop policy messages. This paper highlights a selection of findings of the earlier reports as they were taken up and discussed in our summary report.

## 1.1. The life course research projects funded by the European Foundation

Being aware of the growing significance of the life course perspective and of long-term strategies, the European Foundation for the Improvement of Living and Working Conditions (in the following paper called ‘Foundation’) has funded several research projects on the life course. Out of these projects, five research reports have been issued over the last years:

**No 1:** Naegele, Gerhard et al. “A new organisation of time over working life” (2003)

**No 2:** Klammer, Ute/Keuzenkamp, Saskia et al.: “Working time options over the life course: Changing social security structures” (2005)

**No 3:** Anxo, Dominique/Boulin, Jean-Yves et al.: “Working time options over the life course: New work patterns and company strategies” (2006)

**No 4:** Torres, Anália et al.: “First European Quality of Life Survey. Time Use, Work Life Options and Preferences over the Life Course in Europe” (2007)

**No 5:** Muffels, Ruud et al.: “Flexibility and security over the life course, empirical proofing” (report finished 2007; Muffels et al. 2008 (summary), Klammer/Wilthagen/Chung/Thiel 2007 and forthcoming).

The projects did not exactly build on each other, but focused on different aspects relevant for the life course perspective. Accordingly, they used a range of methodological and conceptual approaches and exploited different available databases with cross sectional and/or longitudinal panel data (numbering in chronological order, as cited in this paper):

**Report no. 1** (Naegele et al.): The project focused on the analysis of developing time patterns and arrangements in a life course perspective, on their relation to people’s preferences and to aspects of the quality of life. In a first stage a secondary analysis of existing empirical studies and surveys as well as official statistics were realised. The results of this analysis were used to develop the concept of the life course perspective further and to sketch a useful overview and typology of changing life courses. In a second stage the focus was on an in-depth analysis of the situation in individual countries, based on information provided by a network of experts. The report analyses the employees’ and employers’ changing needs and preferences from a life course perspective and discusses how social security structures can be adapted to the changing needs.

**Report no. 2** (Klammer/Keuzenkamp et al.): This report concentrates on a comparative institutional analysis. It investigates the development and the status quo in different (Western) European welfare states, focusing on the availability of different time options in different phases of life and over the life course, as well as on the consequences for both the social security protection for the individual and the financial sustainability of the existing social security systems. The study also reveals country specific levels and combinations of regulation (e.g. law, collective agreements, company agreements) and hints at the policy implications or different welfare state and regulation regimes. This second report can in particular contribute to the understand-

ing of the current institutional regulation concerning time options over the life course – including the interplay of different levels of regulation – , as well as on the dimension of social protection.

**Report no. 3** (Anxo/Boulin et al.): Different to the first two reports, the third report, originating from the same project as report no. 2, focuses on the analysis and interpretation of empirical data. Based on calculation with cross-sectional ECHP data for 2000 (and other data), it presents evidence on the developments over time and the current situation concerning working time patterns, income sources and preferences in different stages of life. By focusing on the household level it takes the working time combinations of men and women over the family lifecycle into account. This empirical analysis delivers useful micro-level information (in particular for the unit of private households) and links this to the regulatory framework (macro-level), building up on the analysis realised in report no. 2. In addition, this report delivers first evidence on the company level from a longitudinal perspective, depicting interesting approaches of life course policy in selected companies in different Western European countries.

**Report no. 4** (Torres et al.): This report is strongly based on data analysis, exploiting mainly data from the Eurobarometer EB 6.03 and Candidate Countries EB (CCEB3). The data is cross sectional, referring to the year 2003. Out of the 28 countries covered by the database, 25 European countries have been integrated into the analysis. The report first focuses on the influence of the societal context and institutional setting that might explain differences in life course patterns. It then deals with the issues of time use, work-life options and preferences over the life course. It takes up some of the questions and methodology of the former reports (in particular the stylised life course typology developed in report no. 3). The added value consists of the greater number of countries for which data are provided, including the new member states of the EU. Some political lessons were drawn.

**Report no. 5** (Muffels et al.): the fifth report has a mixed focus while it combines empirical data analysis with conceptual work on the relationship between working time flexibility and the life course approach at the company level. With a view to the first, the report is different to the earlier reports because it is the only report that provides longitudinal information, based on long-running panel and life history data for a (small) selection of countries and of comparative panel data for a maximum of 8 years for 15 European countries. The focus is on assessing the short, medium and long-term career and life course effects of non-standard employment such as working in flexible or temporary contracts or in flexible working times, in particular part-time work. It also examines the long-term career effects of interruptions in one's career, e.g. due to (first) childbirth and childcare. This allows for estimating the long-term and life course effects of employment in non-standard work forms. Special attention has been devoted to testing the relevance of the 'scarring thesis' according to which employment in these non-standard contracts has a lasting adverse effect on the employment and wage career. The report also looks into the role of policy regimes and specific institutions such as the strictness of employment protection regulation for workers in open-ended and temporary contracts, the availability of working time options within companies, the generosity of social security benefits and the gender-related working time preferences in explaining differences in labour market mobility patterns across countries. The report also takes up the meso-perspective of the company again and deals with the question how the different time horizon of companies and individual employees can be reconciled. Best practice examples of companies offering long-term options are discussed. The findings about the long-term career effects and the role of institutions and policy regimes are helpful when it comes to the formulation of policy conclusions especially with a view to life course oriented policy approaches. The results can also be exploited when it comes to the question which role the different actors (e.g. state, social partners, companies) can take in a life course approach.

## 1.2. The summary report

In summer 2007, the Foundation entrusted a research team consisting of Ruud Muffels, Ton Wilthagen (both Tilburg University/NL) and Ute Klammer (University of Duisburg-Essen/GE) with the task to evaluate the five earlier life course reports, to bring together and to discuss interesting results and to develop policy messages based on the different empirical findings. Due to the different foci of the five reports and the different methodological approaches (including a variety of data sources, reference years etc.), the five reports were not expected to build a coherent compendium of life course research. However, a number of issues had been taken up in more than one report, which underlined their significance for the life course perspective. Within the summary report a conceptual model was developed based on the individual's life course (the micro

level), reflecting the fact that the five reports mainly concentrated on the perspective of the individual in different life stages and household contexts. Most of the empirical research of the different projects was focused on the labour market participation and the allocation of time across the various activities people combine during the individual's life course (no. 1, 3, 4), differentiated by gender and household type. In addition the reports delivered detailed information on the distribution of income over the life course (including long-term effects of non-standard work – no. 5) and they dealt with the issue whether the actual patterns go along with people's preferences (no. 1, 3, 4) as an indicator for the quality of work and life. Important findings of this micro-level analysis were taken up in the summary report.

But the life course or longitudinal perspective does not only concern individuals. Perspectives of different social actors have to be considered. On the one hand companies, social partners and the state (including the social security systems) have an important impact on the life course patterns of individuals – on the other hand these actors have their own interests in a longitudinal perspective and have to face specific challenges, too. Another chapter of the summary report therefore deals with meso-level findings, in particular with examples of good practice on the company level (from no. 3 and 5).

In another section the summary report discusses the links between certain welfare state (regime) structures and typical patterns of male and female life courses and social protection. All earlier reports underlined the importance of the institutional setting, in particular the legal framework and the existing social security systems, for the actual life course patterns in a certain country. One issue raised in all reports was which social protection schemes and labour market regulations (labour law and/or collective agreements) favour flexible life trajectories and integrative transitions over the life course. Another crucial question was how changing life courses influence or endanger the financial sustainability of different types of welfare state regimes (no. 2). The summary report also presents some interesting national policy endeavours adopting the idea of a life course approach (no. 3, 5). It finally presents and discusses a selection of policy findings from the five reports that could help to develop a coherent life course approach taking into account possible contributions of different actors (the state, social partners, companies and individuals), but also path dependencies that might ask for country-specific approaches.

The following sections of the paper highlight a selection of findings of the earlier reports as they were taken up and discussed in the summary report (Klammer/Muffels/Wilthagen 2008).

### **1.3. The 'career' of the life course perspective**

The life course perspective has not always been explicit in European policy. In the report it is argued that the life course approach has started as a kind of 'implicit agenda' of the European Employment Strategy before a remarkable shift occurred bringing it right into the focus of interest in recent years and making it a central and explicit topic of the European Employment Strategy (EES) today.

In the 2001 Guidelines, the term 'life-cycle' is mentioned for the first time, not as a perspective of its own, but in relation to the goal of lifelong learning. It is in the 2003 Guidelines that the life-cycle approach is introduced in an explicit manner, within the context of increasing labour market participation and active ageing. In 2005 the topic was finally shifted into the center of the EES with the inclusion of a specific Guideline, no. 18, titled 'Promote a lifecycle approach to work'. Meanwhile references to the life-cycle approach are being made under more Guidelines (e.g. 2, 3, 17, 21). However, it has to be acknowledged that European Social policy is still fragmented and even contradicting when it comes to life course issues. When the raising of the labour market participation rates becomes the ultimate goal, as in the Lisbon agenda, aspects such as the positive development of careers, the quality of work or issues of the work-life-balance and social sustainability – a long-term concept per definition - can be endangered or at least neglected. The pressure on women to increase their labour market participation, for example, can imply new problems for the work-life balance in different stages of life as long as child care, eldercare and social support is not reformed accordingly. The requirement to take up any type of work when unemployed can endanger people's acquired qualifications, their further career and income prospects and their well-being. The life course perspective is therefore a topic which requires a systematic and careful investigation.

## Theoretical background and conceptual model

Taking the principles of life course research and the issues tackled in the Foundation reports into account, a conceptual model was developed in the project, leading the selection of issues for discussing and reflecting their assumed interdependencies (see Figure 1).

## 2. THE LIFE COURSE PERSPECTIVE: EMPIRICAL FINDINGS

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Building on results from the five Foundation reports, the paper discusses the needs, options and strategies of different actors (individuals, companies and social partners, state), trying to figure out how the different actor's perspectives could be integrated into a coherent life course approach.

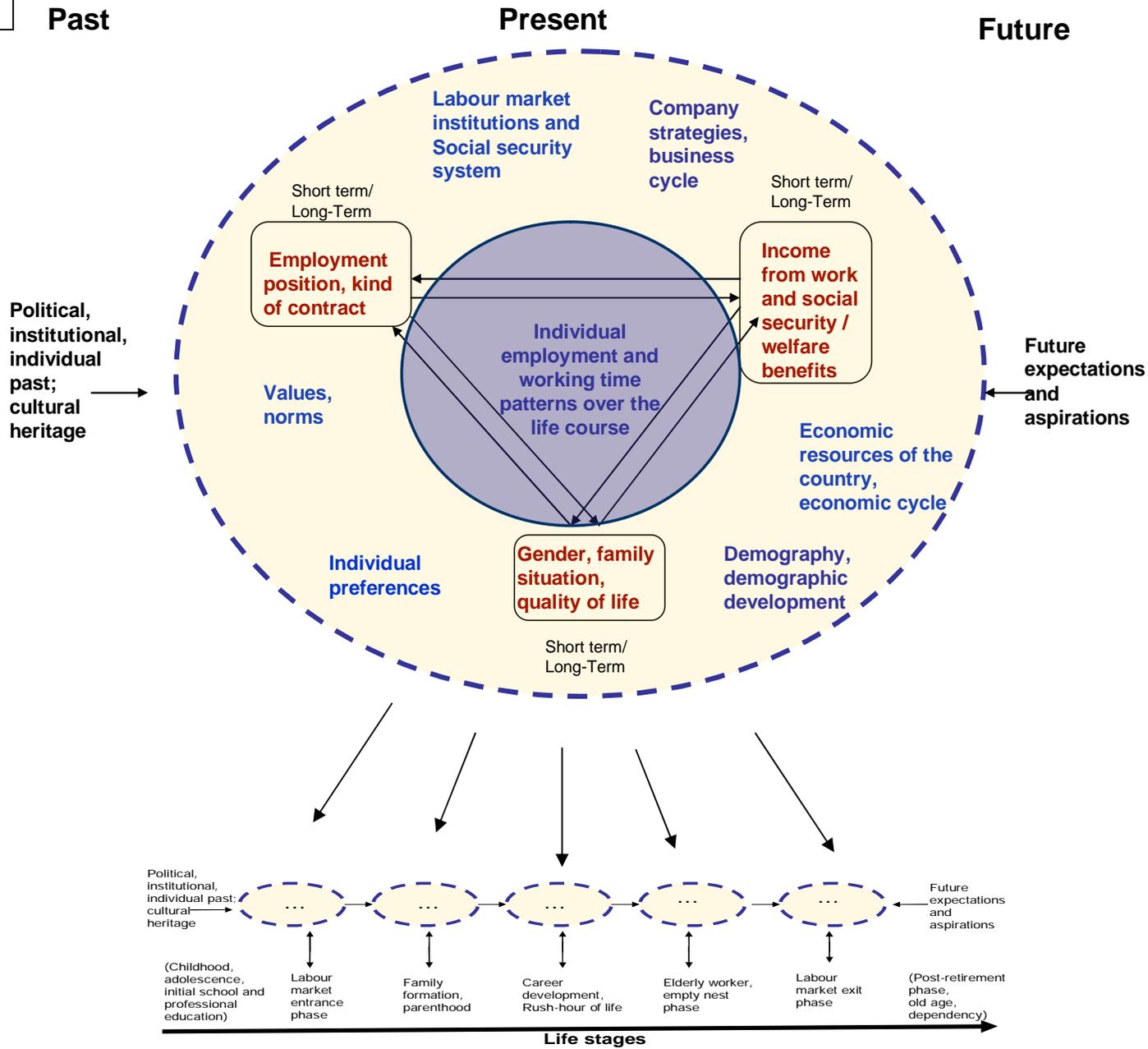
### 2.1. Individuals

Life courses have changed. The standard three-fold division into the phases education, paid work and retirement has developed into much more diverse patterns. The timing of the phases and of the transitions is less clear. In addition they are often no longer sequential phases, but can occur simultaneously – e.g. when paid work is combined with training, or when pensioners keep on working. Due to prolonged education and later entry in the labour market we can speak of an intensified 'rush hour of life' through the concurrence of family-formation and starting work. But this rush hour of life only affects parts of the younger cohorts due to a considerable decrease in fertility and childlessness in almost all European countries. At the same time the need to care for elderly increases due to the aging of the population. This leads to shifting time needs and arrangements over the life course.

The Foundation's life course projects have produced important knowledge concerning today's life courses:

- Life courses are still highly gendered. The gender gap in *working hours* is existent in all life phases but especially in families with young children. Childbirth has no major impact on father's labour market participation, but mothers' average decrease in labour supply amounts to 5 hours per week. There even seems to be an anticipation effect with females reducing their labour supply as childbirth approaches (ECHP-data, 14 countries). Policies providing more institutional support for working mothers lead to a smaller reduction of working hours around childbirth
- When European countries are compared, *different patterns of female labour market participation* over the life course can be identified: a) a continuous model (Slovenia, Denmark, Latvia, Portugal, Sweden) and a moderately continuous model (France, Belgium); b) a traditional model (West-Germany, Ireland, the Netherlands) and a moderately traditional model (Italy, Spain, Poland, Greece) and c) transitional model (Finland, Estonia, Czech Republic, Great Britain, Slovakia) and a moderately transitional model (Austria, East Germany, Hungary, Romania) (Eurobarometer data). The patterns are clearly influenced by the existing institutional framework and prevailing role models. As a general rule, younger *birth cohorts* tend to withdraw less from the labour market and recover faster from the initial drop.

**Figure 1:  
Conceptual Model**



- In most EU countries, household activities or caring obligations in the household is the main *reason why females work part-time*. This is different in Denmark and Finland where women often work part-time because they undergo education or training. In the Southern cluster, female part-timers also report they are constrained in their labour supply. The main reason why males work part-time in most European countries (e.g. Denmark, Netherlands, Finland, Belgium, Germany, Austria and Ireland) is because they are undergoing education or training. In the Southern countries, but also in France and Belgium a significant percentage of males who are working part-time report doing so because they are unable to find a full-time job. Caring obligations are not the main reason for working part-time for males, not even in the Netherlands (ECHP-data).
- The long term effects (“*scarring effects*”) after part-time work and childbirth are considerable, with differences between countries. Part-time workers have a lower probability to work full-time later in their career, although this effect becomes smaller over time. Among women with small part-time jobs only 8% work in a full-time job (35 hours or more) after a year, and 17% after 5 years. The longer people work part-time, the lower the probability that they will return to full-time work. After 10 years, the likelihood of a transition from part-time work to full-time work is lower in the Netherlands than in the United Kingdom or Germany (ECHP data and national panel data). 47% of men and 45% of women believe that part time work is bad for one’s career, a similar share believe that part time means that you have to do more in less time (Eurobarometer data). In spite of this widespread awareness concerning the *negative side effects of part-time* work, the long-term effects of part-time are often underestimated.
- The Nordic and the Anglo-Saxon welfare state regime show smaller *gender-specific income differences* during the family phase than the Continental and Southern regime type. It can be assumed that in the Nordic case the availability of childcare facilities (which enables mother’s quick return to the labour market), the generous and flexible parental leave systems, the collective bargaining system as well as the low gender pay gap play a major role for this favourable pattern, whereas in the liberal Anglo-Saxon welfare regime women’s need to return quickly to the labour market has a positive effect on personal labour market attachment and income. *Childbirth* as a rule has a negative effect on women’s *future income*. The income penalty is estimated to be 5% on average during the following three years (ECHP data). After 10 years of part-time work, the income penalty over the entire period was higher in the United Kingdom than in the Netherlands or Germany (national panel data).
- *Social security benefits* are mainly concentrated in two phases of life: In the phase when people have children in the household and in the phase of retirement. As far as families with children are concerned, the coverage of benefits is very high in Germany, the United Kingdom and the Netherlands, where – depending on the age of minor children and the country – between 93% and 100% of all families receive some benefits. In France, the coverage is somewhat lower, in particular for families with teenage children. In the Southern countries Spain and Italy only about one third of all families with children below 18 receive cash benefits from the social security systems, but in the Southern countries cash benefits play a more important role for the minority of families actually receiving such benefits. In most Western European countries about 94-98% of the elderly couples receive social security benefits, usually pensions. In seven Western EU countries which were analysed, elderly households receive about 80-90% of their income from social security systems.
- Slightly more than every second worker in *flexible jobs* (55%) has managed to move into a permanent job five years later – which also means that almost half of all workers in flexible jobs have not. 18% still have a flexible job after five years, 5% are self-employed, 9% unemployed and 13% inactive. Once in a permanent job, the chances to stay in a permanent job are good – only 4% of all workers with a permanent job have moved into a flexible job during the same five-year period in 14 countries surveyed (ECHP-data).
- The chance of *moving from a flexible contract into a permanent* job is highest in Luxembourg, Austria, the Netherlands and the United Kingdom. For workers in flexible contracts the chances are increasing over time in all regimes though the increase is strongest in the first three years. After 10 years about 80% of the male workers in flexible contracts in the Netherlands, the United Kingdom and Germany have moved into a permanent job (national panel data). This indicates that the scarring effects on the employment career diminish strongly over time although they never fully disappear. In general, the likelihood to move into a permanent job is much higher for workers on a flexible contract than for unemployed people. Whether flexible contracts are regarded as a chance or an impediment for the career therefore depends on the employment status (unemployment or standard jobs) to which they are compared.

- Southern countries have the largest *wage penalties* for workers on a flexible contract. Wage penalties diminish over time but much more so in the Anglo-Saxon regimes than in the Southern regimes, or in the Nordic and Continental regimes where they seem to persist in the longer run after they initially dropped in the first year. The wage penalty was still 7.7% in the UK and 4.2% in West-Germany after 10 years and 9.6% in the Netherlands after 8 years (national panel data). A part of these wage penalties is due to compositional differences, however. In general, a flexible contract in the Nordic countries is more similar to a standard contract than in the Southern countries.
- Part-time work and atypical work are penalised to a lesser extent in *social protection systems* based on universal or flat-rate entitlements rather than in earnings-related systems based on detailed work history criteria because flat-rate entitlements guarantee at least a minimum protection for people with precarious careers and employment gaps. Discontinuous working biographies can lead to a high poverty risk when pensions are calculated on the basis of lifetime income.
- The European concept and demand of *life-long learning* is already widely accepted by European citizens. Almost 70% of all respondents throughout Europe expressed an interest in lifelong learning; 57% of Europeans in every stage of the life course think that employers should support the time taken off work for training; 18% think the employee should bear the costs, 19% expect support by the state (Eurobarometer data). Concerning existing training provision over the life course, the most favourable patterns were found in Finland, East Germany and Romania, followed by Austria, the Netherlands and Italy.
- Many workers today work in companies that offer various *flexible working time options*: Options related to a more *flexible control of working hours* are the *most popular*. “Working more or less hours if needed” (50%), “saving up overtime to take as extra time off” (33%) and “carrying over holidays to next year” (29%) are European employees’ preferred working-time options. Taking time off work (for care, training), entitlements to early retirement and childcare facilities at the workplace are considered by employees as important solutions for a better work-life balance. Across the countries, the most desired options for combining work with other activities concern greater control over working time or the development of time saving schemes. The most available working time options are also those that are considered to be the most important by the interviewees; this reveals that a considerable share of employees can already make use of time-based options to meet their life course needs (Eurobarometer data).

**Table 1: Percentage of workers employed in companies that have certain working time options, various EU countries 2004/05 (weighted percentages)**

	Part-Time	Unusual Working hrs	Flexible Working time	Overtime	Parental Leave	Care leave	Education Leave	Other Leave	Temporary Employment					Early retirement	Phased retirement
									Total	Fix.term	Temp Agency work	Free-lance			
Belgium	87	57	48	82	81	63	48	33	86	66	64	20	69	76	
Denmark	80	48	60	88	71	87	76	45	78	58	63	22	70	64	
Germany	90	53	63	93	78	48	49	35	83	76	32	26	62	65	
Greece	19	46	30	62	66	34	23	20	59	45	9	30	43	10	
Spain	52	56	45	71	50	33	26	24	86	80	38	15	62	30	
France	80	67	49	80	78	40	65	35	89	80	49	12	59	43	
Ireland	74	63	57	91	70	66	55	35	70	66	37	22	72	50	
Italy	62	46	42	83	68	51	30	26	77	60	31	31	18	12	
Luxembourg	76	65	44	92	83	31	45	28	69	54	44	8	73	34	
Netherlands	95	47	53	82	72	68	50	45	89	84	62	28	83	79	
Austria	85	51	63	92	73	30	33	21	63	42	34	19	44	66	
Portugal	17	39	25	63	55	31	21	26	92	90	16	13	44	12	
Finland	71	51	71	92	91	74	88	66	93	90	32	22	85	64	
Sweden	89	48	73	91	95	52	78	45	91	86	35	23	46	53	
UK	85	67	57	86	78	55	44	31	79	65	51	18	78	64	
Czech Rep.	67	55	55	91	76	50	55	32	97	95	16	45	97	40	
Cyprus	37	64	15	83	63	29	38	31	57	45	7	38	56	18	
Latvia	61	68	58	57	76	30	57	35	66	60	12	21	80	38	
Hungary	56	43	43	56	76	70	63	23	60	55	15	5	55	22	
Poland	77	52	54	70	65	72	61	67	86	75	5	45	86	37	
Slovenia	56	52	38	83	76	40	57	34	92	81	60	24	51	14	

Note: Missing cases (no answer or “don’t know”) were excluded.

Source: ESWT data for 2004/05 (European Foundation). Klammer/Muffels/Wilthagen 2008.

- However, many European women and men actually cannot realize their *preferred working time patterns* or number of working hours. A considerable share of men would like to work fewer hours. Among women both the wish to reduce working hours and the wish to extend working hours was widespread; in particular women with small part-time jobs would like to extend their working time. Although many workers would like to work less, only about 20% of all respondents throughout Europe said they *actually planned* to reduce their working hours. About 70% of all respondents answered they did not plan to change their working hours, due to a lack of will or income (Eurobarometer data). The preference for fewer working hours is in particular found in the Netherlands, Turkey and Portugal, and shorter working hours are particularly desired by people with children and elderly workers.
- People prefer and need *different time based options in different phases of their life*. Young childless people have a higher preference for money (instead of holidays) than other groups of workers, parents with pre-school or school children wish to have childcare facilities at the workplace more often

than the other groups and pre-retirement options are most attractive for the oldest respondents. The data also reveals that many people wish to retire earlier than they actually do:

**Table 2: Options considered important for combining paid work with other activities, by life stage (25 European countries, 2003, in %)**

	Child- less, ≤ 35 years	With pre- school/ school children	Child- less, 36 – 50 years	Child- less, ≥ 50 years	To- tal
Working more or fewer hours if needed	62	62	61	56	61
Saving up overtime to take as extra time off	47	41	40	36	41
Carrying over holidays to next year	34	31	32	31	32
Taking extra paid time off to look after relatives	25	33	28	25	28
Taking extra pay instead of holidays	32	28	26	22	27
Early retirement	22	27	32	33	28
Early retirement with the option to work part-time	23	28	31	35	28
Taking unpaid leave	25	26	24	22	25
Taking extra paid time off for study	28	22	19	12	21
Taking a sabbatical, career break	21	19	18	14	18
Teleworking	17	17	15	13	16
Childcare facilities at workplace	15	24	11	8	16

Source: Eurobarometer data. Klammer/Muffels/Wilthagen 2008.

- In general, *working time preferences* are better met in countries with a high level of working time flexibility than in the other countries. Respondents from Nordic countries and some central European countries were most satisfied with their jobs, income, work-life balance and other issues. On the whole, the gap between actual and preferred working times is a clear sign that the options to adjust working time according to one's life course needs are still too limited.

## 2.2. Companies

Firms operating in various regimes (liberal market versus regulated or coordinated economies) have different corporate governance cultures and human resource strategies. The specific type of capitalism has an impact on the patterns of external versus internal flexibility, career developments, gender-specific occupational segregation and the quality of life. A high percentage of companies throughout Europe offer flexible working time arrangements and leave schemes today, but country specific differences are considerable: these options are most available in the Nordic countries and in the Netherlands and least available in the Southern countries.

Although companies' behaviour and strategies depend to a certain extent on the country's institutional framework, some overall patterns with relation to the life-course topic can be noted.

- In general, companies' time horizon is less clear than the one of employees. On the one hand there is a clear tendency towards a short-term orientation, since production circles have become shorter, and companies often have to adjust more quickly to changing markets. On the other hand the production of ever more sophisticated products requires a high and specialized knowledge of the staff, which requires a long-term human resource management (HRM) focusing on the qualifying and the keeping of employees. Career management and retention management – necessarily focusing on longer periods – become increasingly important to safeguard the economic success of companies.

- Both the individual and the company are confronted with *new requirements for synchronisation and diachronisation*. From a life course perspective the challenge is to adapt or synchronize the long-term needs and strategies of companies and their employees.
- The so called ‘employee lifecycle’ in HRM-literature is not congruent with the real lifecycle (or life course) of the employee. Whereas the employee has to organise and to manage the whole (working) life course from education to retirement, the ‘employee lifecycle’ in the enterprise describes the development of a person from the entrance into the company until his/her exit from the company. The company is interested in optimizing the development of the employee during this restricted ‘life cycle’. It is therefore not self-evident that the long-term strategies of the company go along with their workers’ long-term development and life course needs.
- Three main routes in HRM towards flexibility strategies can be identified: so called ‘commercialisation’, ‘negotiated stability’ and ‘mutualisation’ that are often applied simultaneously, but with respect to different groups of workers.
- *Negotiated stability* is a strategy that can primarily be found in fields where standard work contracts used to be the norm. While the conditions for these jobs used to be regulated by law and collective agreements, they are now increasingly negotiated on the level of the company. Flexibility concerning the location of work and working times are negotiated in exchange for employment or income guarantees. ‘Pacts for employment’ on the level of the company characterise a new exchange relationship between employers’ needs for flexibility and employees’ wishes for security. They are focusing on internal flexibility, giving employees some security in exchange for concessions that might also touch upon their time planning.
- Strategies of *commercialisation* are common to organize the workforce at the rim of the company. Within the process of organising flexibility, the borderline between the core workforce and the flexible rim itself has shifted – often towards an extension of the flexible rim. Employees who had been part of the core work force are increasingly involved in new arrangements in which working conditions and remuneration are bound to the success of one’s work. Working time becomes a variable subordinated to the fulfilling of goals and contracts. By organising his own work in order to fulfil the requirements, the worker partly takes over typical risks of the employer. Often this makes life course planning for workers more difficult. But at the same time there can be chances for a higher income and an increase of autonomy. Usually the exchange relationships between the contractors are more short-term oriented than in the case of negotiated stability; the life course perspective plays no explicit role here.
- *Mutualisation* is characterised by an increased reciprocity in the labour relation between employer and employee. It can particularly be found where high qualifications and a high performance are required. In exchange for high salaries and prospects for individual development in the firm, companies expect an increased commitment to the firm from their key players, as well as a high level of identification. This concerns the amount and flexible use of time the employee is expected to dedicate to his work, but also the place of work and the content. The borders between work and private life cannot be kept up, work dominates the other spheres. Concerning these key players, companies’ time horizon is often long term and retention management is used to keep these employees in the company. While this can give employees some kind of long term security (e.g. as far as income is concerned), it is often at the cost of short term flexibility and these employment relationships only leave restricted room for life course needs beyond paid work.
- Based on two of the earlier reports, a number of selected *company cases* are presented as examples of good practice concerning the life course perspective (Happy Computers, UK; Groupe Danone, Spain; the Dutch microchips producer ASML; Airbus Germany GmbH, Hewlett Packard, Germany etc.). The company case studies reveal the high importance of flexible working time schemes. Some of the companies have developed combinations of different working time accounts to deal with both employers’ and employees’ short term and long term needs. Other successful strategies focus on preventive health care programmes or encompassing training and personal development measures, or they support the societal engagement of employees. Although the case studies reveal that gaps might exist between the declared company philosophy and the range of options on the one hand and the actual working culture and take-up of options on the other hand, the company cases can still render clues about how companies can support the life-course perspective. The case studies show that both employer and employee can profit from a long-term orientation and that successful strategies are not restricted to big companies.

- Long term working time accounts have the potential to serve as an important tool for a new life course orientation, but it also contains certain risks. Long term WTAs are not a solution to the upcoming shortage in qualified personnel, but might even increase the labour shortage in the long term. It can be assumed that in times of labour shortage workers will have problems to take time out of their WTA to cover life course needs. WTAs which allow for an earlier labour market exit can also reduce the incentives to invest in the training of older workers and therefore endanger the activity rates of elderly workers as aimed for in the Lisbon strategy. The reality of long term working time accounts turned out to be connected with additional work stress in some companies whereas in other companies WTAs improved the workers' time sovereignty and working conditions. The time sovereignty of employees is positively correlated with the existence of clearly regulated WTAs (that define rules for the handling of overboarding time credits), and with the existence of a work council in the company.

### 2.3. State: Legal framework and social security structures

The existing labour law and social security system can be regarded as crucial factors influencing men's and women's working time patterns and income situation in various life stages.

- The construction of a *typology of countries* based on *contract and working time flexibility* leads to the identification of different clusters in a 'flexicurity quadrant'. The Continental cluster is characterized by a trade off between a low labour market mobility and a high level of income/employment security, whereas the Anglo-Saxon cluster represents the opposite trade-off, with a high labour market mobility and a low income/employment security. Southern traditional countries combine a low labour market mobility with a low income/employment security. The transition regimes and the Nordic countries show an intermediate level of labour market mobility, but the latter countries seem to cushion labour market mobility with a higher level of income and employment security than the former, and therewith coming closest to a flexicurity-model.
- As far as the *labour market integration of men and women over the life course* is concerned, countries show major differences: While a high labour market integration of both sexes over the whole life course is typical for the Nordic countries, the Continental countries reveal a strong concentration of working time on prime aged men. In the Anglo-Saxon countries the younger age groups are better integrated into the labour market. The Southern countries show a bifurcation of women's labour market integration: due to the lack of part-time work, women either work full-time or are inactive. A part of the cross regime disparities can be ascribed to institutional factors, although different mechanisms are at work here: whereas in the Nordic countries a range of leave options with income replacement benefits, high coverage of childcare, combined with universalistic benefits and an individualized tax system encourage and enable people to establish a long lasting attachment to the labour market, it is exactly the low level of 'decommodification' in the Anglo-Saxon welfare states and the resulting necessity to be active on the labour market that leads to some similar patterns in these countries.
- Prevailing *gender and age models* concerning labour market behaviour and time arrangements in different life phases are directly and indirectly shaped by factors such as the taxation systems, the role of individual and derived rights, eligibility criteria for social security benefits and the availability of public services to cover care needs. The German system of joint taxation of spouses with very high marginal tax rates for the second earner, for example, can be assumed to have a considerable influence on the labour supply of married women and the time allocation within the family.
- The institutional analysis of time options/arrangements and their impact on one's social protection shows that one has to differentiate between interruptions of the working career, reduced working hours and systems that allow a flexible allocation of working time over the life course.
- *Interruptions of working life: Unemployment* is still one of the best covered social risks in Europe, but the existing social security systems differ a lot as far as the access to the unemployment schemes, the eligibility and re-eligibility criteria, the duration of benefits and the income replacement rate of benefits are concerned. Deficits in social protection mainly occur in the case of long-term unemployment. Unemployment early in the life course is often worse protected by cash benefits than unemployment in later stages of life. Deficits in pension income mainly occur in occupational pension systems, in particular in countries where second pillar systems have a high relative weight (e.g. UK).

*Maternity and parental leave schemes* are well-developed in many countries, but a lack of cash benefits often restricts take up. Leave schemes for *eldercare* are still limited to a small number of countries (e.g. Sweden, the Netherlands, in planning for Germany). Leave schemes that do not guarantee employment security (as the French parental leave scheme) can turn out to be a trap for the future career. Schemes for *sabbaticals or training leaves*, e.g. in the Netherlands or in Germany, are often based on an intertemporal redistribution of time and money by the leave taker. The continuation of the employment contract has the advantage that the access to social security is usually granted. A progressive tax rate can help to make these schemes more attractive.

- *Part-time* workers can profit from redistributive elements in many social security systems and they often receive more than proportional benefits compared to people working full-time. In some countries there are additional targeted subsidies for special groups of part-time workers, e.g. in Germany for parents working part-time or elderly workers in partial retirement. But part-time work still contains an additional risk of poverty, in particular in Bismarckian countries with social insurance systems oriented towards the principle of equivalence. From a life course perspective, the total duration of part-time spells in life is the decisive factor, in particular with regard to pension claims.
- Working time schemes that allow a *flexible distribution of time* over a longer period, e.g. working time accounts, can help individuals to organise time over the life course according to their needs. But as far as social protection is concerned, long term schemes contain some risks. Many time credits to date are not insured against insolvency of the employer.
- *Universalistic and individualized social security schemes* – e.g. health care systems or a pension systems based on citizenship – give people some *freedom* to make use of different time schemes and options offered. In this respect the Nordic countries as well as the Netherlands provide a better institutional background for a flexible and secure allocation of time over the life course than the Southern and some of the Continental countries.
- There is a clear overall *trend towards the regulation of life course oriented working time options* since the beginning of the 1990s. Provisions have also become more flexible by offering a choice between a complete set of leave and part-time options. But many schemes are still linked to specific life phases. In most countries, the existing entitlements are not strongly interwoven. Whereas Sweden and the Netherlands show a number of positive initiatives covering most life phases, the UK has very few regulatory arrangements on working time options; an intermediate position can be seen in France and Germany. The main differentiation between countries still lies in the payment conditions and these conditions do determine actual take-up rates.
- The existing social security schemes structure male and female life courses in combination with *social values*. Deviations from the embedded norms can lead to insufficient coverage by the existing systems. This is particularly the case when basic security schemes are non-existent or when their benefits are low.
- We can observe large differences in the relationship between statutory *law and collective bargaining*. In some countries, e.g. France and Italy, most of the life course related laws are formulated at the statutory level. Collective labour agreements in these cases simply reflect or repeat these provisions. In other countries, e.g. the Nordic countries and the Netherlands, the role of collective bargaining partners is more prominent. Innovation often starts at the sector level and is ultimately codified at the central level of labour law and social security law.
- Different time options and their take-up impact on the expenditures and the *financial sustainability of the social security systems*. Although leave systems that provide benefits in cash and kind raise social expenditures, they have so far not contributed much to the financial crisis of most welfare states: most leave schemes render unpaid leave, and many leave schemes have low take-up rates (in particular sabbatical leave schemes). Maternity leave - the ‘best paid’ leave scheme in a cross country comparison – plays financially a minor role due to a low fertility, compared to the health care and pension systems. Leave schemes such as job rotation programmes, where training leaves are combined with employment chances for unemployed persons, can even reduce expenditures in the long run.
- *Unemployment and ‘inactivity’* threaten the financial sustainability of many social security systems to a much higher degree. Unemployment raises the public expenditures due to the loss of social security contributions and taxes, in particular in countries with high unemployment and in countries that provide long and generous cash benefits (e.g. the Continental and the Nordic countries). ‘Inactivity’ of female spouses induces high collective costs in countries which still support the male breadwinner model.

- Since *part-time work* has mainly acted as a substitute for the non-participation of women, the rise of part-time work has so far not endangered the financial basis of most social security systems. As far as *small part-time work* is concerned, some countries (e.g. France, the Netherlands) collectively supported these jobs by reduced contribution rates or benefits being higher than proportional. In countries where small jobs do not give full access to social protection, costs nevertheless rise due to the payment of social assistance or minimum pensions. Social costs depend on the distribution or (lifetime) concentration of such jobs among the population. From the perspective of the financial sustainability of the welfare state, an equal distribution of working time among the whole population and a low concentration of ‘bad jobs’ is therefore desirable.
- *Long term working time accounts* could help to reduce overtime and to redistribute working time more evenly among the population, with positive effects for the financing of social security. Empirical evidence from Germany showed, however, that WTA did *not* contribute to a more equal distribution of working time and money among the population, but decreased the financial basis for the social security systems and therefore tended to enhance the financial burden of the system.
- Whereas in most countries only regulations for certain life phases are found without being really interwoven, the institutional framework is more coherent and ‘life course friendly’ in the Nordic countries. Some countries such as Belgium and in particular the Netherlands have started to develop explicitly so-called life course schemes. As discussed in the report, these systems can provide some experience for the development of a coherent life course approach. *Belgium* introduced a *system of career breaks* in 1985 as a labour market instrument to deal with the high level of unemployment. The Belgian career break system, which has been amended in the 1990s by a system of thematic leaves and by additional cash benefits on the regional level, has proved to be flexible in many ways. The *Dutch life course scheme* so far is the most encompassing attempt to organize a legal framework for a coherent life course oriented policy. Building on earlier life course schemes, this new ‘life course arrangement’ (levensloopregeling) introduced in 2006 offers a fiscally supported saving scheme with the aim of facilitating in a financial way leave options or non-participation options over the life course. Under the new scheme, employees may save a maximum of 12% of yearly gross income to a maximum of 210% of the yearly gross income in order to finance periods of unpaid leave, e.g. care leave, sabbatical, terminal care, parental leave, training leave or to retire earlier from the labour market. In agreement with the employer, overtime can also be saved in the account. Collective bargaining parties are expected to incorporate and facilitate the Life Course Arrangement in their agreements and employers are obliged to offer the Life Course Arrangement to their employees.
- In spite of the potential advantages of the Dutch scheme with a view to the life course perspective, the scheme can be *criticized* because its current version is too limited in scope and inaccessible for the lower paid employees. Recent proposals tend to widen the scope and application of the scheme for education and training purposes, and to allow workers more possibilities of using the saved money also for benefiting work-to-work transitions. So the arrangement could develop into an individual transition arrangement that could be a pillar of an encompassing system based on providing transition security and employability. However, both the Belgian and the Dutch scheme might be criticised since they support the development towards fully individualized, privatized and fiscally based social security systems without much solidarity on which most of these systems were built in the past and which might endanger their accessibility for the weaker groups in society.

### 3. POLICY RECOMMENDATIONS

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Life course policies can be defined as a purposeful strategy which on the one hand enable and empower societal actors and citizens to successfully *synchronize* paid work and other socially productive activities at a given time and on the other hand facilitate the synchronisation and management of a variety of preferences and choices involved in life course decisions across the different life-phases (the *diachronization* element) in order to guarantee optimal participation in work and other meaningful activities over the entire life course.

Implementing a life course perspective requires the *simultaneous involvement of different actors* – in particular the state, the social partners and the company – with different tasks.

From the *worker’s perspective* a coherent life course approach should concentrate on the following aspects:

- the support for continuity and upward mobility as well as the prevention of involuntary discontinuity in workers' careers,
- the enabling of desired flexibility and discontinuity, e.g. by the regulation of leave options,
- the support or facilitating of transitions, by empowerment as well as by cushioning the financial consequences,
- the establishment of appropriate guidance and training systems, especially of low-threshold and widely accessible career guidance facilities within companies but also outside companies,
- the enacting of policies aiming at an earlier entry into and later exit from the labour market ('decompression of working life'), leaving more room for other activities in between, and
- the reform of financial support systems by creating more options to individuals to redistribute their income over the life course, but in addition by supporting certain socially important phases (e.g. care periods) through collectively financed cash benefits,
- in addition, to allow for improved access to social security systems and to minimum benefits for guaranteeing the minimum protection of the 'losers' of flexibilisation.

Life course oriented policy should be concerned with *enhancing flexibility in time use*, allowing individuals to save and spend their working life time and to distribute time and money over the life course as they wish. This should be accompanied by the establishment of legal frameworks for life course saving schemes. However, life course saving schemes contain an obvious risk for a further individualisation of risk-coverage leaving the people with less capabilities to deal with these risks largely or partly uncovered. This can only be avoided if policies first decide which situations in life, e.g. caring for children or for elder dependents, (still) require some public, collectively financed support through the welfare state and then to aim at integrating the support regulations in an overall life course framework. Legal rights to redistribute one's time and money over the life course therefore have to be complemented by 'integrated options' creating opportunities for combining time options and money.

It is also important to ensure adequate social protection to the increasing number of people who due to the economic and globalisation forces are confronted with more intermittent periods of non-work. This involves a strengthening of the lowest (social assistance) level as guaranteed by the social safety nets in the various countries and an improved level of minimum protection and/or compensation in the case of temporary absence from the labour market. Activating policies should support the people who are confronted with these new social risks. The establishment of universal citizen rights to cover recurrent periods of leave and reduced working times could smoothen transitions and thereby could enhance the matching process on the labour market as well as the workers' productivity. With respect to pension provision, facilitating people to build up their own resources for bridging later life should be supplemented with safeguarding and strengthening universal (basic) public pension rights.

Especially young people should be trained, in the context of education, in doing the right things and doing things right. Life course policies do provide options and freedom of choice but at the same time imply the necessity and constraint to actually make choices; a formal right to career guidance and support could be considered, or perhaps even a right to be supported and not being discriminated or disfavoured in the process of making good transitions in the labour market,

As far as gender equality is concerned, flexible options to combine work and care might be problematic as long as only women take up these options; the 'signalling effect' can lead to a further discrimination of women in work. Pro-active measures are still necessary to promote gender equality and social justice. The life course perspective is therefore not only linked to the employment agenda, but also to the care agenda and the equality agenda.

Seen from the individual worker's perspective, a life course approach should therefore focus on the combination of improved individual choices combined with enabling measures, a legal framework allowing the redistribution of one's income over the life course combined with collectively financed cash support for certain phases or risks during male's and female's life courses as well as a basic protection for all.

At the *company level*, flexicurity in a dynamic perspective could ideally be conceptualized as a system of joint and mutual risk management for workers and employers. Employers face the risk of a weakening market position due to increased competition, but also the risk of a quantitative and qualitative mismatch of labour supply as a result of technical progress, demographic change and varying preferences and competences among workers. For workers, job and employment security and the possibility of reconciling work and private life may be at risk due to business responses to globalisation and intensified competition. Therefore joint and mutual risk management is needed. It is crucial that not merely current risks but also future risks are addressed, as the five reports clearly show that the needs for flexibility and security can and still do vary across the life course and the business-cycle.

While the contribution of the state might be to generate the legal framework for different time-based options and to add these life phase-regulations to a coherent life course approach, collective agreements can forerun, extend or specify legal regulations concerning leave options and flexible working times, or they can set up a framework in countries without legal regulations. The German partial retirement scheme can serve as an example for the broad insertion and specification of a given legal framework in different collective agreements, although the options for flexible retirement given by the legislator since 1996 were only partly taken up by the social partners.

Social partners – in particular trade unions - can also take over an important role as ‘life course coaches’, providing information and assistance to workers at different points and transitions during the working life.

Business networks and co-operations can contribute to more employment security, giving workers more options to stay in work. Flexible time options offered by the company can help workers to adjust paid work to their changing needs over the life course. The state can encourage companies to adopt a more family-friendly life course policy by creating incentives such as tax benefits for companies which provide family-friendly and life course oriented working times, or through certification schemes and public awards. Economic arguments can create an additional and potentially very strong incentive to ensure that personnel or human resources policy in companies is more family friendly and life course oriented. But actually the ‘working culture’ within the company is more important than specific company-level provisions. Ultimately, the necessary social policy debate on role models and on the life course should lead to a paradigm shift in companies, creating a situation where each employee is automatically also seen as a person with time needs beyond paid work, e.g. as a care-giver or as somebody involved in other socially relevant activities that can change over the life course.

### **Policy messages from the state’s or national system’s perspective:**

In spite of some general trends the actual problems differ from country to country. Whereas Southern countries have particular difficulties in enhancing flexible and secure policies for a life course approach, liberal countries, like the UK, suffer from high poverty rates, and especially a high level of child poverty. As Europe is and will remain characterised by different varieties of capitalism and welfare states, it will feature and require varieties of life course strategies. This implies that the policies and legislative strategies to foster the life course perspective and flexicurity in the Member States need to deal with historically grown situations and starting points. Different strategies should be considered at the national level, depending on the country’s history, political, institutional and cultural context and labour market issues, e.g.:

- Strategies for activation and ‘make transitions pay’ policies;
- institutional support for working mothers and other caregivers;
- implementation of life course oriented time management systems, with a suitable legal framework provided by the state;
- wage policy and financial support through the social protection system, to mitigate the scarring effects on income or on reducing working hours in the context of care activities and socially useful activities;
- broad access to social protection schemes and minimum benefits for those who bear the burden of flexibilisation, in particular in the health care and in the pension sector.

Inspiration for *pathways* within the European Union to optimally balance flexibility and security over the life course can be derived from the recent documents prepared by the European Commission and the European Expert Group on Flexicurity (2007). These pathways respond to the varying

labour market challenges and starting-positions across countries. The four main pathways are the following:

- *Pathway 1*: Reduce asymmetries between non-standard and standard employment by integrating non-standard contracts fully into labour law, collective agreements, social security and life long learning, and consider making employment in standard contracts more attractive to firms;
- *Pathway 2*: Enhance companies' and workers' adaptability by developing and strengthening transition security;
- *Pathway 3*: Address opportunity and skill gaps among the workforce by broadening and deepening investments in skills;
- *Pathway 4*: Enhance employment opportunities for benefit recipients, prevent long-term welfare dependency, regularise informal work, build up institutional capacity for change.

The welfare regime approach and VOC classifications resemble the various pathways described here though regimes might be a mixture of various pathways. The unregulated or coordinated UK labour market is closest to pathway 3, the strongly regulated Southern labour markets to pathway 1 and the highly regulated regimes in Continental Europe to pathway 2. The Nordic countries seem to resemble pathway 3, but they are also a mixture of more than one pathway, among which pathway 2. The different regimes need to follow their own roads to introduce a life course approach and to improve their social and economic performance.

A life course approach acknowledges that human life is full of risks, contingencies and discontinuities. Risks and uncertainties can not be excluded but can and should be anticipated and managed as optimal as possible. This risk management approach aimed at synchronizing paid work and other socially gainful activities, synchronizing individuals' past, present and future choices and activities *and* synchronizing the interests of workers, companies and society's interests as a whole, is highly complex. The complexity of the issue is precisely associated with the fact that preferences, needs and interests vary over time. It thus requires the involvement and risk-bearing of all actors: the individuals, companies, social partners, social security institutions, private organizations (e.g. pension funds) and the state.

The authors conclude by arguing for more theoretical/conceptual and empirical research efforts to be able to cope successfully with the challenges and risks society nowadays face with a view to the ongoing economic, demographic and social changes. The five Foundation reports discussed here provide in their view, hopefully, a sound basis for a future research agenda along the issues and lines identified in the report.

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# **The Capability Approach and the Dynamics of Life Course**

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**Transcript from the presentation**

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I'm very pleased to be here this afternoon. I'm going to present you another paper. It is something that I did in 2004/2005, so it is already a bit dated, and it is a work that I had the opportunity to follow up so there are some questions that remain to..., there are some issues on the table and maybe we can discuss that a bit later. It is based on statistical works I did with one of a colleague of mine, Jean-Baptiste Oliveau, and he gives mainly the statistical work, so I'm not very on this statistical matters. So, I'm very sorry if you have very technical questions.

So, it was a field work that concerns the inclusion into work for school leavers, for people in a process of inclusion into work. And this is a statistical work and which was completely in my PHD, with some more sociologically oriented work on the institutions that work with these people. So, I tried to complete two things. On one hand some statistical work on trajectories of these people into work and, on the other side, some approach of the public action which tries to help these people. So, maybe, this is a way to combine quanti and quali as it is suggested in these CAPRIGHT meetings. So, the aim of that work was to try to analyze the process of inclusion into the labour market for a group of young people whose specificity was that they have low qualifications. It was the characteristic of the data base that I had and the very goal was to try to operationalize Sen's concept with this basis. The literature is already, there are already some things that can inspire such works. You may know the references that I have mentioned here. Some are inspired by the capability approach to identify the constraints that people in the labour market face or the unfreedoms as Schokkaert and Van Ootegem said. Or the penalties as well as Sen himself suggested. So, there are already some studies with empirical data and I wanted to try to do something more with that. So the question was, how to use the framework of the capability approach in a dynamic perspective, because all of these works remain static works. So, one idea was to put some dynamic in this research and with my specific field work this was to analyze a crucial moment, a crucial transition the one from school to work and as well an important biographical key-point. Here I quote one of the ideas that was included in the other paper for this meeting. Because, here we are, at the crucial moment. The first transition from people who left school and who tried to find their first job, and are so much in a really very important moment for them because it is the first time, the first moment for their independence. They progressively acquire the means and opportunity to find a house, to acquire a car like we will see etc. etc. So, the objective was to try to analyze the first steps for these people of integration into working life with this framework.

To the data. The data is a data from the CEREP, it is an old panel which is constituted with 5 waves. It was realised between 1996 and 2000, and the people included in this data are young people who have left the school system during the year 1993/1994. And they have been followed during 5 years. And, as I say, the particularity of these people is that the maximum level of qualification is the baccalauréat. In France this is a level IV, this is a main diploma at the end of the secondary schooling, but it is also accepted that this is a very low level of qualification which is quite insufficient at search to find easily a job. And there have been [...] by Josiane Vero in a first operationalisation of the capability approach and this is not for the story but because it is asserted that Josiane in her thesis tries to compare the situation of these people comparing two or three models, two or three theoretical frame works. On the one side the capability approach, on the other side the utility frameworks or the poverty framework but on an income based... [On a short intervention by Josiane]. And when I read your work, I found it interesting the try to use the possibilities of these five waves to give some, to put some dynamic in this research. So, that's why this was the starting point of this work.

Just from theoretical perspectives: I think that one of the ideas was to look at the influence of a specific resource, here education, on the opportunities for the people and especially on the capability for work or the capability for being included into work. That's what..., it was the objective. And concretely what I did was to analyze specific functionings in working life at  $t$  or  $t+1$  etc. like having found a job basically, but also other achievements like residential independence or mobility or social contacts, social relations etc. And the difficulty was to dynamise the data. That's why the method we used was the typical trajectory method, like I'm going to show you. But just from a theoretical perspective, this is one issue that cannot be raised only with a capability approach and it is really important to have also the resource approach in mind, because education is a very crucial resource, of course. But there are also other resources that import like the theoretical frame work and when one speak about inclusion into work for young people, it is important to have in mind that in France, for instance, there is a specific social law for young people, there are specific incentives for employers, there is a specific social assistance system etc. etc. So, that is for the theory.

The data, well I'm going to be rapid with that. We worked on a sub-sample of 1.700 young people who gave the complete information about themselves during the five waves. Very broadly the panel is constituted of more males than females. At the first wave of this data-base, the age was comprised between 16 and 21 and a

first interesting information is that girls in this panel are more qualified, relatively speaking, of course, than boys. So, first information, they are a bit more qualified. So, one question can be, how do they convert this bigger resources into opportunities or achievements. So, we have worked on specific trajectories for... This is of response to these questions. As you can see, this is for the general sample. When they left school in 1994, the young people have experienced different patterns of inclusion. Some have to go to the national service. Sorry, it is in French, but from top to the bottom this is national service, the army, then inactivity of people who have chosen not to work and to stay inactive. Then it is a new study, they get one back to University for instance. Then, in pink, it is unemployment. Then it is other forms of employment for instance independent jobs. Then, in blue, CDI, it is a permanent contract. In yellow temporary contract, it's CDD. Then, in purple, it is apprenticeship. And then, at the bottom, it is inclusion schemes, public schemes. So, as you can see, there are different options or paths for the people.

What is important to say is that during the five years almost everybody has experienced a job. Only one percent of the sample have never worked at all. And one can see that this one percent is a very specific public, maybe with personal problems etc. But everybody has experienced at least one job experience. In 1998, that is four years after they left school, 80 % of them were in a job, in work, but another information which is important is that 40 % of them have never experienced a permanent contract. So, you have a sample of people with low qualification. In the end, they have all experienced work but a lot did not have access to a job with one important characteristic, that is to be a permanent one.

Ok, we have designed six typical trajectories in order to differentiate the pathways. The first trajectory was named "Delayed stabilisation in permanent employment". As you can see, during one or two years, people have experienced unemployment or temporary contracts in pink or in yellow. And then, after two or three years, they all have access to a permanent contract. The second trajectory, and all these trajectories are more or less not equivalent in terms of proportion of people, but they represent approximately one person out of six, more or less. So, they are quite coherent. The second trajectory is the better one, if you can say. That is immediate and lasting access to permanent employment. As you can see, people find a job, a good job, at the moment when they left school, and this job is permanent or at least the path on the labour market in a succession of permanent contract. The third trajectory is called the pathways, and here it is people who have only experienced unemployment, bad jobs, inclusion schemes, public schemes at the bottom and, sometimes, a short-time contract or a permanent contract but that did not last. Here, it is a form of inclusion characterised by a stabilisation in fixed-term contracts. In yellow, people experience multiple short-term contracts. Then you have a trajectory characterised by reaching to apprenticeship. When they left second school, they decided to follow the training by apprenticeship measures which eventually lead to a job, and finally a persistent unemployment trajectory which is the worst - so to say - trajectory, if I can give a value judgement on these trajectories.

Ok, so, this was the starting point and I want to precise you the model but we can be more precise about the probability to be in such or such trajectory. In words, girls have more probability to be in a bad trajectory, to be rapid. People with the highest qualifications in this sample have the higher probability to be in a good trajectory. The other factors that are important are, as you may guess, the origin, the social origin, whether the parents have been trained and are in job, which is positive. Or negatively, the ethnic origin, if people have parents born abroad. This is a factor of being in a bad trajectory. So, we have tried to take this now as a next explanatory factor to explain the access to such or such functioning. Does the belonging to a particular trajectory impact on people's functionings. And, of course, the difficulty was to find something that would look like functionings or capabilities in the data base. And if you have tried to operationalize Sen's approach with the quantitative data that are not used that is with a secondary data, the difficulty is, of course, to find something which looks more or less like functioning. And it is, of course, a drawback or something which can be a critic that can be addressed to the capability inspired works, because maybe sometime we try to find functionings where other words could also perfectly work.

The underlying assumption behind that was the following: The young people with bad or instable or insecure trajectories have lower levels of achievement and functionings as well. We have tested three particular social achievements, to have one's own housing and that is to be independent, to be mobile and to have leisure or social relations. So, I won't give you the divisions for all of these. Concerning the mobility, where it was really difficult because the only item we had was "I have a car" or "I don't have a car". Of course, mobility cannot be reduced to having a car. If you live in a town with good public transports, you don't have the necessity to have a car. And furthermore, another difficulty from the statistical point of view was the reversed causality that could appear. It is a fact to have a good trajectory that influences the fact to be mobile or is it

the reverse? Concerning the other achievements, to have its own independence, we have looked at the proportion of people having their own home wave after wave. So, as you can see at the first wave, when the people leave school, most none of all have their own independence. And in the end, approximately 60 % of girls and 35 % of boys have their own independence. So, it is a growing pattern. And one can see that the trajectory can influence, has some influence on this, because the better trajectories, the second one if remember the permanent jobs trajectory, leads to 60 % of people with their own independence. So, this was a first suggestion of operationalisation of the capability approach in a dynamic perspective. Trying to look at the influence of a trajectory on a specific functioning. But, of course, here again the causality can be a bit more complicated than this influence, than this statistical influence.

Concerning social relations, here it is just a descriptive chart. We constructed an indicator with different items of data base. The bigger the indicator, the more dense the social relations and you can observe that these are the people with the best, once again, with many precaution, the best trajectories that lead to the highest social relations as constructed in this work. And, in the bottom, people who experienced the trajectory with only an employment in public schemes, have very little, very few social relations. We can have a look at some utility or satisfaction, the satisfaction of the people. There are some questions on "are you happy with your job", "do you want to find another job" etc., etc. Something which is interesting is that there is a majority of girls who are looking for other jobs. There is also a majority of women who are in part-time patterns, but they do not express a preference for part time. So, here you can have a form of gender-constraints, that is that girls face more of part-time work, part-time jobs, part-time offers than boys, and they have no preferences for... They have the same preference than boys but they are constrained due to company strategies, to culture, to discrimination etc, etc.

We have had a look on other achievements which were interesting to me, because they were a bit more complex than the previous ones. For instance, this functioning or this achievement of obtaining a job-interview. It's interesting to analyze inclusion into work because it gives an idea of the efforts that people make on the labour market to find employers, to be active in their search. But also, it can give an idea of the constraints they face. Concerning the search behaviour, something which is really interesting is that the unemployed people declare to be ready to accept any type of job at a very high rate. For instance they say "I would accept any kind of job or a job with no link with my training or even a part-time job" with very important proportions which only slightly decrease with time. So, this gives an idea of the very preference for any job and when you look at the difference between girls and boys, one considers girls have always lower expectations with regard to these indicators. They are not difficult. They say they will accept any of these jobs and another data confirms this fact. This is the wage of reservation. They always give a lower wage of reservation than men. They accept any type of job and even the less paid job. So, they are very very easy to satisfy in certain way. But one can ask whether or not. It is not a negative preference mechanism because they are more often in bad or insecure or instable trajectories and one can ask whether or not this is an adaptation of their preference with being given the difficulties they face. This is something that recalls some of the concepts developed by Sen.

Concerning the achievements of obtaining an interview: Something which is interesting that there is an inequality in the conversion of the efforts. Girls have lower expectations, they are less difficult. Moreover, they do more research, they are more active in their search-behaviour. They have a number of applications which is twice that of men, approximately they have sent 14 letters of application while men have only sent 8 letter. They have made more unsolicited applications and for a result which is not better, they have obtained as many interviews as boys, 4 in mean. So you can see, that they are more active, they do more efforts, but for the same results. So one can ask whether it is a bad conversion of their efforts or an inequality in opportunities being given broader structures. They have to take more steps to obtain the same results as men. So, not only it is more difficult for women to convert their efforts into valuable achievements, but also it is more difficult for them to convert their resources. Just remember that they have bigger qualifications and their ambition into achievement, into opportunities, the fact of having an interview with an employer.

And finally, the last achievement or functioning that we tested was the following: Having had the opportunity not to accept a job-offer when unemployed. You are unemployed, you have an interview with an employer, and you say NO to the employer's proposition, to the job proposal. I found it was interesting to analyze this a bit further, because it can be a good indicator of capability. The capability not to accept any job. This was my assumption. With Jean-Michel Bonvin, when we spoke of capability to work, we had the emphasis on the opportunity aspect, the opportunity not to choose an option that you do not value, and also

the process aspect, the fact of having the opportunity to do genuine choice and not to be forced to choose a particular option. So, I found this could be interesting to look at this item.

Some results were expected. The people with more difficulties in the job-market have also less probability to refuse a job, for instance people with a foreign origin as compared with people born in France. Young parents as well, as you can imagine. When you have care duties, it is sometimes difficult to refuse a job. In the French complex where social assistance rights for people under 45 are more or less, you know... So, finally the closer you are to a stable trajectory, the greater you have a probability to have refused a job. But all these reasons were unexpected reasons: women have a greater probability to have refused a job. And this is unexpected because, as I said, they are more often in unstable trajectories, they have more often more difficulties to convert their efforts into achievements. So, this was a bit unexpected. Maybe, it is just the item which is not good at all. It is necessary to question the indicator a bit further. And to my mind, it is, of course, insufficient to reduce a capability to this type of indicator.

We have to be more imaginative or to construct a more complex indicator, because when you question such a behaviour on the market, the opportunity not to choose whatever job. This on one side adjusts issues of search behaviours, of rationality, of the capacity to make good choices, and on the other hand, this also put the emphasis on structures of constraints or.. So, you have a balance between the personal behaviour, the personal rationality, the personal choice or agency in a more global context. So, this indicator raises more issues than it gives solutions. There is no clear answer at this stage. And I think this shows the necessity to take into account the quality of options and not only the options as such. And in this indicator, it was only an indicator of option without qualification whether the job that was offered was good or not. So, I think we have to try to refine the indicators and to give more information about the quality of options.

And, of course, we need to go further and maybe in this network. Maybe, using more qualitative methods, because with such statistical methods we are faced with the impossibility to say more about the rationality or the choices that were made. And I think that when we use interview-methods or narrative-methods we can get more flesh on the bones and have more qualitative information about why did you make that choice, what was your rationality at this moment of your life. I think it completes with good interest of such methods. We have tried to improve the data bases with bidding more information on job quality. You can for instance imagine a data base that much information about the employer, information about the employees, some mixed employee-employers-data bases and, well, I hope that this experience of work trying to use some innovative methods for the capability approach with a typical trajectory method has interested you and I am waiting for your remarks, some questions, thank you.

## **Panel/Session/Forum 2**

### **Research perspectives in CAPRIGHT**

**Les perspectives de recherche au sein du  
projet CAPRIGHT**

**Forschungsperspektiven in CAPRIGHT**

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# **Abstracts/Résumés/Zusammenfassungen**

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## Paper 4

Tanja Schmidt

### **“(Professional) development and young adult trajectories”, with additional comments on the French case by Olivier Joseph**

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#### **Abstract**

Tanja Schmidt contributes preliminary results of her research project on young adults' trajectories, followed from their 17<sup>th</sup> to their 30<sup>th</sup> year. The data is taken from GSOEP, it covers 545 Germans born between 1968 and 1976. The whole trajectories are conceived as cumulated functionings at multiple-levels, thus sequences are characterized by states both of professional and private life. An advanced technique of computing sequence similarities permits the identification of six distinct clusters out of the individual sequences. They are described by some socio-economical determinants and also connected with some information on personal preferences of the sample persons, in order to establish a connection between choice and observed sequences, the latter being considered as cumulative functionings of the whole transition process.

Subsequently, an outlook on a related work by Olivier Joseph is presented, also aiming at the interrelation of professional and private life, using data from a French survey linking information on family and employment.

#### **Résumé**

La contribution de Tanja Schmidt présente les premiers résultats de son projet de recherche sur les trajectoires des jeunes adultes entre leur 17<sup>ème</sup> et 30<sup>ème</sup> anniversaire. Les données utilisées sont celles du panel GSOEP concernant 545 allemands nés entre 1968 et 1976. Les trajectoires sont considérées comme résultantes de fonctionnements cumulés à plusieurs niveaux, les séquences portant à la fois sur des états de la sphère privée et de la sphère publique. Une analyse statistique des similarités de séquences permet de construire 6 groupes distincts de trajectoires. Ces groupes sont décrits par les caractéristiques socio-économiques des individus et associés à des informations sur les préférences individuelles de façon à établir une connexion entre choix et séquences observées, celles-ci étant considérées comme des fonctionnement cumulés au cours de la période de transition.

A la suite du papier est présenté un aperçu du travail d'Olivier Joseph qui a également pour objectif de mesurer les interrelations entre vie privée et vie professionnelle à partir de données françaises reliant situation familiale et emploi.

#### **Zusammenfassung**

Tanja Schmidts Beitrag zeigt einige vorläufige Ergebnisse ihres Forschungsprojekts über Verläufe junger Erwachsener im Zeitraum von deren 17. bis 30. Lebensjahr. Die Daten entstammen dem GSOEP, sie beinhalten 545 Deutsche der Geburtsjahrgänge 1968 und 1976.

Der gesamte Übergangsprozess wird dabei als kumulierte Functionings auf mehreren Ebenen betrachtet. Demnach gehen sowohl das berufliche als auch das private Leben in die Sequenzen ein. Ein elaboriertes Verfahren zur Berechnung von Sequenzähnlichkeiten führt auf Basis der individuellen Beobachtungen zur Abgrenzung von sechs Clustern. Diese werden durch einige sozioökonomische Determinanten beschrieben und des Weiteren mit Informationen über persönliche Werthaltungen der Stichprobenpopulation verknüpft. Damit soll eine Verbindung zwischen Wahlhandlungen und den beobachteten Sequenzen hergestellt werden, die als kumulative Functionings des gesamten Übergangsprozesses betrachtet werden.

Anschließend wird ein Ausblick auf eine inhaltlich verwandte Arbeit von Olivier Joseph präsentiert, die ebenso auf die Verknüpfung von beruflichem und privatem Leben abzielt. Sie nutzt eine französische Erhebung, die Daten zu Familien- und Erwerbsleben bereitstellt.

## Paper 5

### Delphine Corteel, Marion Lambert Josiane Vero and Bénédicte Zimmermann “Capability for learning in French companies”

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#### Abstract

The paper deals with a research project which intends to operationalize the CA bridging quantitative and qualitative methods, parting from the same theoretical framework and from a common sample. The first empirical results presented in this paper focus on training matters based on the parallel employer-employee survey carried out in France in 2006 (DIFES). While this survey deals with continuous professional training, training however is not considered a goal in itself. The value attributed to a specific training scheme and to the sense of its implementation must be considered linked to the prospect of learning at work and to professional development. In order to introduce the reader to the French Continuing training system, the paper briefly traces its history from the law of 1971, following its evolution until the 2004 reform whose aim was to organise a negotiated right within companies (section 1). In this section, the paper also presents the main aspects of the CA, insisting on conversion factors enabling formal rights to become effective rights. A second section deals with the operationalization of the CA in a perspective combining quantitative and qualitative methods. Section 3 analyzes the transposition, in and by companies, of institutionally drafted rights, leading to a typology of companies whose training offers endow their employees with more or less capabilities. Changing the scale and the focus of analysis, the last section develops a qualitative perspective putting professional development in the centre by combining three levels of analysis (institutional, company, biographical levels). Comments on this paper from Holger Alda, BIBB, underline the interest for a typological approach and the central role of the interaction between employees and firms in a capability-friendly analysis of access to continuous training.

#### Résumé

Ce papier présente un projet de recherche visant à opérationnaliser l'approche par les capacités en croisant deux perspectives méthodologiques, l'une quantitative et l'autre qualitative, à partir du même cadre théorique et sur un échantillon commun. Les premiers résultats présentés ici s'intéressent à la capacité pour la formation et sont fondés sur l'enquête couplée employeur-salarié conduite en France en 2006 (DIFES). Si cette enquête porte sur la formation professionnelle continue, pour autant, la formation n'est pas envisagée comme une fin en soi. La valeur accordée à une formation spécifique et le sens de sa réalisation s'inscrivent plus largement dans la perspective de l'apprentissage dans le travail et du développement professionnel. Afin d'introduire le lecteur au système de formation continue français, le papier retrace brièvement son historique, en repartant de la loi de 1971 jusqu'à la réforme de 2004 qui entend organiser un droit négocié dans l'entreprise (Section 1). Dans cette section, sont également rappelés dans leurs grandes lignes les fondements de l'AC et le rôle déterminant des facteurs de conversion qui permettent de traduire des droits formels en droits réels. Une deuxième partie traite de l'opérationnalisation de l'AC dans une perspective combinant approche quantitative et qualitative. Une troisième partie analyse la transposition, dans et par l'entreprise, des droits élaborés au niveau institutionnel pour déboucher sur une typologie d'entreprises plus ou moins capacitantes pour leurs salariés en matière de formation. Procédant à un changement d'échelle et de focale, une dernière partie développe la perspective qualitative qui met au centre de l'analyse le développement professionnel en croisant différents niveaux d'analyse (celui des dispositifs institutionnels, de l'entreprise et de l'individu biographique). La discussion conduite par Holger Alda du BIBB souligne l'intérêt de la démarche typologique et le rôle central de l'interaction entre firmes et salarié dans une approche par les capacités de l'accès à la formation continue.

## **Zusammenfassung**

In diesem Text geht es um ein Forschungsprojekt, das den Capability-Ansatz mit einer Verbindung von qualitativen und quantitativen Methoden operationalisieren will, wobei es vom selben theoretischen Rahmen und von einem gemeinsamen Sample ausgeht. Die ersten empirischen Ergebnisse, die in diesem Papier vorgestellt werden, konzentrieren sich auf das Thema der Berufsbildung. Sie basieren auf einer parallelen Arbeitgeber-Arbeitnehmer-Umfrage, die im Jahre 2006 in Frankreich durchgeführt wurde (DIFES). Wenn es in dieser Umfrage auch um berufliche Weiterbildung geht, wird Bildung dennoch nicht als Selbstzweck gesehen. Der einer bestimmten Bildungsmaßnahme zugemessene Wert wird in einem größeren Kontext bestimmt, der das Lernen am Arbeitsplatz und den beruflichen Werdegang einschließt. Um den Leser mit dem französischen System der beruflichen Weiterbildung bekannt zu machen, vollzieht der Text dessen Geschichte in Kürze nach, ausgehend vom Gesetz von 1971 bis zur Reform von 2004, die ein im Betrieb ausgehandeltes Anrecht vorsieht (Teil 1). Zusätzlich werden in diesem Teil die Grundlagen des Capability-Ansatzes in Erinnerung gerufen, besonders die Rolle der Umwandlungsfaktoren, die formale Rechte in ausübbarere Rechte verwandeln. Der zweite Teil des Papiers handelt von der Operationalisierung des CA in einer den quantitativen und den qualitativen Ansatz kombinierenden Perspektive. Der dritte Teil untersucht die Übertragung institutionell festgeschriebener Rechte im Betrieb und durch den Betrieb, um zu einer Typologie zu gelangen, die Betriebe je nach den Verwirklichungschancen einordnet, die sie ihren Angestellten in Bezug auf berufliche Bildung anbieten. In einem Wechsel des Maßstabes und des Schwerpunktes der Betrachtung wird im letzten Teil aus qualitativer Perspektive die berufliche Entwicklung in den Blick genommen, wobei verschiedener Betrachtungsebenen (institutionelle Regelungen, der Betrieb und das Individuum in seiner Biografie) verbunden werden. Kommentare zu diesem Papier von Holger Alda, BIBB, betonen die Bedeutung einer typologischen Herangehensweise und die zentrale Rolle der Interaktion zwischen Beschäftigten und Betrieben für eine capability-orientierte Analyse des Zugangs zu Weiterbildung.

## Paper 6

Corina Rodriguez Enriquez

### **“Labour trajectories, work-life balance and social assistance policies in developing countries – Insights from Argentina”**

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#### **Abstract**

Situated in the theme related to work-life balance from a capabilities/resources perspective, the paper presents the outcomes of a detailed analysis of individual trajectories and transition on the Argentinean labour market. More precisely, the research use both quantitative and qualitative methods to show how the economic context and labour market policies influence individual trajectories from a life chance perspective, meaning the actual possibility to choose among life options. The analysis firstly measures the quality of transitions for different social groups between various labour market status and across different economic periods, and puts on the fore the entrenched labour market segmentation, especially the less favourable position of women being used as a “reserve stock”. Through the qualitative assessment of a social scheme targeted towards unemployed people, the research then compares the way men and women differentially build out perceptions and life course perspectives. The results establish that the valuation of functionings is far from being a free exercise: the gendered positions and relations strongly shape representations and expectations for women.

Taking on board these results, the discussion stresses three main issues for the development of life course analysis in a capability/resources approach. Firstly, the interdependency of opportunities and social hierarchies appear clearly through the limited impact of economic turns on labour market positions. Secondly, the ways people perceive and integrate the labour market scheme display the embeddedness and referential aspects of the life course. Finally, the research outcomes underline the need to consider discrepancies between the representation of individuals that policy makers have in mind when designing labour market programs, and the reality of people’s way of living and acting.

#### **Résumé**

Le travail présenté par Corina Rodriguez Enriquez s’inscrit au sein de la thématique de la conciliation entre vie professionnelle et vie familiale abordée selon une perspective capacités/ressources. Analysant de façon détaillée les trajectoires et les transitions individuelles sur le marché du travail argentin, la recherche utilise une approche quantitative et qualitative pour mettre en évidence l’impact du contexte économique et des politiques du marché du travail sur les « opportunités de vie », c’est-à-dire les possibilités concrètes pour les individus de choisir entre plusieurs options de trajectoires. Dans un premier temps, l’analyse mesure la qualité des transitions entre états sur le marché du travail pour différentes catégories de population et selon différentes périodes conjoncturelles, et montre ainsi la persistance de la segmentation du marché du travail, notamment la position défavorable des femmes utilisées comme réservoir de main-d’œuvre. A travers l’évaluation d’un dispositif de retour à l’emploi, la recherche compare ensuite la façon dont les hommes et les femmes perçoivent et utilisent de façon différenciée le dispositif. Les résultats montrent que la valorisation des « fonctionnements » n’est pas un pur exercice de liberté : le caractère sexué des positions et des relations sociales construit les représentations et les attentes des femmes.

Partant de ces résultats, la discussion souligne trois questions importantes pour l’analyse des parcours de vie du point de vue des ressources et des capacités. Tout d’abord, l’interdépendance des possibilités et des hiérarchies sociales apparaît clairement au vu de l’impact limité de la conjoncture sur les positions sur le marché du travail. Ensuite, la façon dont les individus perçoivent et intègrent un dispositif des politiques d’emploi renvoie au caractère situé et auto-référencé des parcours de vie. Enfin, cette recherche souligne la nécessité de prendre en considération les écarts entre la représentation véhiculée par les programmes de politiques publiques et la réalité des comportements individuels.

## **Zusammenfassung**

Die Frage der Ausgewogenheit zwischen Arbeit und Leben wird im vorliegenden Paper vom Blickwinkel der Ressourcen und Verwirklichungschancen her beleuchtet. Es stellt die Ergebnisse einer detaillierten Analyse individueller Erwerbsverläufe und Übergänge auf dem argentinischen Arbeitsmarkt vor. In dieser Analyse finden sowohl quantitative als auch qualitative Methoden Anwendung, um die Einwirkungen des wirtschaftlichen Kontexts und der Arbeitsmarktpolitik auf die reale Möglichkeit von Individuen nachzuzeichnen, zwischen verschiedenen Optionen der Lebensführung zu wählen. Zunächst wird die Qualität von Übergängen unterschiedlicher sozialer Gruppen zwischen verschiedenen Status von Beschäftigung und über verschiedene wirtschaftliche Phasen gemessen und es wird die verankerte Segmentierung des Arbeitsmarktes hervorgehoben, wobei besonderes Augenmerk der ungünstigen Einordnung von Frauen als Reserve des Arbeitsmarktes gilt. Mittels der qualitativen Bewertung eines sich an Arbeitslose richtenden Programms sozialer Maßnahmen wird dann die unterschiedliche Art und Weise von Männern und Frauen verglichen, Wahrnehmungen und Perspektiven des Lebensverlaufes zu entwickeln. Die Ergebnisse lassen darauf schließen, dass die Bewertung von Funktionen der Lebensführung nicht völlig frei vorgenommen wird: geschlechterbedingte Positionen und Beziehungen formen bei Frauen maßgeblich Vorstellungen und Erwartungen.

Von diesen Ergebnissen ausgehend werden drei Punkte hervorgehoben, die für die Analyse von Lebensverläufen mit dem Ansatz der Ressourcen und Verwirklichungschancen zentral sind. Erstens zeigt sich der wechselseitige Zusammenhang von Wahlmöglichkeiten und sozialen Hierarchien deutlich in der Begrenztheit der Auswirkungen des wirtschaftlichen Auf und Ab auf die Aufstellung am Arbeitsmarkt. Zweitens werden Eingebettetheit und Selbstreferentialität von Lebensverläufen deutlich durch die zwischen Menschen uneinheitliche Aufnahme und Nutzung von Arbeitsmarktmaßnahmen. Drittens unterstreichen die Forschungsergebnisse die Notwendigkeit, von einer Diskrepanz zwischen den Annahmen über Individuen, die bei der Konzeption von arbeitsmarktpolitischen Maßnahmen eine Rolle spielen, und dem tatsächlichen Leben und Handeln von Menschen auszugehen.



# **(Professional) development and young adult trajectories**

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## 1. MULTIDIMENSIONAL TRAJECTORIES AS CUMULATIVE FUNCTIONINGS

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Trajectories, as those of young adults, viewed as an entire part of the life course from the age of 17 up to 30 years, are at least defined by two characteristics:

Firstly, in general, life courses are *multi-dimensional*: Individual trajectories comprise and combine biological events and events in the various life domains of family, household, training, employment and professional development, and their analysis has to account for interdependence between separate yet linked time patterns in each of these domains. Within the age span of 17 to 30 many different events and stages, observed as doings and beings, take place. Different states of education and first employment occur within “schooling or professional life”, but also key events within “home life” like the first leaving from parent’s home and the first formation of a household on one’s own or the first setting up of a family of one’s own, are usual within this age-span.

Secondly, life courses are *self-referential*: To say that timing is important in understanding an individual’s actions not only refers to historical timing, but also to timing in a person’s life. As individual life histories follow an internal dynamic, events, phases, transitions and life-phases cannot be examined isolatedly from each other. “Later results, goals and expectations can be understood and explained only out of decisions, resources and experiences made in the previous life-phase”. As “future states and events are always dependent on the prior life history in the sense of experiences, resource allocation, choices, and turning points” (Mayer 2008: 5), life course studies always have to reckon with “path-dependency”, i.e. with the influence of earlier life phases on transitions and events. In conclusion, for young adults, every state at every point in time in the age of 17 to 30 is connected to and also result of earlier experienced events.

To sum up these different states and their interdependencies leads to different “cumulative functionings”, which can be interpreted as the realized result or “becoming” of a whole life span.

In the project, functionings will be empirically integrated to “multi-dimensional” and “self-referential” pathways. Functionings referring to achievements of individuals in schooling or professional life will be combined with functionings of home / family life within the age span of 17 to 30 of two birth cohorts: cohort one was born between 1968 and 1971 and cohort two between 1973 and 1976. Furthermore, the entire trajectories of all individuals will be compared within the samples (cohorts) themselves so that the different resulting types of trajectories - condensed entire trajectories from youth to adulthood - are viewed as the sum of multi-dimensional and self-referential doings and beings or as “multi-dimensional cumulated functionings”.

Definitions and procedures to apply this abstract concept to quantitative data as well as the intended quantitative and qualitative analyses will be presented in the first section. In the second section we will explain the German and French data and first outcomes.

## 2. MULTIDIMENSIONAL TRAJECTORIES AS SEQUENCES: DEFINITIONS AND PROCEDURES

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*Sequence Analysis* is increasingly applied within the social sciences. Sequence Analysis enables descriptive insights into composition and structure of defined states within an entire time span process (Brüderl, Scherer 2006; Brzinsky-Fay June 2006). Here sequences form a chronologically ordered chain composed of consecutive *elements* of states in schooling and working life combined with elements of family respectively home life. Consecutive data showing the same uninterrupted elements are grouped as *episodes*.

## 2.1. Sequences: short instruction and some approaches

**Figure 1: Layout of Sequences**

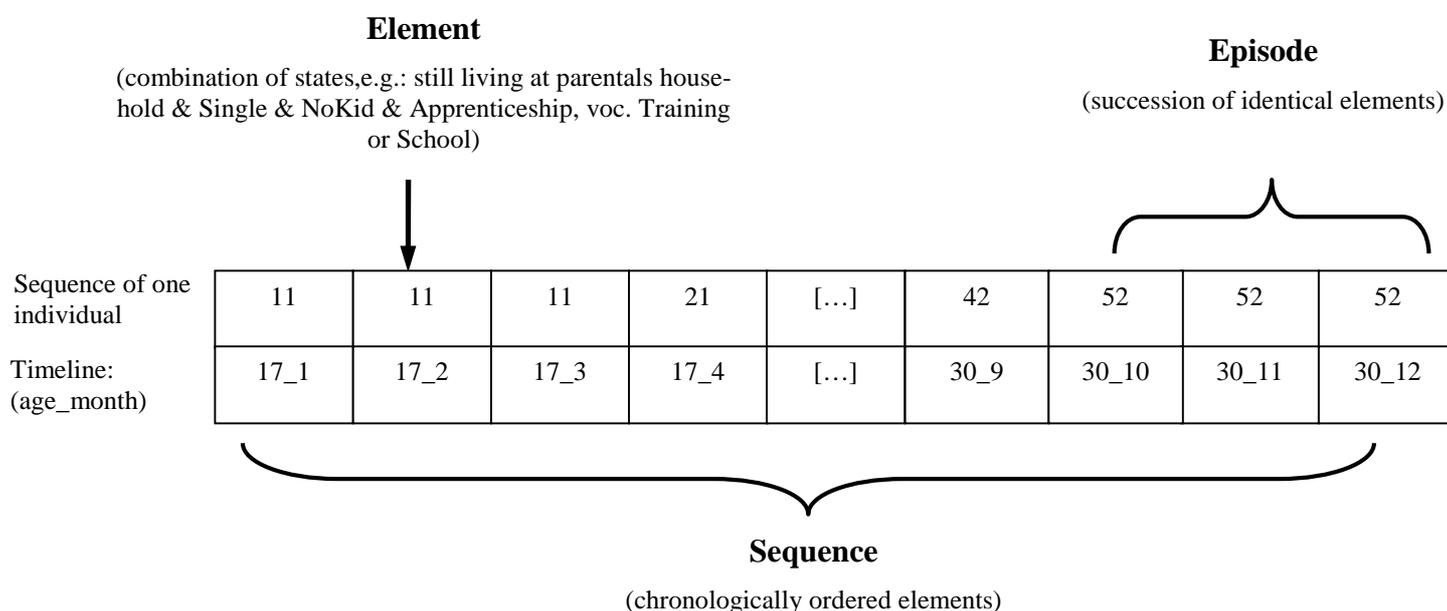


Figure 1 shows the structure of a sequence. For each individual exists the timeline between the first month of their 17th year of age up to the last month of their 30th year of age. For each month within this timeline a number is coded, called element, which announces the combination of states of home and professional life at this month. This could be, for example: living at the parental household, not being married, having no kid and being in education. If the same element is repeated throughout several months, this period is called an episode. The entire process for all dates is called sequence.

Few studies have done research on sequences of school-to-work transitions examining the trajectories as a whole. Some of the major exceptions are the work of Duncan McVicar and Michael Anyadike-Danes (McVicar Duncan, Anyadike-Danes 2002), who examine school-to-work transitions of one cohort of school leavers in Northern Ireland, and the work of Stefani Scherer (Scherer 2001), who compares patterns of transitional processes in Germany and Great Britain. More current work was done by Christian Brzinsky-Fay (Brzinsky-Fay et al. 2006) who did a European comparison of labour market entry sequences of school leavers. Tom Schatteman and Dieter Verhaest (Schatteman, Verhaest March 2008) followed a sample of Flemish school leavers from secondary education and investigated their first seven years on the labour market by means of optimal matching sequence analyses. Elzinga and Liefbroer (Elzinga, Liefbroer 2007) examined the de-standardization of family-life trajectories of young adults, working with sequences in just one life-domain, in a cross-national comparison using Sequence Analysis. By contrast, only Aassve, Billari and Piccarreta (Aassve et al. 2007) so far carried out a multidimensional sequence analysis on employment, union formation and childbearing, in the transition to adulthood: They studied women's trajectories to adulthood in Great Britain, based on the BHPS.

All of these research works were organised in mainly three parts: First, general characteristics of the transition sequences were described. Second, differences between individual sequences were calculated through the use of (different) optimal matching techniques. And for the reason that these algorithms are only able to calculate distances between the sequences, a further method was required to group the sequences that show similar distances. This was carried out in a third step through cluster analyses. Finally, the clusters were examined by bivariate or multivariate analyses.

## 2.2. Intended analysis

The intention is to group multidimensional life course sequences of young adults between 17 and 30 years as trajectories, combining states in the dimensions of employment/training and home/family life. The major interest in doing this is to find types of trajectories, which can then be further discussed as “types of cumulative functionings”.

To calculate differences between individual sequences an optimal matching technique is implemented. Optimal matching algorithm generates a distance measure between two sequences. Different OM methods are discussed, we follow Aisenbrey and Fasang (Aisenbrey, Fasang 2007) by applying the dynamic hamming dissimilarity measure (Lesnard 2006) to sequence analyses. The authors propose to avoid some of the criticisms directed towards optimal matching operations as they were used in life course studies for the past decade. Stated more in detail, the implemented optimal matching method combined with a multi-stage-clustering method, that clusters the whole distance matrix, results in a limited number of clusters which stand for distinctive trajectories, or patterns of passage to adulthood.

To learn about the configuration of the revealed types the resulting clusters will be described by some socioeconomic variables. Furthermore we also conduct bivariate quantitative analyses using a few subjective variables that show the significance that different life domains have for a person in pursuing his or her personal objectives – variables that can indicate preferences of individuals. The results could give first impressions about potential correlations of choice and “cumulative functionings”.

Furthermore, we intend to validate and to complete the descriptions of the “cumulative functioning types” by a qualitative approach, introduced by Singer et.al (Singer et al. 1998). For this purpose we will draw a typical case out of every type and write narratives of individual life histories which will be a description of individual lives as richly detailed as possible with information out of the longitudinal dataset.

For instance, our narratives will be read like the following example by Singer et. al (Singer et al. 1998):

“The respondent is one of nine children; she has two older brothers, two younger brothers, and four younger sisters. When she was in high school, her father, who had six years of schooling, worked as a repair man for a public utility. Her mother had eight years of schooling and did not work when the respondent was in high school. [...] In her senior year in high school, she did not plan to go to college, and said that her parents did not care whether or not she attended [...]” (Singer et al. 1998: 14).

### 3. THE GERMAN DATA AND CODING OF THE ELEMENTS

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The analysis for Germany is based on the GSOEP, which is a longitudinal survey of private households and persons of Germany since 1984. The table shows the design of the drawn sample:

**Table 1: Data**

Calendar Year	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
Year of birth	AGE in Years																						
1968	17	18	19	20	21	22	23	24	25	26	27	28	29	30									
1969		17	18	19	20	21	22	23	24	25	26	27	28	29	30								
1970			17	18	19	20	21	22	23	24	25	26	27	28	29	30							
1971				17	18	19	20	21	22	23	24	25	26	27	28	29	30						
1973						17	18	19	20	21	22	23	24	25	26	27	28	29	30				
1974							17	18	19	20	21	22	23	24	25	26	27	28	29	30			
1975								17	18	19	20	21	22	23	24	25	26	27	28	29	30		
1976									17	18	19	20	21	22	23	24	25	26	27	28	29	30	

All data for persons born between 1968 and 1976 with valid information for all years between age 17 up to age 30 are gathered.

For the multidimensional construction of the entire trajectories of this life span the dataset provides monthly selected information of school and work life and of home or family life. The sub-sample consists of 545 persons born between 1968 and 1976 with balanced valid information for the years 1985 to 2006.

The following table shows all 48 possible different states for each point in time. The plurality is the result of the fourfold combination of the dimensions:

Living at parental household or at own household,

Being married or not married (single),

Having kids or not, and

Being at school, or employed, or unemployed, or other, or housekeeper or missing information.

**Table 2: The Coding of the possible states**

Abbreviation	Label	Code
PSNM	Still at <b>p</b> arental household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>M</b> issInformation professional status	10
PSNS	Still at <b>p</b> arental household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>S</b> chool / Education / Apprenticeship, voc. Training	11
PSNE	Still at <b>p</b> arental household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>E</b> mployed (any kind)	12
PSNU	Still at <b>p</b> arental household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>U</b> nemployed registered	13
PSNO	Still at <b>p</b> arental household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>O</b> ther	14
PSNH	Still at <b>p</b> arental household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>H</b> ousekeeping / Parenthood	15
OSNM	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>M</b> issInformation professional status	20
OSNS	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>S</b> chool / Education / Apprenticeship, voc. Training	21
OSNE	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>E</b> mployed (any kind)	22
OSNU	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>U</b> nemployed registered	23
OSNO	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>O</b> ther	24
OSNH	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>N</b> o Kids & <b>H</b> ousekeeping / Parenthood	25
PMNM	Still at <b>p</b> arental household & <b>M</b> arried & <b>N</b> o Kids & <b>M</b> issInformation professional status	30

PMNS	Still at <b>p</b> arental household & <b>M</b> arried & <b>N</b> o Kids & School / Education / Apprenticeship, voc. Training	31
PMNE	Still at <b>p</b> arental household & <b>M</b> arried & <b>N</b> o Kids & <b>E</b> mployed (any kind)	32
PMNU	Still at <b>p</b> arental household & <b>M</b> arried & <b>N</b> o Kids & <b>U</b> nemployed registered	33
PMNO	Still at <b>p</b> arental household & <b>M</b> arried & <b>N</b> o Kids & <b>O</b> ther	34
PMNH	Still at <b>p</b> arental household & <b>M</b> arried & <b>N</b> o Kids & <b>H</b> ousekeeping / Parenthood	35
OMNM	<b>O</b> wn household & <b>M</b> arried & <b>N</b> o Kids & <b>M</b> issInformation professional status	40
OMNS	<b>O</b> wn household & <b>M</b> arried & <b>N</b> o Kids & School / Education / Apprenticeship, voc. Training	41
OMNE	<b>O</b> wn household & <b>M</b> arried & <b>N</b> o Kids & <b>E</b> mployed (any kind)	42
OMNU	<b>O</b> wn household & <b>M</b> arried & <b>N</b> o Kids & <b>U</b> nemployed registered	43
OMNO	<b>O</b> wn household & <b>M</b> arried & <b>N</b> o Kids & <b>O</b> ther	44
OMNH	<b>O</b> wn household & <b>M</b> arried & <b>N</b> o Kids & <b>H</b> ousekeeping / Parenthood	45
OMKM	<b>O</b> wn household & <b>M</b> arried & <b>K</b> ids & <b>M</b> issInformation professional status	50
OMKS	<b>O</b> wn household & <b>M</b> arried & <b>K</b> ids & School / Education / Apprenticeship, voc. Training	51
OMKE	<b>O</b> wn household & <b>M</b> arried & <b>K</b> ids & <b>E</b> mployed (any kind)	52
OMKU	<b>O</b> wn household & <b>M</b> arried & <b>K</b> ids & <b>U</b> nemployed registered	53
OMKO	<b>O</b> wn household & <b>M</b> arried & <b>K</b> ids & <b>O</b> ther	54
OMKH	<b>O</b> wn household & <b>M</b> arried & <b>K</b> ids & <b>H</b> ousekeeping / Parenthood	55
OSKM	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>K</b> ids & <b>M</b> issInformation professional status	60
OSKS	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>K</b> ids & School / Education / Apprenticeship, voc. Training	61
OSKE	<b>O</b> wn household & <b>S</b> ingle (not married) & <b>K</b> ids &	62

	Employed (any kind)	
OSKU	Own household & Single (not married)& Kids & Unemployed registered	63
OSKO	Own household & Single (not married)& Kids & Other	64
OSKH	Own household & Single (not married)& Kids & Housekeeping / Parenthood	65
PSKM	Still at parental household & Single (not married) & Kids & MissInformation professional status	70
PSKS	Still at parental household & Single (not married)& Kids & School / Education / Apprenticeship, voc. Training	71
PSKE	Still at parental household & Single (not married)& Kids & Employed (any kind)	72
PSKU	Still at parental household & Single (not married)& Kids & Unemployed registered	73
PSKO	Still at parental household & Single (not married)& Kids & Other	74
PSKH	Still at parental household & Single (not married)& Kids & Housekeeping / Parenthood	75
PMKM	Still at parental household & Married & Kids & MissInformation professional status	80
PMKS	Still at parental household & Married & Kids & School / Education / Apprenticeship, voc. Training	81
PMKE	Still at parental household & Married & Kids & Employed (any kind)	82
PMKU	Still at parental household & Married & Kids & Unemployed registered	83
PMKO	Still at parental household & Married & Kids & Other	84
PMKH	Still at parental household & Married & Kids & Housekeeping / Parenthood	85

Due to the huge amount of possible codes, the resulting data matrix consists of 545 individual sequences with 156 points in time with one state out of 49 different possibilities at each point in time. Therefore, the comparison of all sequences to each other shows more or less no equal sequences concerning all home and working-life dimensions. With the optimal matching analysis and with clustering the resulting matrix, it is possible to deal with this complex data matrix. However interpretation, especially concerning the order of the elements within the sequences, has to be done based on the splitted dimensions of home and professional life.

## 4. THE FIRST RESULTS

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The following table shows the resulting six clusters at a first glance.

**Table 3: Short characterization of the resulting cluster**

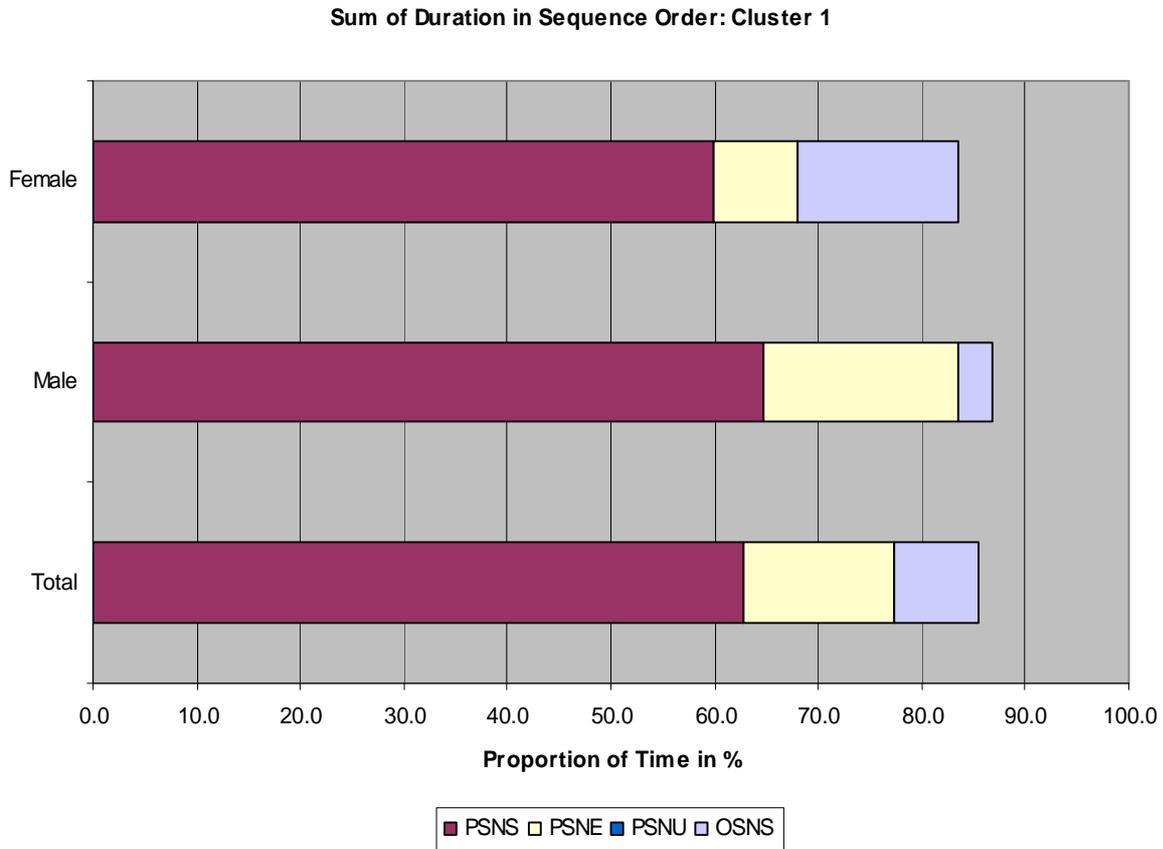
No.	% (N)	Main Sequence Order - Pattern Home & Professional
1	18,3 (100)	Home: Only ParentsSingleNokid Professional: School → Employed → School → Employed
2	20,2 (110)	Home: Only ParentsSingleNokid Professional: School → Employed
3	12,1 (66)	Home: ParentsSingleNokid → OwnSingleNoKid Professional: School → Employed
4	15,2 (83)	Home: ParentsSingleNokid → OwnSingleNoKid Professional: School → Employed → School → Employed
5	24,2 (132)	Home: ParentsSingleNokid → ParentsMarriedNoKid → OwnMarriedNokid - >OwnMarriedKid Professional: School → Employed
6	9,9 (54)	Home: ParentsSingleNokid → ParentsMarriedNoKid → ParentsMarriedKid - >OwnMarriedKid Professional: School → Employed → Housekeeping/Parenthood → Employed → Unemployed - > Housekeeping/Parenthood

Source: SOEP 1985-2006, weighted, own calculations

At the first glance cluster 5 is with 25 percent the most common trajectory. The least frequent cluster is Cluster 6.

To get insight into the main characteristics of the composition of the order and duration of the episodes within the clusters, the following figures show for each cluster by gender the (mostly order-sorted) cumulated proportion of time in the most relevant episodes on the total time.

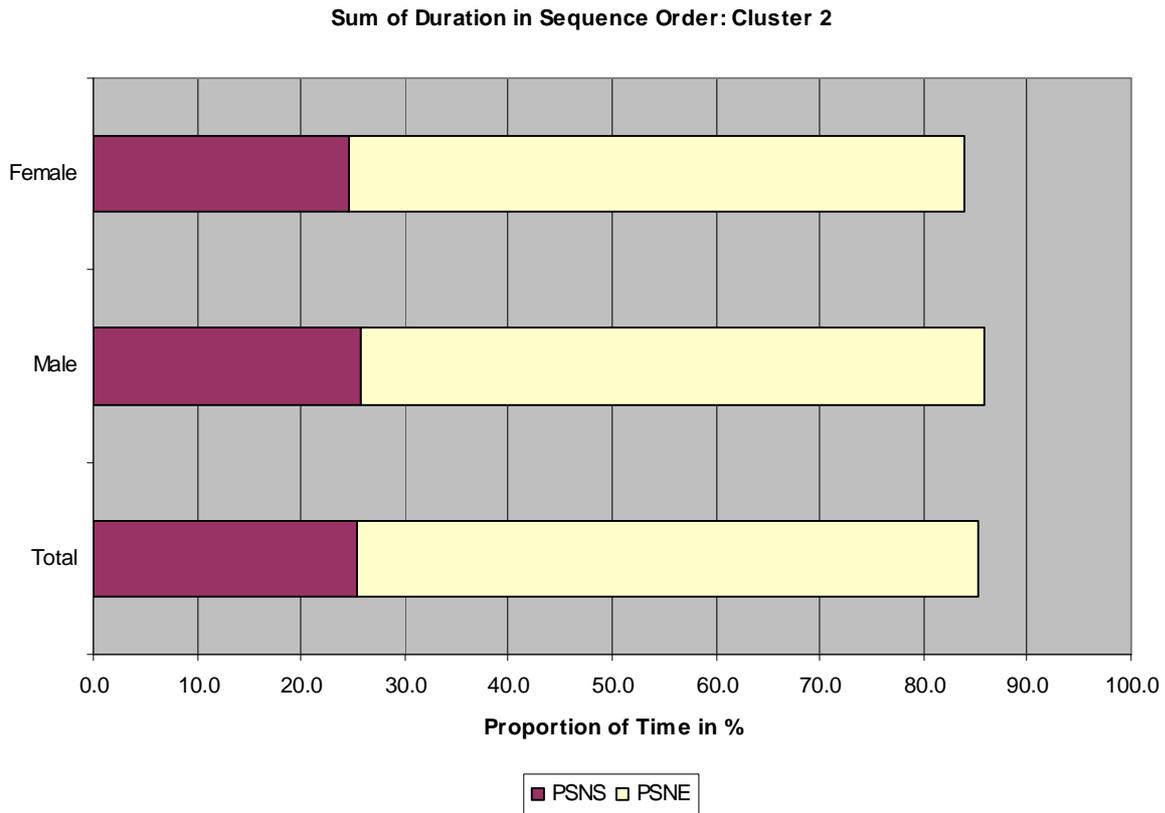
**Figure 2: Sum of primary Durations of Cluster 1**



Source: SOEP 1985-2006, weighted, own calculations

Within this type of trajectory, males as well as females live around 60 percent of their time between the age of 17 and 30 in the parental household, are not married, have no kids and are in education. This is followed or alternated with one or more times of still living within the parental household without own kids, not married, being employed as well as with times living in an own household, single, without kids and still or again being in education. All in all the main characteristic of this cluster is the long time of living within the parental household, not being married, having no kids and being in education. However, young women of this cluster live about 10 percent of the time, altogether more than one year longer, in their own household while being in education in comparison to the young men.

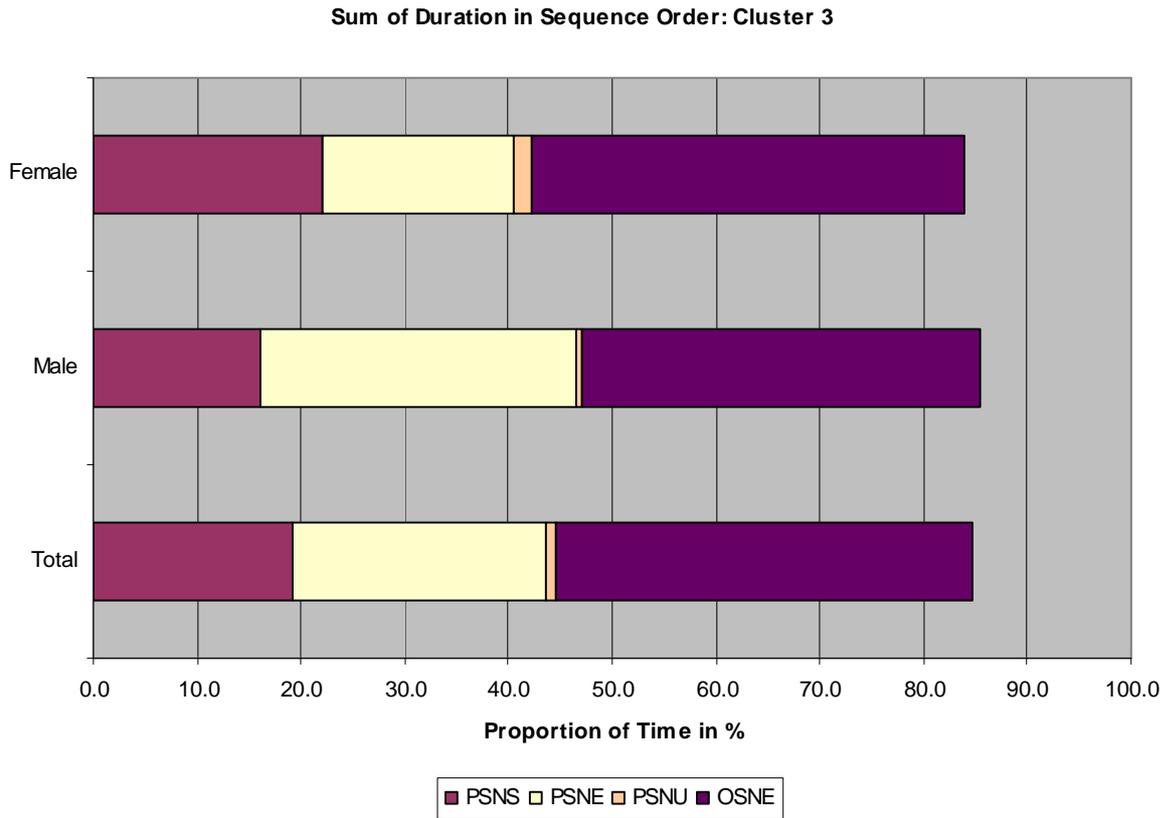
**Figure 3: Sum of primary Durations of Cluster 2**



Source: SOEP 1985-2006, weighted, own calculations

The second cluster is mainly defined by two episodes. First, this trajectory is hallmarked by a shorter time (approximately 3,25 years) of living in the parental household, single, without own children and being in education, followed by a longer time, of about eight years still living in parents' household, not married, without own children, but employed.

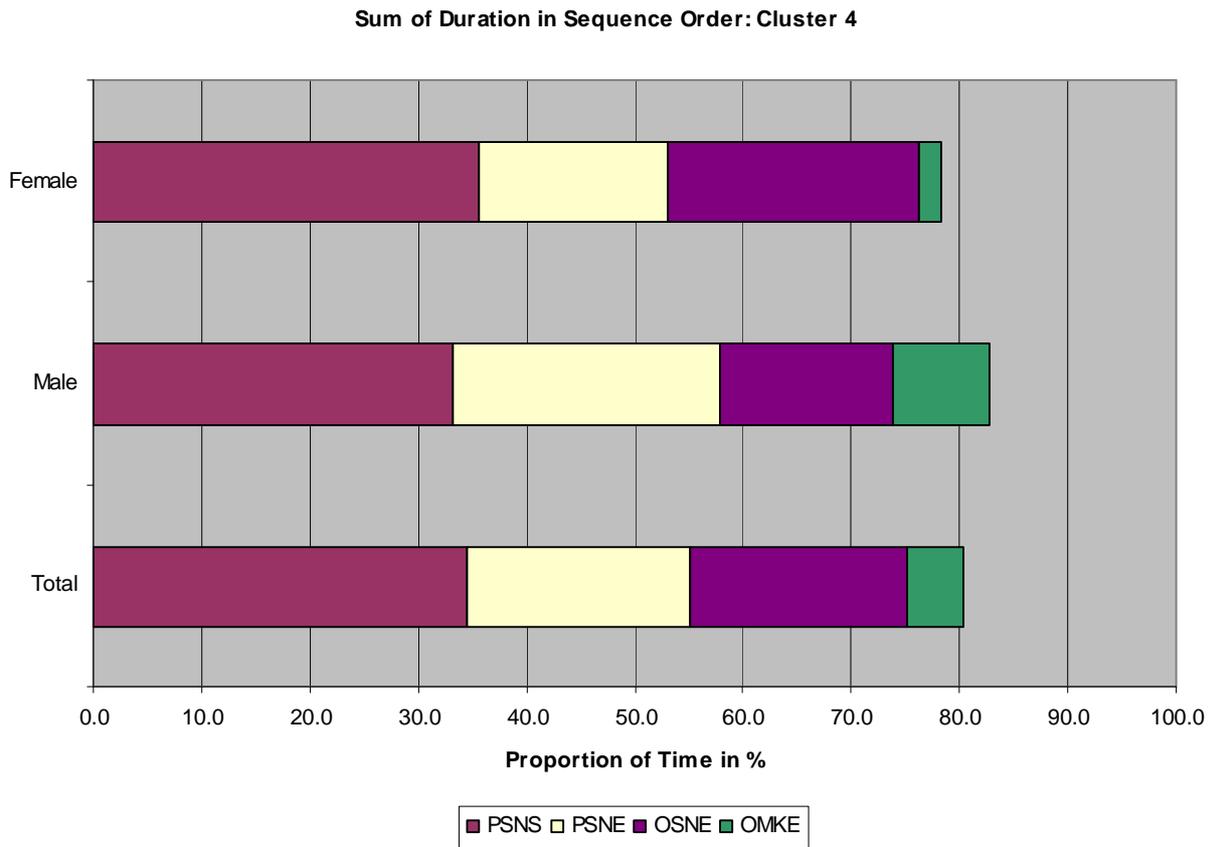
**Figure 4: Sum of primary Durations of Cluster 3**



Source: SOEP 1985-2006, weighted, own calculations

In the third cluster the young people start very early with their working life. They start after a short phase of education- in the parental household, not married, without kids. After this period, these young people continue their life within their own household, not married and without children and are employed during altogether about 40 percent of their time between the age of 17 and 30.

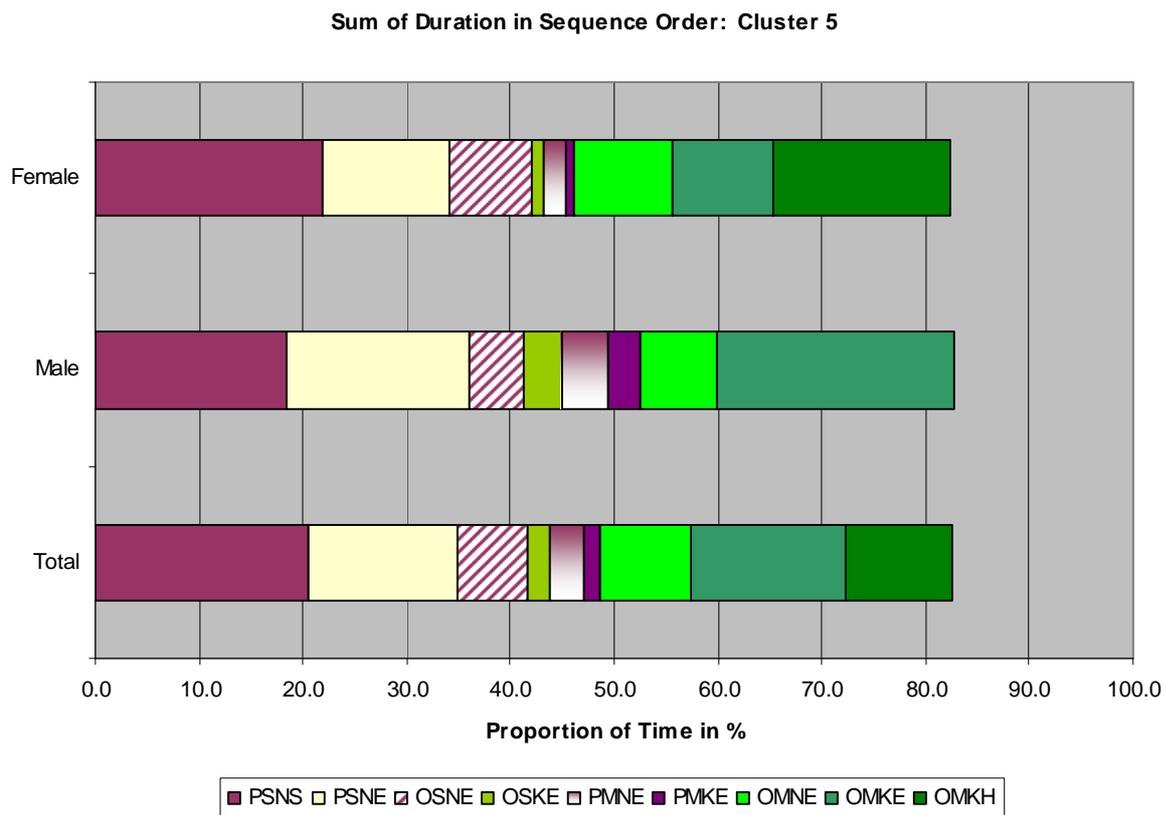
**Figure 5: Sum of primary Durations of Cluster 4**



Source: SOEP 1985-2006, weighted, own calculations

The fourth cluster is, in contrast to cluster three, characterized by more frequent changes between education and employment as well as with longer times married with own children and employment. This graph shows the cumulated durations, but not the more frequent changes. In this view just the longer duration within PSNS and within OMKE is noticeable.

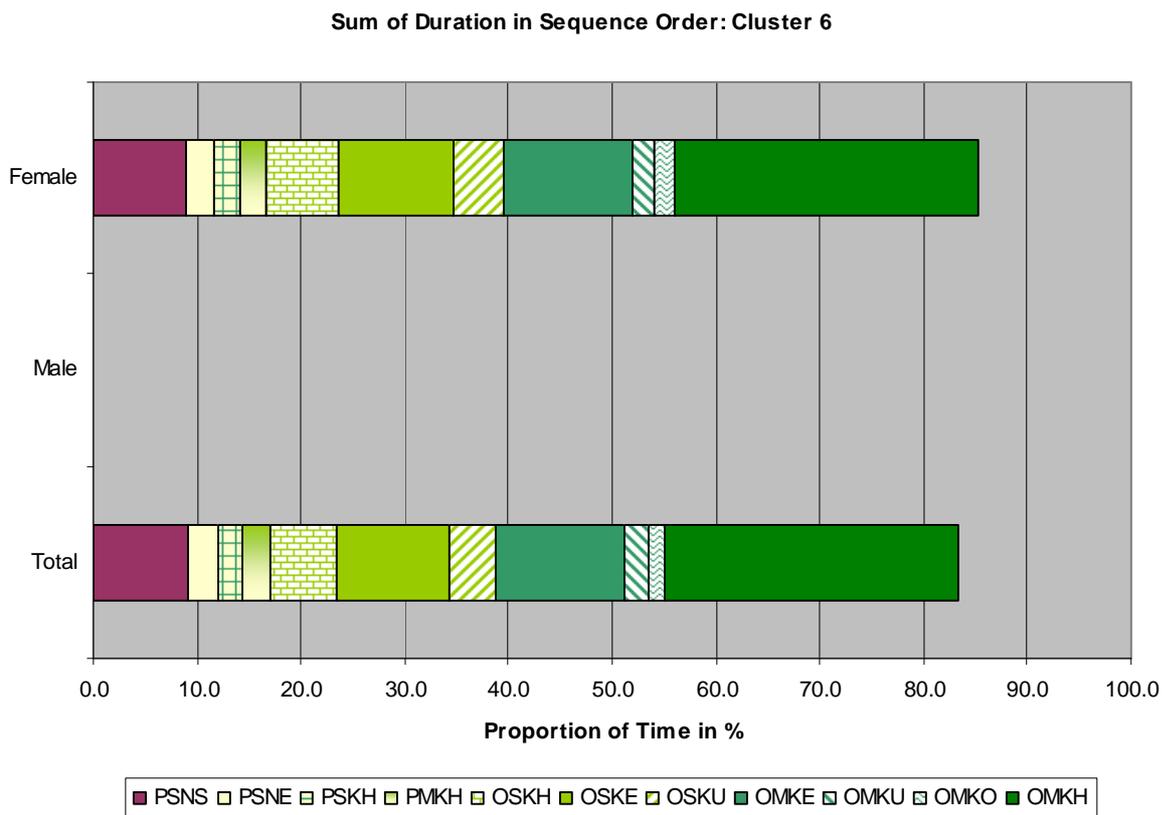
**Figure 6: Sum of primary Durations of Cluster 5**



Source: SOEP 1985-2006, weighted, own calculations

The most frequent cluster type shows a traditional orientation in terms of a male breadwinner orientation in combination with the complementary female homemaker. In the beginning male and female show times and order of PSNS and the PSNE-phases very similar to those of cluster three. But in the following development young adults of this cluster start with the foundation of a family by marriage and first childbirth, where young men follow the traditional male breadwinner und young women take the role of the homemaker for about 15 percent, of the entire time span.

**Figure 7: Sum of primary Durations of Cluster 6**



Source: SOEP 1985-2006, weighted, own calculations

Within cluster six 99 percent are female. And they show the most turbulent trajectories with many changes. The main-succession of the home and professional episodes, described in the table above, also varies and leads to several different cumulated durations, as the graph shows. Just under 30 percent of the time they live married, with kids as homemakers. But they also live additional about 50 percent of the time with children, in any other home and working constellation.

To complete the graphs above, the following table gives additional cumulated durations of states for each cluster:

**Table 4: Additional characterization of the resulting cluster**

		Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5	Cluster 6
<b>Time share (in %) living at parents' household</b>	Male	89,6	90,8	48,0	61,2	53,1	
	Female	73,8	86,6	43,1	59,7	42,9	24,1
<b>Time share (%) being married</b>	Male	3,0	6,9	7,8	14,2	44,2	
	Female	1,9	8,2	7,9	8,9	45,1	54,8
<b>Time share (%) with children</b>	Male	1,7	5,6	5,2	12	37	
	Female	2,5	5,3	3,8	6,5	39	80,9
<b>Time share (%) of being in education</b>	Male	69,4	26,5	19,2	41,0	25,3	
	Female	76,0	24,8	23,4	37,3	28,8	13,7
<b>Time share (%) of being employed</b>	Male	24,7	70,3	77,8	54,5	65,3	
	Female	17,8	71,8	68,2	48,5	45,4	30,9
<b>Time share (%) of being unemployed</b>	Male	2,2	2,0	2,2	3,2	8,3	
	Female	3,6	0,4	5,4	9,9	4,4	9,4
<b>Time share (%) of being homemaker</b>	Male	0,1	0,3	0,1	0,1	0	
	Female	0,7	2,5	1,3	3,0	20,3	43

Source: SOEP 1985-2006, weighted, own calculations

Men and women of cluster 1 and cluster 2 show the longest cumulated times of living in parental household, about 90 percent of the entire time span, therefore both groups are called “long in the nest” people. Beside this, men and women of cluster 1 spent the longest time in education, they are the “long in the nest academics”. The “long in the nest” traditional workers are furthermore the second longest time in employment of all clusters.

The young adults of cluster 3, the “early successful men and women of action” live the shortest proportion of time in parents’ home, are only shortly in educational systems, but are employed during the longest time share.

In cluster 4 both sexes spend altogether about 40 percent of the time within the educational or vocational system as well as about 50 percent in employment, but women of this cluster are also unemployed for about 10 percent of the time. According to table 3 they swing between education and employment as “career minded climbers”.

Cluster 5 and 6 can be regarded as the “family oriented clusters”: Women and men are married about 45 percent the time in cluster 5, and women of cluster 6 are married more than the half of the time. Both sexes of cluster 5 live about 40 percent of their time with children, but men are employed about 20 percent longer in comparison to women of this cluster, who are homemakers for about 20 percent of the time<sup>23</sup>.

<sup>23</sup> The women and men of this cluster sample are no couples, because the analysis is based on individuals, but the cluster analysis of the distances between their sequences match them together in cluster 5.

The longest time with children is spent by women of cluster 6, the “turbulent early mothers”, mostly 80 percent of their time. They are also homemakers for the longest time and for the shortest time at their parents’ household. They switch frequently between different states.

After the first characterization of the composition of the trajectories, below follows a first, more detailed description of the individuals within the clusters.

Table 5 gives descriptions of the individuals within the clusters (values as percentages):

**Table 5: Short discription of the resulting cluster**

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5	Cluster 6
<b>Gender</b>						
<b>Male</b>	26,3	23,3	12,7	18	18,8	0,9
<b>Female</b>	15,4	7,9	11,3	19,4	25,5	20,5
<b>Birth cohort</b>						
<b>1968-1971</b>	23	19,3	9,3	13,9	24,3	10,1
<b>1973-1976</b>	17,2	9,7	15,5	25,2	19,6	12,8
<b>Citizenship at the age of 17</b>						
<b>German</b>	22,6	16,2	13	16,3	21,3	10,6
<b>Non-german</b>	4,7	7,2	4,3	37,5	30,2	16,1
<b>Recidence in 1989</b>						
<b>East-Germany</b>	10,4	15,5	13,5	23,5	21,6	15,6
<b>West-Germany</b>	21,6	15,2	11,8	18,3	22,3	10,8
<b>Highest School-graduation up to the age of 30</b>						
<b>No / not yet graduation</b>	18,4	18,5	2,5	12,5	19,7	28,7
<b>Secondary general school leaving certificate</b>	2,8	19	15,8	4,3	36,6	21,5
<b>Intermediate school leaving certificate</b>	3,7	19,7	18,6	23,3	22,1	12,7
<b>Upper secondary leaving certificate</b>	51,5	7,5	3,1	26,4	11,2	0,3
<b>Highest vocational qualification up to the age of 30</b>						
<b>No / not yet Apprenticeship</b>	21	10,9	7,2	7,1	28,6	25
<b>Completed university degree</b>	6,1	20,2	16,1	21,9	25	10,7
<b>At least one child up to the age of 30</b>	71,8	1,3	1,6	18,5	6,8	0
<b>Mean Age at first school graduation</b>	6,9	9,4	6,1	15,6	39,4	22,7
<b>Mean Age at first moving out from parental household</b>	21,1	19,2	19	20,3	19,2	19,1
<b>Mean Age at first partnership</b>	26,9	27,6	23	24,9	22,8	20,3
<b>Mean Age at first marriage</b>	26,6	27,3	24,3	24,6	23	22,3
<b>Mean Age at first child (up to 30)</b>	29,9	28,7	28,5	27,7	23,4	21
	29,4	28,6	28,4	28	25,2	20,3

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Cluster 5	Cluster 6
<b>Mean Proportion of Time without any Partner</b>	87	86,2	69,7	70,6	48,5	42,1
<b>Mean Proportion of Time with any Partner (nonmarried)</b>	11,1	7,1	23,1	18,9	10,6	12,7
<b>Mean Proportion of Time with spouse</b>	1,9	6,4	7,2	10,4	40,5	44,4
<b>Mean Number of kids overall (also after the age of 30)</b>	0,7	0,7	0,8	1	1,7	2,2
<b>Mean Proportion of Time within Parttime Employment (&lt; 35 hours a week) as measured by all times in employment</b>	18,6	1,3	6,7	2,7	8,3	28
<b>Mean Proportion of Time within Fulltime Employment (&gt; 35 hours a week) as measured by all times in employment</b>	52,8	93,6	83,5	84,5	76,2	32,3
<b>Mean Proportion of Time within fixed term Employment as measured by all times in employment</b>	51,6	18,1	21,7	26	28,8	41
<b>Mean number of upward personal income mobility at least for 10% within the timespan</b>	3,3	5,4	5,6	5,1	5,1	3,9
<b>Mean number of downward personal income mobility at least for 10% within the timespan</b>	1,3	1,7	1,8	2	2	2,4

Source: SOEP 1985-2006, weighted, own calculations

Putting the main pieces of information together:

In cluster 1 are: the most men, the most German, the most persons with upper secondary leaving certificate, the most with completed university degree with the highest mean proportion of time in within fixed-term employment as measured by all times in employment.

In cluster 2 are: the fewest women, the fewest young adults born between 1973 and 1976, the fewest persons with completed university degree, the highest mean age at first moving out from parent's household as well as the highest mean age at first partnership and therefore also the highest mean proportion of time without any partner. Moreover, there is the highest mean proportion of time within fulltime employment and the lowest proportion within fixed term employment. They also show a high mean degree of upward income mobility.

In cluster 3 are: men and women in equal shares, the lowest proportion of young adults born between 1968 and 1971, the lowest proportion of persons without graduation or not yet graduated and also with upper secondary leaving certificate. Furthermore they are very few without any vocational qualification up to the age of 30. They are the youngest at first school graduation and the longest time of all within a partnership. They are the "successful" having the highest mean number of upward personal income and one of the lowest mean number of downward mobility at least for 10% within the time span.

In cluster 4 are also men and women in equal shares, the highest proportion of the birth cohorts 1973 to 1976, the highest proportion of non-Germans and the highest proportion of east-Germans. The highest proportion of young adults with intermediate school leaving certificate and the second highest proportion with completed university degree. They have a very high rate of fulltime-employment as well as upward income mobility but also a high mean of downward income mobility.

In cluster 5 are a bit more women than men, but women are most frequently within this cluster, followed by cluster 6. In this cluster is the highest proportion of the birth cohort of 1968 to 1971 as well as the highest proportion of west-Germans and the highest proportion of persons with a secondary general school leaving certificate. Within this cluster is also the highest proportion of persons without any vocational qualification up to the age of 30, but also the highest proportion of persons with a completed apprenticeship. This is also the cluster with the highest proportion of persons with at least one child up to the age of 30.

In cluster 6 are the fewest men, and the highest rate of persons without any school-graduation up to the age of 30. They are the youngest at first moving out from parental household, at first partnership, at first marriage as well as at first childbirth. They have on average the most children and are the shortest time without any partner. They work the highest mean proportion of time within parttime employment (< 35 hours a week) as measured by all times in employment and they work, after the persons of cluster 1, about 30 percent of the time within fixed term employment as measured by all times in employment. Finally, the turbulent early mothers have one of the lowest mean degree of upward income mobility and the highest in downward personal income mobility at least for 10% within the time span.

Putting together the results of the analysis of the sequence orders in combination with the resulting cluster types as well as with the first description of the clusters, it can be seen, that the whole trajectories give more information than single transitions. It is possible to identify and name whole processes, the revealed different entire pathways therefore represent the cumulation of functionings from different life domains.

In the last part we attempt to include perceived capabilities within the analysis. Therefore we assume that subjective information about the significance which different areas of life have for a person, pursuing his or her personal objectives, could indicate preferences of individuals. The following tables show means of ratings on the question: "Different individuals find different things in life important. How important are the following things to you today?" The answers date from the year 1994, this means, the respondents of the birth cohort 1968-71 are between 22 und 25 years old, and the respondents of the birth cohort 1973-1976 are between 18 and 21 years old.

**Table 6: Means on Importance on different life domains.**

(Scale 1: not important to 4 very important)

Cluster	Work**	Family**	Success in Occupation**
1	2,9	3,5	3,1
2	3,4	3,6	3,4
3	3,3	3,7	3,3
4	3,5	3,4	3,5
5	3,3	3,8	3,2
6	3,0	3,6	2,9

Cluster	Work		Family			Success in Occupation		
	Male	Female	Male	Female		Male	Female	
1	2.8	3	3.5	3.4		3.2	3	
2	3.4	3.4	3.5	3.8	**	3.5	3.2	**
3	3.4	3.2	3.6	3.8		3.4	3.2	
4	3.5	3.5	3.6	3.3	*	3.4	3.6	
5	3.3	3.2	3.8	3.7		3.3	3.1	*
6	3.3	3	3.5	3.6		3.1	2.9	

Cluster	Work			Family			Success in Occupation		
	1968-71	1973-76		1968-71	1973-76		1968-71	1973-76	
1	3.1	2.6	**	3.4	3.5		3.1	3.2	
2	3.5	3.4		3.7	3.4	**	3.4	3.4	
3	3.3	3.3		3.7	3.7		3.2	3.3	
4	3.5	3.5		3.6	3.3		3.4	3.6	
5	3.2	3.4		3.8	3.7		3	3.4	**
6	3.2	2.8		3.7	3.6		3	2.9	

Source: SOEP 1985-2006, weighted, own calculations, \*\* sig. 0,99; \* sig. 0,95

All in all the rating of importance is very high. Significant differences exist between all clusters on the 99 percent level.

Cluster 1 has overall the lowest rate on Importance of Work. Significant differences within the cluster 1 exist only between the birth cohorts concerning the Importance of work: the younger cohort of the “long in the nest academics” values the Importance of work less than the older cohort. Because the data were gathered in different life-ages of the respondents, this could be an age effect.

Cluster 2 has an overall high valuation of the Importance of work as well as the Importance of success in occupation. Within the second cluster are three significant differences in the evaluation: Women of the “long in the nest & traditional oriented, late movers and late marriers, industrious” value the importance of the Family higher than the men of this cluster. And complementarily to this, men value success in occupation more important than women. Additionally to the differences in rating the importance of Family between women and men, there is also a significant difference between the cohorts: the “older” cohort values Family as more important than the younger cohort, but this could also be an age-effect.

Cluster 4 shows the highest rates over all clusters in the valuation of Importance of work as well as the Importance of occupational success and vice versa the lowest valuation of the Importance of family. Within cluster 4 is a significant difference between men and women concerning the valuation of Importance of family: The male “Career minded climbers” value the Importance of family higher than women.

Cluster 5 has the highest rate on the Importance of family of all clusters. Within this cluster men rank success in occupation as more important than women, and the younger cohort, in their age of 18 to 21, values

success in occupation as more important than the respondents born between 1968-71, aged 22 to 25. The latter difference could also be due to an age effect.

Cluster 6 shows the lowest valuation of importance of success in occupation in comparison to all other clusters. Within cluster 6 there are no significant differences.

Summarizing the results up to now, we found different trajectories, namely different cumulative functionalities. Between these trajectories, first significant differences are in the valuation of the importance of different life domains, interpreted as perceived capabilities and individual preferences. To strengthen these results it is necessary to implement further significant subjective variables.

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## **ADDITIONAL COMMENTS : PERSPECTIVE FOR A COMPARISON WITH PROFESSIONAL DEVELOPMENT AND YOUNG ADULT TRAJECTORIES IN FRANCE (OLIVIER JOSEPH, CEREQ, FRANCE)**

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In this project of comparison between Germany and France of young adults' trajectories, the French case uses the Family – Employer Survey<sup>24</sup> (Enquête Familles et Employeurs) conducted by Ined<sup>25</sup> and Insee<sup>26</sup>. This survey is very relevant to deal with this thematic because it focuses on the interrelation between family life and professional life.

### **Data**

The objectives of this survey are multiple. Firstly, it attempts to find examples of reconciliation of family life and professional life in France in 2004, from a perspective of individuals and employers, in order to know more about the family organization by linking it to a professional context. Secondly, another objective is to study interactions between spouses, i.e. gender differentiated behaviour. Also, it aims to study the extent to which marital and family behaviour can be explained by the characteristics of companies or institutions where individuals work.

Our first treatments of the data are exclusively on individuals aged between 33 and 36 in 2004, in order to have a similar sample like the German case. Our data represents around 1440 units. We look at their early adult life for 16 years from the age of 18 onwards.

**Table 1 : Distribution by age and sex**

Age	Men			Women			Total	
	n	Col %	Row %	n	Col %	Row %	n	Col %
<b>33</b>	165	27.5	49.5	199	27.2	50.5	364	27.3
<b>34</b>	151	26.2	50.3	194	25.1	49.7	345	25.6
<b>35</b>	151	21.7	46.9	206	23.9	53.1	357	22.8
<b>36</b>	172	24.6	50.1	200	23.9	49.9	372	24.3
<b>Total</b>	639	100	49.3	799	100	50.7	1438	100

Source : EFE survey, computed by Céreq

Basic professional elements and private life elements are described (e.g. marriage, separation, child-birth,...,employment, training, unemployment, inactivity, part-time job,...). Each described situation represents a state lived for 6 months per year. Even if the precise time of occurrence of the event is lacking, we believe that the sequence of events is most important in our analysis of the trajectories.

### **Statistical description**

First, we present some statistics describing our population of young adults. Before analysing trajectories, it may be interesting to observe some differences or similarities between them on various indicators on family and working life. So, between 18 and 33 on the working life level, many of them have not finish their studies, almost everyone has experienced at least 6 consecutive months of employment. But, we find that women are more often employed in part-time than men (45.6% versus 13.8). Similarly, young women face

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<sup>24</sup> This database is composed by 9547 people aged between 20 and 49 years in 2004

<sup>25</sup> Ined is the french national institute of demographics studies (Institut national des études démographiques)

<sup>26</sup> Insee is the National Institutes for Statistics and Economics Studiess.

more difficulties than men in getting access to employment. They have experienced unemployment twice as often (for a period of at least six months) than men. On the family life level, we find two interesting elements: women in the observed age span are more often married than men and they are single less often.

**Table 2 : Experiences of individuals (between their 18 and 33 years) in %:**

States	Men	Women	Total
<i>On the labour market</i>			
training/education	74.5	76.7	75.6
employment	98.2	94	96.1
part-time employment	13.8	45.6	29.9
casual employment	55.6	52.5	54
unemployment	26.9	42.7	34.9
inactivity	8.8	33.7	21.4
<i>In private life</i>			
marriage	48	64.7	56.5
cohabitation	81.7	91.8	86.8
separation	25.5	26.6	26.1
childbirth	64.8	82.3	73.6

Source: EFE survey, computed by Céreq

We can continue our descriptive analysis of the pathway (itinerary) of young adults by observing two other indicators: the average length of each state, and the number of spells for each state.

Table 3 shows that from the age of 18 young people spend few time in training (initial training or vocational training) and that the employment situation dominates the trajectory. In addition, the low number of employment spells and of unemployment spells would express a low frequency of alternation between the employment states and the unemployment states. But, this should be interpreted with caution because it is the average number of sequences of 6 months stayed in a state. We sum on the number of times an individual is in a situation during 6 months. For instance, an average duration in a training/education state for young men is 3.1. In other words the average number of years where the state have lasted for six months or more is 3.127.

We can highlight two other points: firstly, the weak importance of unemployment in the pathway of individuals (the average duration is 6 months), secondly, it is interesting that young women have more often experienced inactivity than unemployment.

From the family point of view, the statistics reflect the beginnings of life in couple and of parenthood. On this last point, we obviously reached a value close to the average number of children per family for women.

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<sup>27</sup> This difficulty in interpreting some statistical indicators comes from the descriptive form in the calendar of this survey

**Table 3 : Average duration and average of spell number for each state  
(between their 18 and 33 years)**

<b>States On the labour market</b>	<b>Men</b>		<b>Women</b>		<b>Total</b>	
	<b>Average duration</b>	<b>Average of spell number</b>	<b>Average duration</b>	<b>Average of spell number</b>	<b>Average duration</b>	<b>Average of spell number</b>
training/education	3.1	0.9	3.3	0.9	3.2	0.9
employment	11.8	1.3	9.6	1.3	10.7	1.3
part-time employment	0.4	0.2	2	0.6	1.2	0.4
casual employment	1.9	0.7	1.8	0.7	1.9	0.7
unemployment	0.7	0.4	1.3	0.5	1	0.4
inactivity	0.3	0.1	2.1	0.4	1.2	0.3
<b>In the private life</b>						
Marriage		0.5		0.7		0.6
cohabitation				1.1		1.1
separation		0.3		0.3		0.3
childbirth		1.2		2.1		1.7

Source : EFE survey, computed by Céreq

### **First findings in the trajectories analysis**

In these first findings, we do not combine yet family states and professional states. We identify some professional sequence orders which are frequently found. The table 4, below, shows the frequency of sequences in descending order.

**Table 4 : Frequency of sequences**

<b>Sequence Order</b>	<b>Frequency</b>	<b>Percent</b>
<b>T - E</b>	144	10.03
<b>T - E/T - E</b>	104	7.24
<b>E</b>	82	5.71
<b>J - E</b>	24	1.67
<b>T - J - E</b>	24	1.67
<b>T - J/T - E</b>	23	1.60
<b>E/T - E</b>	22	1.53
<b>I</b>	20	1.39
<b>T - E/J - E</b>	12	0.84
<b>J/T - E</b>	12	0.84
<b>T - E - E/T - E</b>	11	0.77

Source : EFE survey, computed by Céreq

Reading : T means training or education, E means employment, J means casual employment or little job, I means inactivity.

T-E means that individuals have experienced a period of training and a period of employment the same year. T - J/T - E means that individuals have been primarily in a training period with a little job and then in a training period with an employment in the same year.

These first 11 sequences group 33% of our population. We can see the importance of training in the first steps of pathways. So we have to define correctly or more precisely what is a young adult or when begins a "young adult's life". Because, during these 16 years, 75 percent of our population declare a training / education state. It is surprising that there is no sequence with an unemployment state. We only see transition steps between training and employment, so called school to work transition.

## **Ambition**

From this first work, some tracks of investigation emerge. Our ambition is to combine the different states mentioned above to characterize the trajectories of early adult life, and leading to a typology. Then, we will attempt to link elements describing capabilities with the groups obtained by the typology.

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# Capability for Learning in French Companies<sup>28</sup>

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## 1. INTRODUCTION

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Education and life long learning is one of the Lisbon strategy's major orientations whose objective is for Europe "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion". Faced with this challenge, in March 2001 the European Council adopted three common strategic objectives concerning lifelong education and life long learning<sup>29</sup>, and thirteen associated objectives<sup>30</sup> to be achieved by 2010. A year later it adopted a work programme known as Education & Training 2010 Programme, enabling these objectives to be achieved and whose progress is regularly assessed during spring meetings. The Lisbon agenda is implemented using the open method of coordination (OMC) which is based on the principle of subsidiarity for the deployment of national policies.

The title of the resolution adopted by the Council of Europe meeting held in Brussels in 2003 - "Diverse systems, shared goals" - proves the need for open coordination to find a compromise between the various different national systems. However, as highlighted by Verdier (2007), the balance between systems which in the medium-term preserve their specificities is guaranteed, progressively, by a framework of regulations based on two principles:

- Emphasis placed on individual initiatives which, with greater or lesser tension according to the institutional context, covers both the will to give prominence to the responsibilities of individuals through their choices and the wish to promote individual freedom with regard to training schemes, namely continuing, whose heteronomy has been evident since the early seventies.
- Promoting competences (rather than qualifications), ie. an orientation which may be transposed very differently in the different European countries, as shown by Lefresne (2001), but which nevertheless is supposed to cover three qualities in the vocational field: technical competences linked to products and services, organisational competences resulting from the consolidation of cooperation at work and market competences focussing on satisfying customer needs.

Based on these two principles, a certain degree of generality and fact therefore seem established.

Nevertheless, views with regard to the initiative of individuals and their freedom are highly ambivalent, (Corteel and Zimmermann, 2007). It is difficult to understand the stakes associated with freedom without accepting these two principles. In fact, as underlined by Berlin (1988), negative freedom is the absence of obstacles, barriers or constraints whereas positive freedom is the possibility of acting in such a way as to take control of one's life and realize one's fundamental purposes. While negative freedom is usually attributed to individual agents, positive freedom is sometimes attributed to collectivities, or to individuals considered primarily as members of given collectivities. Hence, the way freedom is interpreted and defined can have important political implications. Current reforms are marked by the "negative" conception of freedom and there are few cases of positive freedom. However, for Sen, exercising individual responsibility requires positive freedom to act.

In France the rhetoric of lifelong learning is developing in conjunction with European initiatives. It has been widely relayed by the law of May 2004 on lifelong learning and social dialogue based on the multisector agreement of December 2003. Through the action plans it introduces and especially the Individual Right to Training, the continuing training reform reveals an increasing awareness of social actors and authorities with regard to individual initiatives and developing competences. The aim is also to contribute to securing career paths, ie. individual prevention in the face of job risks.

However the effectiveness of new measures "*enabling all employees to take ownership of their training*" is uncertain. The aim of this article, based on the *capability approach* (CA), is to discuss the effective conver-

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29 The strategic objectives are as follows: (1) Improving the quality and the effectiveness of EU education and training systems in the European Union, (2) Ensuring that they are accessible to all, (3) opening up education and training systems to the wider world.

30 Cf. European Council "Education" Report on "Concrete future objectives of education systems", 5980/01 EDUC 18, Brussels, 14 February 2001.

sion of rights and access to rights in terms of real freedom in the field of continuing training or more broadly in the field of learning and professional development.

The first empirical results presented in this paper focus on training matters according to the employer-employee survey carried out in France in 2006 on which it is based but our research interest within the Cartright project is broader and covers the scope of learning and professional development. That means that we have considered capability for training as a part of the broader concept of capability for learning. Therefore what is considered is the capability for training that is to say the possibility for a person to choose among various training opportunities a training that he or she has reason to value, as well as to achieve this training<sup>31</sup>. According to De Munck (2008), three linked dimensions compose the concept of capability: namely the possibility of choice, the potential for self-fulfilment and the capability of achievement. The way we consider and analyse training includes these three dimensions. Thus analysed in the capability approach, training is not seen as an end in itself. The value attached to a specific training and the meaning of its achievement is more broadly part and parcel (in the perspective) of professional development.

The empirical design develops along three levels:

- An institutional level, which enables us to identify individuals' rights in terms of training as they have been defined by public policies or interprofessional or multisector agreements. For this level, as well as for the others, the focus is on the opportunities offered to people in terms of training, but also on deliberative areas devoted to the setting up of opportunities provided to employees and/or their representatives;
- At the company level, we put the stress on the transposition, in and by companies, of institutionally drafted rights. Companies play a fundamental role and may therefore be considered as a crucial empirical part provided they are in charge of this effective conversion for employees. We examine policies and training plans, their conception, their scope, their content, their uses and who they are aimed at... The company is considered not only as a context element – environmental conversion factor (Robeyns, 2005) – but also as a player initiating resources and conversion factors for its employees regarding the product, the organization and the assessment of work, the kind of human resources management... Taking into account the company agency is essential to characterise the action carried out by the latter, that is to say if the company acts as a barrier in training matter or if it is capability friendly, with all the various degrees between these two extremes. The purpose is to identify to what extent the constraints of the company are compatible with individuals' real wishes. Do companies follow a training policy based on values (Corteel & Zimmermann, 2007)? Do they act only out of opportunistic behaviour? Are they between these two extreme positions?
- The biographical level considered as the capability implementation level. By analysing the professional and biographical pathways of employees and namely professional transitions, we aim at shedding light on the sets of choice and the possible functioning that they identify, together with the meaning that they give to their own actions and professional and biographical pathways.

It is through the intercrossing of these different levels that we may identify the capability for training, more broadly for learning and professional development.

In the following lines, in order to introduce the reader to the French Continuing training system we shall start by briefly tracing its history from the law of 1971 following its evolution until the 2004 reform whose aim was to organise a negotiated right within companies (section 2). In this section, we also shall go back over the main aspects of the CA insisting on conversion factors enabling formal rights to become effective rights. The third section deals with the way we intend to operationalize the CA within an empirical framework bridging quantitative and qualitative methods. In section 4, we analyse the transposition, in and by companies, of institutionally drafted rights, based on a quantitative employer-employee survey and present some lines of inquiry for the further stage of the quantitative analysis, i.e. the biographical level. This DIFES survey, jointly carried out by the CEREQ and INSEE<sup>32</sup> and the DARES<sup>33</sup> in 2006 enables us to analyse the aftermath of

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31 Even to refuse any training.

32 INSEE is the French National Economic & Statistical Information Institute.

33 DARES is the Bureau for Research & Statistics at the French Ministry of Employment.

the reform on training in companies which are more or less capability-friendly. Section 5 develops a qualitative proposal allowing shifting from capability for training to the broader concept of professional development drawing on a three level analysis (institutional, company, biographical levels).

## **2. THE FRENCH INSTITUTIONAL LIFELONG LEARNING FRAME- WORK**

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### **2.1. Salient lifelong learning features**

Education and lifelong learning concerns “all activities undertaken throughout life with the aim of improving knowledge, skills and competences within a personal, civic, social and/or employment related perspective” (European Commission, 2001). Therefore, lifelong learning should include all phases and forms of learning from preschool to post-retirement. In France the lifelong learning system may be seen as a chronology of individual paths, as shown by They and Möbus (2007):

- youth is dedicated to initial training under the state's responsibility
- the school - work transition may be accompanied by training sessions if deemed necessary under the responsibility of regional councils
- adult life, dedicated to work under the responsibility of companies, may require training sessions during employment (generally during working hours)
- if the employment path is interrupted, job seekers may benefit from training courses aimed at helping them return to work under the responsibility of the unemployment scheme known in France as ASSEDIC (if it pays unemployment benefits during this period), the state or regional council (if the Allocation Spécifique de Solidarité is granted), or even the General Council (if on income support).

This system is organised according to a great imbalance between initial training and Continuing training given the role played by initial training in French society as a "professional and social category marker" (Möbus, 2005). Thus, in 2005 spending by all national authorities on education and initial training was six times greater than that dedicated to continuing training (6.1% of the GDP and 1.1% of the GDP respectively).

Initial training is mostly financed by local authorities (almost 90%) and households. Companies contribute to this by paying apprenticeship tax.

Due to their obligation to finance training, both public and private employers provide most of the financing for continuing training<sup>34</sup>. Their contribution represents 63% of total expenditure. The authorities (both state and regional) and unemployment insurance finance one third of expenditure, mostly aimed at helping those who have already worked find a job and young people in difficulty on the job market. Finally, the share of expenditure by households represents 3.4% of total expenditure.

The ideal standard to which this system implicitly refers is that of a school path at the end of which an initial training qualification is obtained enabling a continuing career until retirement age. This construction is thus based on shared interests: companies which provide training expect greater efficiency from employees who in turn see this as a point of support for their career.

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<sup>34</sup> Companies are not bound by an obligation to train, but by an obligation to fund training, in the form of a deduction from their payroll reimbursed directly by or shared with the Approved Funds Collection Bodies (OPCAs).

## 2.2. Continuing vocational training within the framework of lifelong training

### *Starting point: Act of July 1971*

The French continuing vocational training system has for the last 35 years had a regulatory framework unrivalled in other European countries. It was launched in 1971 in a context of full employment with the aim of accompanying the social promotion associated with the internal markets of large companies.

In this context, the basis of the system is as follows: a training plan on the employer's initiative, a mutualised system for individual training leave on the employee's initiative, whose major orientations are set by the social partners. Hence, employees' access to training is either on the initiative of the employer as part of the training plan or on the employee's initiative as part of a leave of absence. Employees can therefore access training through two channels:

- Firstly through the company's so-called "annual training plan". This annual training plan, drawn up by the company, describes the entire annual training programme that the employer intends to develop and includes training for which the employer assumes responsibility. As part of the training plan, employees' access to training is on the initiative and under the responsibility of the employer, even if the plan is subject to consultation with the works council. The employee undergoing training is occupied on a professional task and is paid by the company. An employee's refusal exposes him / her to redundancy. The joint registered collection agencies (Organismes paritaires collecteurs agréés, OPCA) are in charge of collecting funds for vocational training at the company level, pooling funding provided by companies.
- Secondly, employees can gain access to training through "individual training leave". Individual training leave is by virtue a true individual right for working employees, to long-term training leave, defined according to their personal project. It allows an employee to follow a training course of his or her choice during working hours, separate from those included in the company's training plan. On average it lasts for one year. The employee is paid (from 80% to 100% of the basic salary) during the leave of absence. He or she has the right to return to the company. As part of personal leave for training, an employee's access to training is on the initiative and under the responsibility of the employee.

With regard to funding available, at the beginning of the year 2000, 45 000 employees benefitted from personal leave for training every year whilst 5 million employees gained access to training within the framework of the training plan. Hence, almost all training was on the initiative and under the responsibility of employers.

### *Towards the Act of May 2004*

From the mid-1970's, as the situation evolved, continuing training progressively became an instrument for combating and preventing unemployment, a characteristic which it had lacked until then (Théry and Möbus, 2007). In the late 1990's, with a persistent level of unemployment and a significant decrease in manufacturing (rapid expansion of the tertiary sector and decrease in the industrial sector), Continuing vocational training aimed to accompany transformations in the labour market and companies, marked by a decrease in classic forms of line management in favour of "controlled autonomy". In 1999 the Department of Vocational Training invited the social partners to make continuing vocational training an individual transferrable and collectively guaranteed right. Thus, continuing vocational training is regarded as part of individual training paths for which employees themselves are partly responsible.

Following intersectoral negotiations which ended in September 2003, the social partners signed an interprofessional agreement known as the ANI, which served as the basis for the French Law of May 2004 on lifelong learning and social dialogue. The system's foundations were not revolutionised: a training plan on the employer's initiative, a mutualised system for individual training leave on the employee's initiative and a form of work-linked training financed by mutualised funds. New ways of organising in-house training appeared resulting from negotiations between the employees and line managers (career interviews, passport, individual right to training in or outside working hours). The dominant aspect of this new organisation concerns the idea that training is progressively becoming in companies a subject of shared responsibility between the

employer and employee. Finding a compromise between training required by employers as part of training plans and training whose content is determined by employees, is the innovative aspect of the agreement. This middle area between the training plan and individual training leave has two consequences: firstly, the individuals' right to vocational training (DIF: "Droit Individuel à la Formation") and also, more generally, new ways of organising vocational training within the framework of company training plans.

The individual right to training enables employees, on their initiative and with the company's agreement, to use a quota of training hours available for concurrent use for a period of 6 months. Thus, the individual right to training encourages all employees on open-ended contracts with at least one year's seniority and all employees on fixed-term contracts with at least 4 months' seniority to benefit from 20 hours of training which can be cumulated over a period of 6 years with a total of 120 hours of Continuing training. According to industry-wide and company agreements, this training may be carried out in or outside working hours. The individual right to training is therefore a bilateral encouragement to negotiate rather than a personal right (employees must be informed of the number of hours to which they have right and employers must answer their requests within a stipulated period, otherwise the agreement is automatic). This is a very particular right, which has to be requested and even negotiated, since exercising this new right to training is left to the employees' initiative, but also requires the employer's formal agreement.

Beyond the individual right to training, the agreement also aims to provide room for negotiating between employers and employees with regard to the latter's departure for the purpose of training whose goal is competences development. More precisely, for training aimed at developing competences, the law envisages the possibility for employers of encouraging training outside working hours (these hours will be paid at 50% of the employee's net wage) and, for the employee, the possibility of having a formal agreement with regard to the impact of training (eg. in the form of a better job, promotion, wage rise etc.) with an upper limit of 80 hours per year. Within this framework, the agreement specifies that career guidance may provide the means to formalise this agreement between employers and employees.

Thus, we recently saw an increase in the number of new training systems, namely the Individual Right to Training, based more on the shared responsibility of employers and employees for access to training with the aim of developing competences within the company. The effectiveness of this negotiated right is therefore at the heart of the following lines.

### 2.3. From a right to negotiation to a real right ?

As underlined by Bonvin and Thelen (2003), "The passage from formal rights to real rights is one of the most disputed issues in contemporary debates about social justice." Amartya Sen's approach is a major contribution to this ongoing debate stressing what a capability framework would require.

A person's capability set relies on his / her entitlements and capability to turn them into valuable functionings (Sen, 1985a). Thus, entitlements shape the basis of the capability set, but are not sufficient to guarantee the development of capabilities. In order to provide a capability-friendly social context, conversion factors, are to be duly taken into account, and formal rights are not sufficient in this respect. The very point of the CA, is hence, to focus on conversion factors enabling formal rights and freedoms to be turned into real rights and freedoms, i.e. capabilities.

Although the notion of conversion factors is central in the CA, Sen does not specify any. Robeyns (2005) wrote an article which sheds light on the subject and according to which these conversion factors may be:

- **social** (eg. social or religious norms, sexism, racism)
- **personal** (eg. disabilities, skills, etc.)
- **or environmental** (eg. living in a dangerous area, etc)

Conversion factors therefore depend both on people and their environment. The aim of the survey is to identify these in each specific case.

With such a perspective, the purpose of continuing vocational training policies is not to guarantee functioning but real rights and freedoms to achieve training one has reason to value, because the CA does not seek to guarantee outcomes, but to create the proper social and environmental conditions able to develop the real freedom to choose the training one has reason to value. In such a context, company training policies must

encourage people to exercise their right to choose. The informational basis of judgement in justice (IBJJ) of the CA intends to give the real freedom of choice, considering that it is a procedural IBJJ which excludes all possibilities of imposing substantial content on individuals.

Amartya Sen's approach provides important signals with regard to capability-friendly policies. Sen's conception relies on the combination of two aspects of freedom: developing opportunities on the one hand and focussing on procedures on the other. In our view, improving capabilities requires setting up specific procedures, i.e. the participation of all employees is the key to improving their range of capabilities (this does not of course mean that their opinion must always prevail). This is what Bonvin and Thelen (2003) propose calling "*the capability for voice, i.e. the ability to express one's opinions and thoughts and to make them count in the public discussions*".

As we have seen, the reform gives vocational training an important role within the framework of social dialogue. After having set the general framework, the individual right to training firstly involves industry-wide agreements, then company agreements and finally career interviews. In addition to the opportunities provided, it is therefore the nature of the debate which finds its final expression in the company. This brief account shows the requirements that training policies in companies are required to fulfil. The combined aspects of process and opportunity freedom as well as individual and social responsibility have also to be taken into account.

To sum up, according to the CA, capability for continuing vocational training should be assessed with an enriched "informational basis of judgement in justice", not reduced to right assets related to employees, nor to the mainstream economists' subjective utility-based' measure (like "satisfying training wishes"), which is not enough to measure real deprivation and does not protect against the issue of adaptive preferences, neither to functioning ie. rates of access to training which don't take into account individual freedoms and is used as a way to discipline individuals in order to make them comply with norms defined by experts or companies, without any consultation of those concerned. By contrast, the CA proposes that individual assessment should be concerned with what people are actually capable of doing in terms of vocational training.

This brief reminder highlights the originality of Amartya Sen's capability approach whose roots lie in a double distinction between right and capability on the one hand and between capability and functioning on the other. It shows the extent to which this conception of freedom combining aspects of democratic participation and the issue of access to opportunities is demanding. Furthermore, although the CA provides elements enabling the issue of continuing vocational training to be reformulated, its operationalisation nevertheless raises a number of questions.

### 3. THE CA IN PRACTICE

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*"The capability approach does not provide a theory of society or a method of inquiry"* (Zimmermann, 2006: 469). The CA has received substantial consideration in both theoretical and empirical research in social and human sciences, but despite the fact that the capability approach has provided an important contribution to the closely related issues of quality of life, gender inequality, welfare economics, well-being and human development, it only recently attracted increased interest in analytical and empirical analyses with issues related to employment, work and companies<sup>35</sup> (Burchardt 2002, Bonvin & Farvaque 2005, 2007; Bryson & Merrit 2007, Corteel 2006, Corteel & Zimmermann 2007) and even in learning and training matters (Corteel & Zimmermann 2007, Farvaque & Bonvin 2007 & Farvaque 2007, Lambert & Vero 2007, Perez and Vero 2006, Bryson & Merrit 2007, Oriane 2007).

As Robeyns (2006) reminds us, given the wide scope of capability-based applications and the highly multi and interdisciplinary character of literature, most applications focus on functioning rather than capabilities. This is due to difficulties in empirically transforming the approach and obstacles in creating usable data<sup>36</sup>. Great emphasis has been given in the CA to diversity amongst individuals and contexts. This was to justify the argument that the guarantee of entitlements or more broadly formal rights is not sufficient to provide real

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<sup>35</sup> The main contributions were made by collective programmes in Europe, Eurocap for Europe and "Development of human capabilities: employment institution, organisations and individuals" for New Zealand.

<sup>36</sup> For a summary of the main challenges faced by the CA, cf. Farvaque (2008), Comim (2008) and Zimmermann (2006).

rights and capabilities (Bonvin and Farvaque, 2005). Sen notes that the use of resources depends on distinct sources of variations such as personal heterogeneity, environmental diversity or social differences. Assessing employees' capabilities cannot be achieved independently of the context and requires in-situ contextualised judgements. As recalled by Bonvin and Thelen (2003), "this concept of 'situatedness' is at the very centre of the capability approach". If individual needs and expectations are to be duly taken into account, then the prominent role of companies in terms of lifelong learning ought not to be restricted to certain variables provided in individual surveys, like size or sector. From our point of view, linked quantitative-qualitative research can be helpful in providing us data on matters that are usually a blind spot in the assessment of capabilities.

In order to develop a linked quantitative-qualitative approach we will proceed as following:

At a first stage, by means of a linked employer-employee survey, the quantitative team sets up a typology of companies more or less capability friendly for there employees regarding training. The capability friendly companies are those which offer training opportunities for all their employees, formal means to take part in training choices and the possibility to convert these trainings in achievement in professional itineraries. Linked employer employee survey allows to:

- State the research problem in very specific, definable, and set terms in order to keep the survey representative of the both employer and employees
- Provide an indication of the volume of different kinds of companies considering the combined gathering of employees and employers in terms of training policies and achieve a level of reliability data due to mass surveying. In so far it provides figures giving the number of companies capability friendly.
- Extract from a statistically representative sample of companies, capability friendly, a smaller sample to which applying qualitative methods of data gathering.
- Place individuals at the centre of everything. Although the impact of institutional structures and company policies are essential, evoking capability requires focussing on people. Other items which are part of an individual's path and life are just some of the resources and levers or brakes on the development of training capability which companies are unable to apprehend.
- The longitudinal level of the employee survey provides some indications of the professional pathway.

At the second stage, the quantitative typology is the starting point for the qualitative team in the choice of the companies. The ethnographical fieldwork will take place among the companies identified as capability friendly by this typology. Fieldwork research enables to examine actual practices of companies, their interactions and consequences on biographical and professional paths. It allows to test the typology and to study blind spots of the quantitative analysis from different angles:

- By playing on different scales, ethnographic fieldwork enables an accurate study of interactions among the different levels considered. Whereas the quantitative survey sketches the general main trends, the ethnographical survey scrutinises the process applied in specific cases before drawing more general conclusions from their comparison.
- By gathering biographical stories, the qualitative approach enables to give more consistence to the time dimension (longer time periods, interaction of different types of events, and qualitative interviews taking place several years after the quantitative survey...).
- Unlike quantitative surveys, the empirical approach is not fixed and designed once for all but is matter of possible adjustments during the inquiry according to the new facts and elements emerging during the fieldwork. In so far it provides a more flexible tool in order to address the complex questions of capabilities and professional development.

By crossing both quantitative and qualitative approaches, this methodology aims to put the currently available data to the best use, to identify their limits and to raise several new facts, enabling us to measure resources, conversion factors and latitudes of action of persons in terms of training and professional development.

In addition, working from the same theoretical framework and on a common sample, enables us to confront two methodological perspectives, to put to the test their capacity to build a shared object (capability for training, professional development), to identify their respective limits, their complementariness but also the potentialities of their dialogue. On the whole, this methodological crossing aims, on the one hand, to bring a contribution to the study of the capability for learning and professional development, and on the other hand, to look further into the debate on the complementarities of the quantitative and qualitative methods. Subsequently, we hope that the results of the qualitative investigations could be put to contribution to conceive new quantitative surveys mobilizing an informational basis of information more compatible with the CA.

## **4. IDENTIFYING FRENCH CAPABILITY-FRIENDLY COMPANIES FROM A LINKED EMPLOYER-EMPLOYEE SURVEY**

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Traditionally, the institute of statistics carries out surveys to collect information about the activities of workers, either individual or household based, and information about company employers. While these individual surveys on training provide a wealth of information, there remains a large information gap, given the need to take into account company policies and the interaction between employers and employees (Lambert & Vero 2007; Perez & Vero 2006). For example, individual data cannot be used to show whether conditions of access to training are equal or not, but rather to show the assignment of responsibility in terms of access (or not) to training. Symmetrically, company surveys provide consistent information on environmental conversion factors, but are not adequate to deal with individual training capabilities (“real freedom to choose training people have reason to value”). It follows that a wider informational space seems to be preferable to a more limited one with regard to the CA.

### **4.1. Why employ a quantitative method based on a linked employer employee survey?**

*- Linked employer-employee survey to avoid adaptive preferences or ex-post rationalisation in individual surveys*

Dealing with personal choices requires taking a look at companies. The contribution of individuals' opinions to the CA is well-known, just as its limitations are evident. This might be considered as the problem of “adaptive preferences” (Sen 1999) – i.e. desires adapted to deprivation. Adaptive preferences point to the insight that people tend to adapt to circumstances which may be ‘objectively’ unfavourable (Burchardt 2003), because people’s desires and preferences respond to their beliefs about norms and their own opportunities. Eliminating or minimizing subjectivity of judgement is at the core of the CA. The problem of adaptive preferences is one of the tenets of the Capability Approach (CA). As put forward by Sen (1985) and Nussbaum (2000), individual subjective views provide an inadequate informational space with regard to capability assessments. Whenever individuals become accustomed or conform to unfavourable circumstances that distort their preferences, their subjective views are considered unreliable as an information basis for normative assessments. It is indeed possible to find people who have always lived in deprived conditions (and never had access to training), but who are nevertheless happy about and satisfied with their lives, and who do not have any unsatisfied need in terms of training (Fournier 2004). Linking employer and employee surveys can help clarify those situations where subjective information should be used and those where it should not. From a capability perspective, training might therefore be appropriately regarded as considering the existing opportunity structures made available by the company; otherwise it is not possible to measure whether individuals are able or not to discriminate amongst different possibilities. Indeed, the issue of adaptive preferences cannot be understood without proper consideration of the effect of company training policies in shaping people’s perceptions of their own beliefs with regard to opportunities on this topic.

*- Linked employer-employee data to deal with the process and opportunity aspects of capabilities*

Dealing with process and opportunity issues requires us to open up the blind spot of individual surveys.

Firstly, dealing with training opportunities in the French context where companies are major players, requires us to assemble information on training policies. What is the nature and amount of investment in the company? How is this effort distributed amongst the employees? How are training policies organised, how are they linked to the labour management policy? What is the company's economic situation and its objectives? How does it link work organisation and the management of human resources to its overall strategy? <sup>2</sup>

Secondly, dealing with processes requires us to take a look at the organisational framework which the company implements so as to develop discussion within the company and for us to understand the role and involvement of collective players and individuals in this process. As argued by Sen, focusing on capabilities does not imply the disappearance of all constraints. On the contrary, it recognises that the opportunity set is necessarily limited and constraining, but it advocates a fair and negotiated construction of this constraint (Bonvin and Farvaque, 2005). One of the biggest challenges when assessing capabilities is therefore to understand whether there are structuring tools accessible to everyone which provide conditions for discussion or whether access to training is essentially based on people and their ability to use informal levers.

*- Linked employer-employee surveys to put individuals at the core of assessments*

Evoking capability for employee training also means placing individuals at the centre of everything. Although the impact of institutional structures and company policies are essential, evoking capability requires focussing on people. Other items which are part of an individual's path and life are just some of the resources and levers or brakes on the development of training capability which companies are unable to apprehend.

The most attractive option in many countries is to find ways of combining existing household and company data without having to initiate costly new surveys. This is the case of the French linked employer-employee survey on lifelong learning, known as DIFES and carried out by the CEREQ and INSEE, the French national Institute of Statistics (cf. Annex 1). Considering the recent evolution of the French situation, training is an area of investigation that benefits enormously from the use of linked employer-employee surveys. It seems to be very well suited to the pluralistic nature of the CA. However, surveys that have both employer and employee components are limited since most of them relate to a single point in time. The availability of panel data has led to methodological improvements in distinguishing transient and permanent deficiencies in terms of capability. Thus, if the informational space could be broadened by including company information and the interaction of workers and their employers, one might ask how to put into practice the strategy introduced by the CA.

The following section focuses on various different types of company and assesses them using the capability approach: do they really promote the enhancement of employees' capability for continuing vocational training? To what extent does the action of companies rely on diverging opportunities and processes? In accordance with our previous discussion, our analysis will concentrate specifically on two aspects: the opportunity and process aspects of freedom.

## 4.2. Methodological choices

In this section we look at the transposition, in and by companies, of institutionally drafted rights, their scope, their content, their uses and who they are aimed at. The company is not only considered as a context element – an environmental conversion factor (Robeyns, 2005), but also as a player initiating resources and conversion factors for employees. We have therefore created a company typology with regard to the information contained in the company section of the linked employer employee survey DIFES. Two aspects of freedom were taken into account when creating this typology: processes and opportunities.

On the one hand, the process aspect deals with the procedures used to design and implement company policies. The issue at stake is the ability to be agent, to influence processes. Are these policies controlled from above by the employer seeking to impose predetermined training or is their content decided between all those involved, including the employees themselves? Relating to the field of in-house company training, the CA places the possibility for employees to express their points of view and making them heard at the heart of the debate. The following issues are therefore at stake here: specific procedures guaranteeing access to discussions, real access to information and the possibility of weighing upon decisions. In parallel, such considerations can be found throughout the role of collective players, such as trade-unions, representing the interests of employees and giving them weight in the debate (Bonvin, 2005).

The opportunity aspect deals with the ability to achieve valued functioning. It is essential to take into account opportunities available in terms of continuing training by companies so as to apprehend capabilities for the training of employees. Sen clearly argues that both the opportunity and the process aspects of freedom require consideration. However the capability approach cannot be reduced to simply exercising a freedom of choice with regard to training. The latter is not only an end but also a means enabling career development. Career development through training dynamics is therefore central.

With regard to opportunities, companies are characterised by five aspects:

- The company's level of training expenditure, identified using rates of financial participation
- Training expectancy which corresponds to the average number of employee training hours
- The more or less unequal distribution of access to training between the different employee categories based on a relative coefficient of concentration as proposed by Silber (1989)<sup>37</sup>
- The type of training given: a distinction is made between (1) training courses and lessons, (2) on-the-job training, (3) seminars and conferences and (4) self-training (cf. appendix 4 for further details)
- The use or not of training to accompany occupational mobility; a distinction is made between horizontal and vertical mobility

With regard to the processes, five dimensions are taken into account from companies:

- Information provided by the company on how to access training in general
- Information provided in the company about the individual right to training
- Procedures for collecting and discussing employees' training wishes
- The existence and role played by staff representatives in the company on the management of Continuing vocational training
- The existence of a company agreement concerning training at least in part

The characterisation of different types of companies led to crossing two levels of analysis: the company and the employees.

- With regard to companies, variables were introduced enabling companies belonging to all the different clusters to be described from the point of view of their socio-economic characteristics (size, business sector, whether part of a group, employee distribution according to their socioprofessional category, sex, involvement in a merger or restructuring) and from the point of view of their organisa-

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37 Cf. appendix 2 for further details.

tion (existence of specific economic objectives for all employees or more individually, introduction of an organisational change or an innovation, existence of a training plan), of their human resources and training policy (rate of access to training, inequality in terms of access to training, training expenditure, average duration of training courses, existence of a list of training courses available within the framework of the individual right to training, registration of training courses subject to the individual right to training in the plan, implementation of a formal procedure to identify competence development needs, discussions within the framework of interviews, assessing the acquisition of competences following training, existence of training outside working hours and use of the individual right to training outside working hours, etc).

- With regard to employees, the analysis is based on the effectiveness of the process aspect, which in the survey was tested using the level of appropriation of information by employees, and the way they expressed their training needs and wishes. It is also based on their characteristics within each cluster (sex, job status, company seniority, socio-professional category, rate of access to training according to the socio-professional category and on information relating to their occupational mobility (change of position in the company and for what type of mobility, vertical or horizontal).

This employer-employee linking enables us to go beyond the strict framework of company declarations and see how companies contribute or not to the development of employees' capabilities for continuing vocational training. It also provides a powerful indicator for the environment in which employees develop. It gives access to the way in which employees can use company policies. Combining these two perspectives highlights a diversity of company configurations, providing a more or less capability-friendly framework. We shall hereafter attempt to outline the behaviour of eight types of companies which emerge from the clustering<sup>38</sup>.

### **4.3. Company typology, more or less capability-friendly**

#### ***4.3.1. Few training opportunities: 47.5% of companies***

The existence of training opportunities is the first condition for any capability policy. However, just under one out of every two companies does not fulfil, or does not fully fulfil, this condition. These companies can be found in three clusters: 1, 5 and 6.

#### **Cluster 1. Little or no training opportunities, but job security: 39%**

In cluster 1 companies, training costs are well under the average for companies. In this cluster we observe almost exclusively small sized companies (less than 50 employees). Made up of 80% employees and workers, this cluster most often concerns the building, hotel and catering, or car trade and repair sectors. Training opportunities are not only few and far between, but access to training is furthermore very unequal, thus favouring managerial staff and much more unequal than in the average company. With regard to declarations made by employees, job, position and social category changes since employees first entered the company comply with the general trend. But according to declarations made by employers, training is not used as an instrument for accompanying horizontal mobility or promotions. It should nevertheless be stressed that these companies provide relative job security. For employees, 96% declared that they had open-ended contracts, which is above average. Furthermore, the proportion of those who said they had been in the company for over a year (90%) is also greater than the overall average. However, due to a lack of opportunities available, these companies give little room to a capability development policy.

#### **Cluster 5. Few training opportunities and opaque access procedures: 6%**

As with cluster 1, cluster 5 brings together a large share of companies with between 10 and 49 employees (89%). Here we can find proportions higher than the average for companies in the metallurgical industry, electrical engineering industry or even car trade and repairs, and also a high proportion of workers (40% of employees).

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<sup>38</sup> For a description of the clustering method, see appendix 3.

The average training cost is higher than in cluster 1, but nevertheless remains well below the average rate of financial participation of companies in the sample. The average duration of training is short, as is the training expectancy. These companies also remained rather distant vis-à-vis the individual right to training.

However, companies in this cluster also provide relative job security combined with low career advancement opportunities. No employee had less than one year's seniority in the company and 95% had open-ended contracts. But in parallel, none of the employees said they had experienced vertical mobility since they joined the company.

Furthermore, closely examining training access conditions reveals that the latter suffer from a lack of transparency and organised procedures to identify training needs. All of the companies in this cluster informally collect needs which may, according to the circumstances, be improvised within the framework of informal discussions, such as in the corridor or by the coffee machine. Employees are never asked to express their training wishes or needs and develop them within the framework of an organised system intended for this purpose.

Access to training basically depends upon employees and their ability to lift informal levers. Being an "actor of one's own training" therefore involves having personal resources to bypass the absence of formal procedures and try to create one's own opportunities to discuss. In this situation where individual initiative prevails, and where resourcefulness is encouraged, the power for employees to act is also drastically reduced by the weakness of collective supports. Only 3% of companies in this cluster said they had signed a company agreement at least partly concerning training and 8% said the presence of staff representatives played a role in training.

In a context where no collective support corrects this imbalance in the debate on training in the company, and with regard to the modest training opportunities offered to employees, the conversion of resources available for specific realisations is unsuccessful and the company leaves little room for developing the training capabilities of employees.

#### **Cluster 6. Few training opportunities and little job security: 2.5%**

The size of companies is an important variable in terms of training opportunities. However, the brief description which follows is limited to showing how cluster 6, in which companies with more than 50 employees are largely overrepresented, struggles to achieve this ideal standard for large companies who provide training.

The existence of training opportunities also strongly depends on the company's area of specialisation and its economic situation. These companies, mainly in the retail industry and repair of household goods, the car trade and repairs, the textile industry, and the paper and cardboard industry, are twice as likely to belong to a group. They are also more likely to undergo a crisis situation than on average with a merger, split-up, take-over or restructuring, without in parallel introducing a change in production or products. In these sectors, over 50% of employees are workers and almost 75% are either employees or workers. This is clearly above what can be observed in French companies, with a figure around twice as high compared to the sample's average distribution.

The training bill is at least equal to the legal minimum (ie. 1.6% of the wage bill) and training expectation is slightly lower than average. Although a higher proportion of companies than on average say that they use training to encourage occupational or horizontal mobility, declarations by employees reveal that training is not one of the ingredients of job security. The share of temporary work contracts is 4 times greater than the average and a third of employees have less than one year's seniority in the company, which is three times higher than what can be observed elsewhere.

In order to curb crises, all the companies in this cluster said they had implemented a system for identifying training needs, which is largely confirmed by employees. These companies also massively stated that they were committed to disseminating information on training, that the latter concerns general means of access to training (90%) and more specifically the individual right to training (52%). For employees, appropriating this information proves to be relatively easy and more specifically with regard to the individual right to training. Furthermore it is this cluster that knowledge of this system by employees proves to be the most widespread.

If information on the individual right to training is widespread in the company, this is also because it is coherent with the training policy. This can be seen by the proportion of companies in this cluster which state that

they carry out training outside work time slightly more than in other companies. However, means of accessing training are rarely discussed. Examining conditions of access to training programmes reveals that all the companies in this cluster use administrative procedures to identify needs (questionnaires, etc.). However there are no discussions in order to provide career support (professional interview type). Admittedly, training programmes also enable certain employees to be prepared for redeployment, but employees only rarely have the occasion to negotiate these.

Although this cluster uses training, the weakness of training expectancy, combined with an organisational framework with few discussions for identifying needs, does not enable the development of the capabilities of people who on the one hand would need longer training programmes likely to result in certification, and on the other hand, the implementation of discussions with each employee.

Since this configuration which combines few training opportunities and a lack of job security is the most extreme observed in the typology, with other organisational contexts providing, in the absence of training opportunities, a certain amount of job security, or on the contrary, in the absence of job security, greater training opportunities.

#### ***4.3.2. Good training opportunities: 52.5% of companies***

Unlike previous clusters, companies in clusters 2, 3, 4, 7 and 8 all provide training opportunities for their employees. Empirical observation reveals that the development of opportunities is mainly organised by employers (clusters 3, 4, 8 and 7), although the development of training opportunities may also correspond to a context where the company becomes involved in the career development of its employees, making the promotion of their capabilities part and parcel of the human resources policy (cluster 2).

#### **Cluster 3. Good training opportunities, few organisational systems aimed at identifying training wishes and little job security: 3%**

Following the example of cluster 6, these companies are around twice as likely to experience mergers, take-overs or split-ups, in short restructuring, compared to the entire sample. However, contrary to cluster 6, three times as many use organisational changes, innovation in their products or their manufacturing methods. These companies, which are most often part of a group, with between 10 and 49 employees, are overrepresented here. The main sectors represented include the textile industry, the chemical industry, the metallurgical industry and also construction.

These reorganisations give rise to ambitious training policies which furthermore provide equal access to different employee categories. Without achieving the sample's maximum value, the rate of financial participation is greater than the average for company expenditure and training expectancy is higher with around 2 days per year per employee, in all likelihood so as to quickly train them in new products and activities which are supposed to drive the company's future.

Training costs are not the highest in the sample, but on the contrary, training expectancy is because firstly the company uses all forms of training, including self-training 4 times more than the average (this way of working remains the least costly for the company) and also because the company uses co-investment through the individual right to training. Thus, twice as many companies said that individual right to training courses were registered in the plan and that they used training outside working hours. Information on the individual right to training thus proves to be a priority for these companies.

The employees are heavily demanded in terms of training, but the organisation of access to training is not however the framework most suited to expressing "needs" and individual initiative since access and initial training conditions are largely subordinate to the company's objectives. For almost half of these companies, there is no organisational system aimed at identifying training needs or career support tools (eg. annual interviews). At best, training wishes are formulated through informal means, with employees expressing themselves or imposing their wishes, which mean there is little equality between employees in this respect. This configuration is therefore characterised by major training opportunities, but by limited discussions which act as a brake on developing training capabilities.

Furthermore, although employees are heavily requested to invest in training, they have little power to act in terms of career development. In fact, for employers, training is never used to accompany vertical mobility,

but is systematically used within the framework of horizontal mobility. These statements are widely confirmed by employees: twice as many say they had experienced horizontal mobility since they joined the company, but 30% less said they had experienced vertical mobility. In this context of change, we can also observe less job security. The proportion of employees with open-ended contracts is less than average and that of employees with less than one year's seniority is three times greater.

#### **Cluster 4. A competences-oriented logic without collective support: 27%**

This cluster covers companies which namely due to their size, provide training opportunities, but little collective support, leaving employees the responsibility for their career paths and the uncertainty of their development.

Overall, the companies which make up this cluster provide greater training opportunities than on average. The average level of financial participation in training is equal to 1.92, which is greater than the mandatory rate and training expectancy is also higher than on average. As illustrated by the Gini coefficient, access to training is more equal than in the average French company. With the exception of self-training which is not a kind of training used in these companies, the proportion of companies using placements, training in a work setting and seminars is much greater here than in all French companies together. Company size does not play a distinguishing role, any more than the business sector because from this point of view, the distribution is the same as for French companies. On the other hand, these companies share the characteristic of more often belonging to a group.

Training is a subject which companies are concerned about, but it is more often tributary to their economic objectives. Thus, the concept of competences is at the heart of performance-based reasoning in companies: two thirds of them have jointly implemented a formal procedure for identifying needs in terms of developing and assessing competences acquired following training. This competence-oriented management involves setting annual objectives and providing employees with more details about these objectives. But the training policy's centre of gravity is made to serve the company's performance. Also, the implementation of interviews with employees goes hand in hand with a company organisation based on the motivation of employees so as to achieve objectives and fulfil the training plan with greater visibility than can be expected. In these discussions on training, the problem is that the employee is alone faced with the line manager. This competence-oriented logic is organised unilaterally within the framework of the individualisation of the employee relationship which is not favourable for the development of capabilities.

Although these companies provide training opportunities, the possibilities for career development are limited despite efforts. Companies say that they resort to training less often to organise mobility within the company. These declarations are repeated by employees. With regard to their answers, mobility may sometimes be horizontal or in the form of a promotion, but the perspectives of change, whether vertical or horizontal, are smaller here than in the average company.

Although the lack of career development opportunities is linked to a human resources policy which places place competences at the heart of performance, it must also be ascribed to a lack of collective support which would correct this imbalance with regard to greater involvement by employees in their career development. In this cluster, the share of companies which have signed a training agreement is 5%, which is lower than what can be observed in French companies and none of them has a staff representative intervening with regard to management aspects of Continuing vocational training in companies. Also, these companies give very little importance to a capability development policy.

#### **Cluster 8. An internal market logic without collective support: 5%**

This cluster includes companies which, namely due to their size, provide training opportunities, but little collective support, leaving employees the entire responsibility for their career path as well as uncertainty with regard to its development. Companies in this cluster are characterised by the existence of major training opportunities, distributed more equally amongst the different social categories represented in the company. Training costs are some of the highest and training expectancy is also significantly higher than in the average company.

Although transport, trading and hotel-catering companies are under-represented in this cluster, B2B and B2C service sectors, construction and the manufacture of machines are in top position. Companies with more than

50 employees are also the most numerous. Here, technicians and intermediary professions are over-represented compared to their average weight in all companies (20% compared to 17%) whilst there are slightly less managers (53% compared to 57%).

Furthermore, the company is involved in the career development of its employees making training a full dimension of the human resources management policy, and more particularly the promotion policy: they all said they resort to training to accompany vertical mobility. With regard to this point, declarations by employees confirm their employer's answers. When asked "Have you changed job, position or social category since you joined the company?", more than twice as many said they had experienced vertical mobility.

The case of cluster 8 thus shows the existence of an internal labour market which provides opportunities in terms of training and career development. And, although these conditions are necessary, they remain insufficient for capability development. This development also requires the existence of real information providing real power to act. We put the declarations of employers in this cluster to the test since they almost unanimously said that they made available to employees the necessary documents providing information on training (99%). However, there is a large discrepancy with regard to employees' declarations. This highlights a trend: only just over one out of every two employees said they had been informed about training possibilities in the company, placing employees in this cluster sixth in the list with regard to the appropriation of information, and below the employee average. What is at stake here is real access to information and the true possibility of weighing on decisions concerning training. In parallel, such considerations cover the role of collective players, such as staff representatives, relaying the interests of employees and giving them weight in the debate. However, all the companies in this cluster have an indisputable originality: none of them has staff representatives. The low level of appropriation of information by employees may therefore be ascribed to this deficiency.

Although the existence of training and career development opportunities are a necessary condition for developing capabilities, what is also required is an ability to express which in the absence of collective supports does not enable employees to fully appropriate information on training and therefore to fully weigh upon the deliberation with regard to training. Also, the characteristics of these companies are not sufficient to make them capability-friendly companies.

### **Cluster 7. Equally distributed training opportunities associated with little information on the individual right to training and a lack of job security: 7%.**

Cluster 7 also highlights favourable characteristics with regard to the power to act by employees in terms of career development and training, but they remain insufficient for a capabilities policy. Large companies are under-represented, whilst companies with between 10 and 49 employees occupy a top position. The most represented are the chemical industry, car trade and repairs, and B2B and B2C services. Like those in cluster 6, the companies included here undergo restructuring more often than on average which also leads to changes in production. Nevertheless, their attitudes reveal capability development factors for training.

The driving forces behind capability development for training depend here firstly on the effort of companies to develop major training opportunities, especially for workers and employees, who traditionally remain more marginalised by continuing training in French companies. This effort is reflected by the highest training rate out of the entire sample and a training expectancy which is way above the rest. With regard to procedures for access to training, these companies also have contributive elements with regard to capabilities. In this cluster, and this point should be underlined, companies have signed a company agreement which at least partially concerns training almost three times more often. Furthermore, 3 out of 4 companies have made the interview the nodal point of discussions. To a certain extent, these companies combine access to training opportunities in generally equal conditions, the involvement of staff representatives in the training policy and the personal involvement of employees in their projects through a discussion-based system.

On the other hand, brakes on capabilities for training are also revealed with regard to procedures. It is worth noting that, according to employer declarations, they are not massively committed to disseminating information on the individual right to training. Less than half had carried out an information campaign. These statements are confirmed by the answers of employees: over half are not aware of the system despite the fact that information is supposed to play a significant role for training capability. An unequal distribution of information is in itself a good indicator of this type of malfunction: groups devoid of information lack the ability to ensure their concerns are respected and recognised (Bohman, 2008: 218).

Furthermore, although employees have a greater or lesser capability for training, the effects do not provide any major power to act in terms of career development. In fact, although employers say in higher than average proportions that they use training to accompany vertical and horizontal mobility, declarations by employees counterbalance these declarations. Whether it involves horizontal mobility or promotion, employees said that they had changed job less since they joined the company. In this context also marked by restructuring, we can also observe less job security, the proportion of employees on open-ended contracts is less than average, whilst the proportion of fixed-term contracts and temp workers is three times higher. Moreover, the proportion of employees with less than one year's seniority is three times higher.

This configuration combining a high number of training opportunities, little information on the individual right to training, little use of the individual right to training, and a lack of job security are not enough to provide the most favourable conditions for developing training capabilities.

## **Cluster 2. A capability-oriented logic applied to medium-sized companies: 10.5%**

In our sample, companies in cluster 2 are those which offer the most favourable conditions for the development of the capabilities of employees, both in terms of opportunities and a place for discussing training. Mostly consisting of companies with between 50 and 249 employees, and part of a group, almost half of this cluster is made up the following sectors: real estate, B2B companies, collective and social services alongside the chemical industry and equipment manufacturing. Staff structuring according to socio-professional categories corresponds with the average for companies. Following the example of clusters 6 and 7, companies undergo mergers, take-overs and split-ups twice as often, accompanied by innovations for their products or their production methods. These reorganisations give rise to ambitious training policies, with one of the highest rates of financial participation in continuing vocational training (TPF) and highest training expectancies, and use of all training means with the exception of self-training.

With regard to the answers provided by employers, these companies link access to training opportunities in generally equal conditions for all categories, the involvement of staff representatives in the training policy (over 80% said they had staff representatives who play a role in this field, and almost half have signed an agreement which at least partially concerns training) and the personal involvement of employees in their project (96% have implemented individual interviews aimed at identifying needs with regard to training and career support).

Becoming involved in the promotion of employees' training capabilities also represents a guarantee to achieve economic objectives. Here, almost one out of two companies said they inform employees, which is 4 times higher than in the overall sample. Furthermore, 86% of them have implemented a procedure to identify needs in terms of developing competences and 62% assess the acquisition of competences following training. To put it in other words, employees have the power to act in a space contingent to economic objectives. However the CA does not mean all constraints disappear. On the contrary, the CA recognises the fact that the opportunities space is necessarily limited, but argues in favour of a negotiated construction of this constraint.

With regard to the answers provided by employees, the possibility of expressing a point of view and making it heard is much better guaranteed than in other clusters: 70% said they were able to express their training needs in the company, which places this cluster at the top of the typology. Furthermore, information is widely available: eight out of ten employees said they had been informed about training possibilities within the company and more than 6 out of 10 were aware of the individual right to training. It is in this cluster that employees are the most well-informed about the individual right to training. Information about the individual right to training is even better received since these companies use this system and make it a part of their training policy: three times as many use the individual right to training outside work time and twice as many use it during work time.

In the current context of these companies, it is worth noting that they provide relative job security. With regard to employees, almost 90% said they were on open-ended contracts, which is the average figure. Furthermore, the structuring of employees according to seniority is also comparable to the average for all companies. Fewer than 10% of employees have less than one year's seniority in the company. This relatively high level of job security is also combined with perspectives of career development. Four times more companies said they use training to accompany horizontal and vertical mobility. Answers by employees narrow down those by employers more than they contradict them: although more said they had experienced horizontal mobility, the proportion who had experienced vertical mobility remains under average.

These companies nevertheless highlight the characteristics of training policies which favour the capabilities of employees. Unlike previous contexts, this context provides training and career development opportunities in a configuration which combines freedom of choice and freedom to act with regard to training. Social responsibility which alone can, in practice guarantee for everyone, positive freedom of action, seems relatively better ensured than in the sample's other clusters.

#### 4.4. Quantitative research perspectives

The previous section deals with practical issues with regard to continuing vocational training in companies. It shows that the ability to grant access to continuing vocational training varies from one company to another, according to their size, economic situation and business sector, and according to the way in which they become involved and the way in which they enable employees to participate in the training policy. Although continuing vocational training policies develop an ambition to enhance people's possibilities and opportunities within companies, not all of them can be considered as equally capability-friendly.

However, evoking the capability for training of employees also obliges us to place people at the centre of everything. Despite the fact that the impact of institutional structures and company policies are essential, evoking capability involves focussing on persons and also their resources and individual conversion factors. Turning back to individual resources and conversion factors will be at the core of the next stage of the quantitative research. Paraphrasing Bonvin and Farvaque (2005), the CA entails that all people be adequately equipped to choose the training they have reason to value either through the real possibility to accept the training proposal (loyalty option), or to refuse such a training (at an affordable cost, i.e. with a valuable alternative, be it a financial compensation or another job), or through the possibility to transform it into something one "has reason to value". Thus, capability for training implies either a) capability to accept the training (loyalty option), b) capability not to grant access to training if one chooses to (via a valuable exit option, Hirschman 1990); or c) capability to participate effectively to the definition of the training content, organisation, conditions, modes of remuneration, etc. (i.e. the voice option). Beyond training policies, resources and other conversion factors are to be duly taken into account in order to arrive at more complete conclusions on capability for training.

In addition, evoking capabilities for training also obliges reviewing individual's paths. This is also the aim of the continuation of this quantitative work. To do so, we need to refocus on training and work paths as well as transitions on the labour market at a later stage to appreciate the dynamics of capabilities for training. Great emphasis has been given in the literature to what could be called cross-sectional diversity amongst individuals and society. And one might have reasons to believe that this conversion gap between employees might not be constant in time, since some functioning achieved by employees in a capability-friendly company might evolve with time, increasing the gap between individuals. In other words, interpersonal variations in transforming resources into functioning might be a function of time.

In different ways various authors stress the importance of time and address the time dimension explicitly and have discussed how time might be addressed with regard to capability. Comim (2005) suggests that this literature has so far been limited to informational spaces that are static, although one of the main tenets of the CA, namely adaptive preferences, cannot be understood with proper consideration of the cumulative effects of time in shaping people's perceptions of their own well-being. It may be worth noting that processes need time to be formulated and that evaluative exercises might reflect some path dependence according to people's own histories and the evolution of their capacity to negotiate. Kanbur (2007) has raised some of these issues related to the importance of considering the temporal dimensions of capabilities, and a number of papers have been devoted to the investigation of dynamic aspects of capability. Dubois and Rousseau (2008) are critical with regard to the capability approach and suggest that its static emphasis to date is insufficient. Yaqub (2008) placed emphasis on the need to consider the lifecourse and explore the lifecourse approach with regard to capabilities. He argues that interventions which affect capabilities at an early stage in life can be a crucial factor in influencing whether a person will escape poverty at a later stage of life. He shows how time affects individual command over commodities, their personal utilisation functions and the implication of their choices. F. Papadopoulos and P. Tsakoglou (2008) address the time dimension explicitly. They develop an approach to measure social exclusion using the capability approach. In their paper, if deprivation in certain dimensions occurs over a number of periods in time, it constitutes social exclusion.

This demonstrates the relevance of time and highlights the interest of analysing the survey from a longitudinal point of view.

## **5. CAPABILITY-FRIENDLY FIRMS IN PRACTICE: THE ETHNOGRAPHIC FIELDWORK**

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We now turn to the second stage of the research: the ethnographic fieldwork research. According to the linked quantitative-qualitative research design, the qualitative part could not start before the first quantitative results were established. We actually decided to select the firms where the fieldwork would take place along three criteria. The first one is geographical and imposed by the overall Capright research design, i.e. Paris and its surroundings. The second one is linked to the Capright project and meets one of its transversal themes, i.e. restructuring. The third one is based on the quantitative results: the qualitative research will take place in firms identified as capability-friendly by the quantitative analysis, i.e. among cluster 2. The sample of the qualitative research could just be identified this summer and is composed of 7 firms. Four of them will be investigated.

Due to this specific methodological design, we will not be able to present any results yet, but a detailed research program. We will develop our methodological framework and contribute to shed some light on the tricky question of the CA's operationalization.

### **5.1. Aim of the fieldwork research**

The overall objective of the qualitative research is to address the issue of the relation between training practices and professional development for employees. Professional development in our view is not only skills development and it is not necessarily represented by an upward professional trajectory. Professional development requires opportunities, in terms of training, work and employment, but it is also a matter of choices, e.g. choosing to make a career or not. Professional development is not only a matter of technical and cognitive skills; it is also a matter of personal development and of a valuable work-life balance. If professional development can be assessed at the level of the individual, it is not only an individual issue. It requires resources and collective support to act in order to achieve the chosen option. In so far professional development can be considered as a co-construction between the person and her environment (the firm and the institutional environment).

Therefore, we consider professional development as a multidimensional concept at the intercrossing of four capabilities:

- Capability for learning
- Capability for work
- Capability for work-life balance
- Capability for voice

As a consequence, the qualitative fieldwork research will not only test and enrich the quantitative typology, it will also address a broader empirical and conceptual issue that can not be grasped (yet?) by the quantitative survey.

The ethnographic fieldwork starts from the quantitative typology and plans to show how capability-friendly firms practically work and what kind of pathways are made possible in those firms. But it also intends to challenge the typology. High rates of financial participation in continuing vocational training and access to training opportunities for all categories of employees do not necessary lead to professional development. When taking a closer look at actual practices in the field of training, their real scope, meaning and effects for employees' pathways and professional development, can the investigated firms still be considered as capability-friendly? If yes, to what extent? Is the firm capability-friendly for all employees or can we identify specific groups, some being more capable than others? Among capability-friendly firms, can we identify

different specific configurations (schemes) more or less favourable for the development of employees' capabilities? This approach in terms of configurations/schemes (Zimmermann, 2007) will enrich the typology.

Vocational training is at the core of the investigation and will be studied in the firms from a double perspective. On the one hand, the firm perspective is taken into account, in terms of policies and practices: what kind of collective support does the firm provide for its employees in the field of continuing vocational training, in terms of both opportunities and processes? On the other hand, the employees' perspective is also analysed. How do employees identify their scope of choice, how do they get access and make use of the provided collective supports, what does it mean for them in terms of career and professional development? Continuing vocational training is not studied as an end but as a mean, as a resource or a conversion operator for other ends and especially for professional development. Even if we focus on training as a mean for professional development, we also intend to identify the other ends for which training could be used. In other words, our question is not only what kind of training, for whom and how? The question also sounds, what for?

By studying not only training practices but also their effects in short and middle term on employees' professional pathways, the ethnographic fieldwork will focus on the temporal dynamic of the capabilities. The fieldwork will deal with different temporalities and their interplay: the evolution of the institutional and economic environment of the firm, the history of the firm itself, the temporalities of professional and biographical pathways of employees. As a matter of fact, we consider that capabilities emerge at the intercrossing of these different areas: the firm, the institutional and economical environment, the person.

## 5.2. Different levels of inquiry

The fieldwork will basically take place in four different firms identified as capability-friendly. It will consist in observation, in-depth interviews and documents analysis (all written documents available concerning the present as well as the past situation of the firm). However, even if the firm represents our starting and focal point, it is not the only subject and the only level of analysis. We do not consider the firm as a closed organisation, on the contrary. The institutional and economic environment as well as the level of the individual will be taken into consideration.

- Firm monograph (observation, in-depth interviews, documents analysis)

The fieldwork will consider the politics of training as a part of a broader system, i.e. the world of production (product, work organisation, human resource management, social dialogue...).

Concerning training more specifically the leading questions are:

- What kind of training? For whom? How?
  - Who is responsible for training? In-house trainers or subcontracting?
  - What are the different aims served by training within the companies; what are the contrasted uses of training by companies?
  - Training, what for? What are the effects, especially in the field of career and mobility?
- Institutional and economic environment (mainly documents analysis)

We will study laws, agreements, conventions and actors, especially in the field of vocational continuing training and examine the interactions with the firm's practices.

- Employees professional and biographical pathways (biographical stories, repeated interviews every six months, document analysis if allowed)

At that level, the research will consist in biographical reconstitution through in-depth interviews with around 20 employees in each firm. The interviews will not only focus on the professional career but will also address personal data and events. They will insist on transitions, crisis and bifurcations in order to make choices and decision-making processes emerge and to allow the analysis of their consequences. A specific attention will be drawn on gender issues. After a first in-depth interview, the persons will be interviewed every 6 months over a period of 18 to 24 months about the evolution of their personal and professional life, even if they happen to leave the firm.

The firm is the starting point and the lens through which the other subjects and levels will be studied. These different levels are at the same time subjects of inquiry as such and levels of analysis to be crossed.

### **5.3. The inquiry on professional development**

Investigating the issue of professional development implies to cope with the four constituting capabilities, namely: capability for training, capability for work, capability for voice and capability for work-life balance. It also means to take into account the ends and the achievements (functionnings) as well as the means (resources and conversion operators) in those different fields.

In order to conclude and open the discussion, we will present the research design in a table resuming the way the different capabilities will be addressed at the different levels of analysis:

	<b>Capability for voice</b>	<b>Capability for work</b>	<b>Capability for learning</b>	<b>Capability for work-life balance</b>
<b>Institutional environment</b>				
<b>Labour market and vocational training</b> <b>Public policies : laws and devices</b> <b>Sectoral and multisectoral agreements</b>	Role of employees and of their representatives at the level of the sector, at the regional and national level  Social dialogue  Influence of the firm at the level of the sector and within the territory	Social protection Employment regulation and protection Work regulation Wage regulation (laws on minimum wage and collective agreements)	Continuing vocational training: content, fundings and actors  Interactions and influence of firms, employees' representatives various actors of the field of vocational training	Working time regulation  Child care opportunities  Mobility  Compensatory income
<b>Firm monograph</b>				
<b>Including merchant environment (work and product), product work organisation human resources management</b>	Social dialogue and industrial relations Company agreements  Employees' participation schemes  Possibility to express personal choices and exercise them	Quality of work  Promotion opportunities Information on promotion  Evaluation (criteria and processes)  Professional integration Quality of employment	Training policy: content, fundings, number of employees concerned, access to training, types of training  Information on training opportunities, processes for collecting training wishes  Trainers, trainees, programs, practices and evaluation procedures	Working time regulation and arrangements  Support for child care  Support in case of mobility
<b>Biographical pathways of employees</b>				
<b>Gender</b> <b>Age</b> <b>Personal and family situation</b> <b>Place of living</b> <b>Initial training and diploma</b> <b>Relations and networks</b>	Union, political, NGO... membership, practices and commitments	Professional pathway within and outside the firm, horizontal and vertical mobility, changes in the work sphere  Choices, changes, expectations	Initial training Union training Vocational continuing training  Consequences of the professional pathway on training issues and effects of the training on the professional pathway	Personal and family situation  Hobbies and non-wage work (travail à côté) Political, religious, NGO activities  Networks (family, friends, neighbourhood, colleagues...)

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## APPENDIX

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### Appendix 1. The French linked employer-employee survey on continuing vocational training: DIFES

The French linked employer-employee survey on Continuing vocational training (DIFES) has been implemented in France by CEREQ<sup>39</sup>, DARES<sup>40</sup> and INSEE<sup>41</sup>, based on two standardised European surveys on Continuing training that were conducted in 2006 for the purpose of providing comparable indicators for European Union countries.

- The first survey on individuals is the “Adult Education Survey” (AES). In France it is part of the “Formation Continue 2006” (FC2006) survey on 16 000 individuals. The scope of the survey is people aged between 15 and 24 years old who have finished initial education or people aged between 25 and 64 years old. The FC2006 survey concerns adult education practices and has five main objectives:

- Describe the diversity of adult education practices in terms of their purpose (professional and extra-professional), their organisation (training courses, participation in conferences or seminars, on-the-job training, mixed work/training or self training),
- Account for individual expectations in terms of adult education and for the different means of access to education (how are individuals informed about training opportunities?)
- Find out about the difficulties faced by individuals who wish to have access to training
- Examine different learning methods (informal learning)
- Reconstruct career paths for the 18 last months and give information at t-30 months and additional information on the previous path.

- The second survey on companies is called “Continuing Vocational Training Survey 3” (CVTS3). It concerns about 4800 employers. Data is representative of French companies with 10 workers or more from the private sector, excluding agriculture, etc.. It aims to provide information about the way in which firms finance or organise training for their staff. Companies were asked about the following:

- Structural data on the company
- Continuing vocational training activities in the company
- Human resource management
- Organisational changes
- Company's training policy
- Worker involvement, worker representation
- Reasons for non provision of cvt courses and “other” forms of cvt
- Initial vocational training

Each survey is autonomous and useful in itself and has its own coherence. Nevertheless, a data-linking process has been undertaken in France. The idea is to combine the interviews of employees with those of a sample of employers.

- The French linked employer-employee survey is called “*Dispositif d'Information sur la Formation Employeur salarié*” (DIFES). DIFES is an “employees first” methodology for creating a linked employer-employee survey. It involves a group of 1 800 individuals from AES matched with their company survey (CVTS3). By linking the data from both these surveys, this project aims to provide what is at the core of the

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39 CEREQ is the French Centre for Research on Education, Training & Employment.

40 DARES is the Bureau for Research & Statistics at the French Ministry of Employment.

41 INSEE is the French National Institute of Statistics.

law of May 5th 2004: negotiations or discussions between employers and employees about vocational training matters. This kind of design seems to be particularly useful for dealing with this purpose since it can be used in two different ways:

- First, to confront different points of view and understand, if this is the case, the gap between employers and employees (eg. concerning the dissemination of information related to training, etc). The issues that can be confronted concern:
  - The dissemination of information related to training within the firm
  - Various ways to express needs in terms of training
  - Content of the annual review between employees and employers
  - The general framework which shapes discussions on possibilities of taking part in training courses outside working hours
  - The place of individual initiative in negotiations between employers and employees
- Open the blind spot of individual surveys (eg. organisational change, training policies, relationship between business plan and training, etc)

## Appendix 2. Unequal access to training of subgroups: the decomposition of GINI Index of Inequality (Silber, 1989)

Silber (1989) proposed the following method to compute the GINI Index and show that a decomposition of the GINI Index into factor components or population subgroups is possible.

We shall respectively call  $X_i$  and  $Y_i$  the number of employees belonging to category  $i$  (workers, employees, intermediary professions, managers) and the number of trained employees belonging to category  $i$  in a given company. The aim of the exercise is to calculate the inequality of ratios  $(Y_i / X_i)$ . The latter is measured very easily by calculating the GINI relative concentration Index as follows:

We can define  $x_i$  and  $y_i$  as follows:

$$x_i = (X_i / \sum_{i=1}^4 X_i) \quad \text{and} \quad y_i = (Y_i / \sum_{i=1}^4 Y_i)$$

We can class  $x_i$  and  $y_i$  in decreasing order of ratios  $(Y_i / X_i)$ .

We shall call  $x'$  the line vector of  $x_i$  classed in decreasing order of ratios  $(Y_i / X_i)$  and  $y$  the column vector of  $y_i$ , also classed in decreasing order of ratios  $(Y_i / X_i)$ .

We shall call  $G$  the square matrix with magnitude 4 by 4 whose elements  $g_{hk}$  are equal to 0 if  $h = k$ , -1 if  $k > h$  and +1 if  $h > k$ . In other words, this matrix has zeros on the diagonal, -1 above the diagonal and +1 under the diagonal (cf. Silber, 1989).

The GINI relative concentration Index  $C_R$  is then equal to the product:  $C_R = x' G y$

### Appendix 3. Presentation of the clustering method used

We carried out a mixed ascending hierarchical clustering which jointly uses the ascending hierarchical clustering method and the K-means method.

The main advantage of ascending hierarchical clustering compared to other clustering methods lies in a tree-shaped representation which highlights additional information: the increase in dispersion in a group produced by an aggregation. To implement this mixed ascending hierarchical clustering, we initially carried out a factorial analysis (multiple correspondences analysis) based on 10 variables characterising the process and opportunity aspects in companies.

The active variables which determine the factorial axes based on employer declarations are as follows:

- For the process aspect: disseminating information on training, carrying out a general information campaign on the individual right to training, the method for collecting training needs (interviews for everyone, interviews but not for all employees, collecting data without interviews, informal data collection method or lack of data collection), presence of staff representatives playing a role in training and presence of a company agreement concerning training at least in part.
- For the opportunity aspect: the financial effort (share of the wage bill dedicated to training), training expectancy (total number of training hours out of the number of employees), the type of training given (share of companies having carried out lessons or courses, training in a work setting, seminars or conferences and self-training), an index of inequality for the distribution of rates of access to training according to socioprofessional category, and the use of training to encourage mobility (horizontal and promotional, horizontal only, promotional only or no link between training and mobility).

Certain types of supplementary variables have been added to more finely characterise the clusters, one on a company scale, the other with regard to employees.

- With regard to companies, since these variables enable the companies in each cluster to be described from the point of view of their socio-economic characteristics (size, business sector, belonging to a group, distribution of employees according to their socio-professional category, their sex, involvement in a merger or restructuring, existence of a works council) and from the point of view of their human resources and training policy (existence of specific economic objectives for all the employees or more individually, introduction of an organisational change or innovation, existence of a training plan, rates of access to training and the distribution of employees trained by socio-professional category, the average duration of training, the existence of a list of training courses within the framework of the individual right to training, registration of training courses within the framework of the individual right to training in the plan, the implementation of a formal procedure for identifying needs in terms of developing competences, assessing the acquisition of competences following training, the existence of training outside work time and the use of the of the individual right to training outside work time).
- With regards to employees, supplementary variables enabling their points of view to be collected on both the process and opportunities aspects, and also the population of employees within the framework of each cluster to be characterised, other supplementary variables have been mobilised. The following variables therefore refer to employees: socio-demographic variables (job status, socioprofessional category, company seniority, rates of access to training according to socio-professional category), variables characterising information relating to Continuing training (level of information on training and the individual right to training, possibility of expressing training needs, having unsatisfied training needs), and variables characterising occupational mobility (changing post in the company and which type of mobility: vertical or horizontal).

## **Appendix 4. The four types of employee training**

1. Training and courses are the most widespread form of continuing training for employees (56% of training courses followed by employees). They take place with a trainer or a specialist, generally outside the company.
2. Training in a work setting is organised with the support of a tutor in the workplace (18% of training courses followed by employees). These courses use the employee's tools and simulate work situations and include effective production time (\*).
3. Seminars (19% of training followed by employees) refer to a relatively heterogeneous set of training practices (conferences, symposiums, trade-shows, fairs, etc.). Compared with courses and training, these situations are not so much based on educating but rather than on exchanging and discussing.
4. Self-training (7% of training followed by employees) refers to training practices where people are generally trained alone (in the workplace or at home) using specific educational tools (hard copy, CD-Rom, video cassettes, etc.).

Source: Formation Continue 2006 survey.

## Appendix 5. Characterisation of clusters

Active variables company section (source: CVTS3)	Cluster 1 39% of companies	Cluster 2 10.5% of companies	Cluster 3 3% of companies	Cluster 4 27% of com- panies	Cluster 5 6% of com- panies	Cluster 6 2.5% of companies	Cluster 7 7% of companies	Cluster 8 5% of companies	All compa- nies
<b>Dissemination of information on training (% YES)</b>	64 - - -	98 + + +	94 + +	94 + +	89 +	90 +	94 + +	97 + + +	82
<b>General information campaigns carried out on the individual right to training (% YES)</b>	23 - - -	73 + + +	53 + +	49 +	36 - -	52 + +	49 +	55 + +	41
<b>Means of identifying training needs:</b>									
- Interview for everyone	3 - - -	51 + + +	21 +	20 +	0	0	35 + +	24 +	16
- Interview for certain employees	19 - -	45 +	32 -	66 + + +	0	0	41 +	61 + +	37
- Identifying without interview	0	0	0	0	0	100	0	0	3
- Informal	0	0	15	0	100	0	2	6	7
- No identifying	78 + + +	.4	32 -	14 - -	0	0	22 - -	9 - - -	37
<b>Presence of staff representatives playing a role in training:</b>									
- Representatives with role	1 - - -	81 + + +	15 +	0	8 - -	20 + +	15 +	16 +	12
- Representatives without role	1 - - -	5 -	13 +	23 + +	6 -	23 + +	14 +	21 + +	10
- No representatives	98 + + +	14 - - -	72 -	77	86 + +	57 - -	71 -	63 - -	78
<b>Presence of a company agreement concerning training at least in part (% YES)</b>	0	41 + + +	23 + +	5 - -	3 - -	8	24 + +	14 +	9
<b>Rate of financial participation:</b>									
- Average TPF	1	2.31	2.05	1.92	1.33	1.56	2.39	2.09	1.61
- Median TPF	0.79	1.96	1.76	1.55	1.27	1.4	1.88	1.94	1.26
<b>Training expectancy (no. hours / no. em- ployees) :</b>									
- Average expectancy	- - -	+ + +	+ + +	+	-	- -	+ +	+ +	
- Median expectancy	3.27	13.45	13.46	11.08	5.47	6.73	12.88	11.89	8.1
	0	9.76	10.28	6.67	3	5.12	8.36	8.25	3.93
<b>Type of training carried out (% of companies having done ...):</b>									
- lessons and courses	34 - - -	96 + + +	98 + + +	98 + + +	70	85 +	94 + +	98 + + +	70
- training in a work setting	9 - - -	54 + +	60 + + +	53 + +	25 - -	32 -	73 + + +	49 +	35
- conferences	3 - - -	48 + +	36 +	30 +	16 - -	27 +	63 + + +	30 +	23
- self-training	0	1	23	0	1	4	100	8	8
<b>Equality according to CS of access to lessons and courses:</b>									
- Average Gini index	0.78	0.25	0.24	0.33	0.48	0.36	0.36	0.32	0.5
- Median Gini index	1	0.18	0.18	0.27	0.35	0.24	0.33	0.27	0.4
<b>Use of training to encourage mobility:</b>									
- Horizontal and promotional	0	56 + + +	0	16	10 -	18 +	37 + +	0	14
- Horizontal only	0	0	100	0	0	2	0	0	3
- Promotional only	0	0	0	0	0	3	0	100	5
- No link	100	44 - - -	0	84 +	90 + +	77	63 - -	0	78

<b>Supplementary variables Company section (source: CVTS3)</b>	<b>Cluster 1 39% of companies</b>	<b>Cluster 2 10.5% of companies</b>	<b>Cluster 3 3% of companies</b>	<b>Cluster 4 27% of companies</b>	<b>Cluster 5 6% of companies</b>	<b>Cluster 6 2.5% of companies</b>	<b>Cluster 7 7% of companies</b>	<b>Cluster 8 5% of companies</b>	<b>All companies</b>
<b>Size</b>									
10 - 49 employees	97 ++	38 - - -	85 +	82	89 +	62 - -	86 +	71 -	83
50 - 249 employees	3 - -	48 + + +	12 -	16 +	11 -	31 + +	8 -	22 +	14
250 - 499 employees	0 - -	9 +	1 -	1 -	0 - -	5 +	2 +	5 +	2
500 + employees	0 - -	5 +	2 -	1 -	0 - -	2	4 +	2	1
Belongs to a group	13 - -	57 + + +	32 +	27	21	40 + +	26	29 +	25
Has economic objectives	6 - - -	48 + + +	23	28 +	18	26 +	45 + + +	14 -	21
Share of companies with a works council	2 - - -	86 + + +	28 +	23	15 -	43 + +	29 +	37 + +	22
Organisational changes, innovation	6 - -	22 + +	36 + + +	14	8	9	24 + +	10	13
Merger, restructuring	11 -	25 + +	23 + +	16	12 -	18	24 + +	11 - -	15
Economic objectives known by employees	4 - - -	45 + + +	20	26 +	17	25 +	42 + + +	13 -	19
The company draws up overall specific objectives	4 - - -	42 + + +	19 +	24 +	16	23 +	34 + +	12 -	18
The company draws up individually specific economic objectives	98 +	81 - -	86 -	86 -	87 -	86 -	81 - -	94 +	90
<b>Right to individual training courses included in the plan</b>									
Partly	0 - -	5 + + +	0 - -	1 -	0 - -	0 - -	3 + +	0 - -	1
Fully	0 - -	7 + + +	5 + +	2 +	1 - -	3 + +	1 -	3 + +	2
No	100 + +	88 - - -	95 -	97	99 +	97 -	96 -	97 -	97
Has a list of specific training courses within the framework of individual right to training	7 -	24 + + +	16 +	12	4 - - -	13	19 + +	9 -	11
There is a training plan	10 - - -	86 + + +	55 + +	36	18 -	47 +	38 +	40 +	31
<b>Distribution of employees</b>									
Managers	13 -	20	21 +	17 -	17 -	12 - -	26 + +	17 -	19
Intermediary professions	8 - -	20 +	22 +	16	12 -	13 -	21 +	20 +	17
Employees	36 +	27 -	25 - -	34 +	32	36 +	38 +	31	32
Workers	43 + +	33 +	33 +	33 +	40 +	40 +	16 -	32	31
Total	100	100	100	100	100	100	100	100	100

<b>Supplementary variables Company section (source: CVTS3)</b>	<b>Cluster 1 39% of companies</b>	<b>Cluster 2 10.5% of companies</b>	<b>Cluster 3 3% of companies</b>	<b>Cluster 4 27% of companies</b>	<b>Cluster 5 6% of companies</b>	<b>Cluster 6 2.5% of companies</b>	<b>Cluster 7 7% of companies</b>	<b>Cluster 8 5% of companies</b>	<b>All companies</b>
<b>Distribution of trainees on the course</b>									
Managers	25	24	22 -	20 -	18 - -	18 -	30 +	20 -	24
Intermediary professions	10 - -	24	23	20 -	16 - -	18 -	27 +	30 +	24
Employees	31 +	24 -	26	31 +	27	32 +	30 +	26	27
Workers	34 +	28 +	28 +	29 +	40 ++	31 +	13 - -	24	25
Total	100	100	100	100	100	100	100	100	100
<b>Rates of access to training course</b>									
Managers	24 - -	65 +	63 +	50 -	26 - - -	54 -	67 ++	53 -	57
Intermediary professions	14 - -	65 +	63	55 -	35 - -	53 -	76 ++	70 +	62
Employees	10 - - -	47 ++	63 ++	40	21 - -	33 -	45 ++	38	39
Workers	10 - - -	47 ++	51 ++	37	25 - -	29 -	50 ++	35 -	37
Total	12 - - -	54 ++	59 ++	43 -	25 - -	36 -	58 ++	46	46
<b>Duration of training</b>									
Average duration	28	27	29	27	23 -	22 -	32 +	26	28
Median duration training courses	21 -	23	30 +	22	23	21 -	27 +	23	23
<b>Average share of women</b>	0.36-	0.40+	0.41+	0.36	0.33	0.40+	0.45+	0.36	0.37
Implementation of a formal procedure for identifying needs in terms of developing competences (% YES)	26 - - -	86 ++	57 +	66 +	31 - -	41 -	69 ++	69 ++	50
Assessing competences acquired following training (% YES)	14 - - -	69 ++	61 ++	62 ++	35 - -	39	59 +	60 +	41
Existence of training outside working hours (% YES)	8	12 ++	13 ++	7	15 ++	11 +	10	10	9
Use of the individual right to training:									
- YES (exclusively outside working hours)	1	9 ++	2	5 +	0	4	3	6 +	3
- YES (mainly outside working hours)	1	9 ++	11 +++	6	10 +++	5	7 +	5	5
- NO	31	72 +++	75 +++	81 +++	49	70 ++	76 +++	77 +++	58
- Does not know / not concerned	67	10	12	8	41	21	14	12	34

<b>Supplementary variables company section (source: CVTS3)</b>	<b>Cluster 1 39% of companies</b>	<b>Cluster 2 10.5% of companies</b>	<b>Cluster 3 3% of companies</b>	<b>Cluster 4 27% of companies</b>	<b>Cluster 5 6% of companies</b>	<b>Cluster 6 2.5% of companies</b>	<b>Cluster 7 7% of companies</b>	<b>Cluster 8 5% of companies</b>	<b>All companies</b>
<b>Sectors</b>									
Extraction industries	0.20	0.56	0.35	0.53+	0.29	0.53+	0.08-	0.46	0.35
Agricultural & food industries	3.70	2.60	7.60 +	4.57	4.59	2.97	2.27-	3.10	3.86
Textile & clothing industry; leather & footwear indus.	1.91	1.27	3.61 ++	1.02	1.05	3.59 +	0.44-	2.28	1.56
Paper & card industry; publishing & printing	1.98	2.36	2.28	1.98	2.50	4.11 +	0.57-	2.83	2.06
Coking, refining, nuclear indus.; chemicals industry; rubber/plastics indus.	1.81	5.94 ++	3.27 +	2.88	2.71	2.22	4.18+	2.11	2.83
Metallurgical and metalworking industry	5.25	1.93	7.90 ++	4.64	6.82 +	3.75	5.15	3.24	4.78
Manufacture of machines and equipment; electrical and electronic equipment; manufacturing of other non-metal mineral products	3.18	4.47+	2.52	4.42 +	4.84 +	5.18 +	3.46	5.29+	3.90
Manufacture of transport equipment	0.47	1.06	0.74	0.82	0.23	1.12	0.74	0.88	0.67
Woodworking and manufacture of wooden items; other manufacturing industries	2.43	1.50	0.56	2.65	1.66	1.68	0.99-	1.78	2.13
Production and distribution of electricity, gas & water	0.05	0.76	0.24	0.17	0.07	0.38	0.17	0.18	0.19
Construction	19.11 +	7.02 --	23.33 ++	10.47	16.04	14.49	4.70 ---	19.18+	14.34
Car trade & repairs	2.83 +	2.73 -	1.47	4.61	7.23 +	7.33 +	6.52 +	6.23+	4.06
Wholesale & trade intermediaries	9.79	10.11	10.28	10.29	4.60	9.89	9.32	7.45-	9.50
Retailing & repair of household goods	10.94	4.41-	6.67	9.06	8.37	17.23 ++	11.25	7.42-	9.45
Hotels & restaurants	8.57 +	1.96---	9.53	6.79	6.17	7.51	8.60	3.93--	7.03
Land, water transports; air transports; auxiliary transport services	7.26	5.10	4.50	6.32	6.71	8.14	2.18 --	4.12-	6.17
Post & telecommunications	0.25	0.15	0.20	0.18	0.19	0.21	0.43	0.11	0.22
Financial intermediation; insurance	0.13	2.84	7.16	0.79	0.52	0.82	1.35	0.68	0.98
Financial & insurance auxiliaries	0.38	0.96	0.76	0.97	0.36	0.28	0.79	0.15	0.63
Real estate, rental & B2B; collective, social & B2C services	19.75 -	42.24+++	7.02	26.85	25.05	8.56---	36.81 +	28.59+	25.29

<b>Supplementary variables: employees (Source: DIFES)</b>	<b>Cluster 1 39% of companies 35% of employees in this cluster</b>	<b>Cluster 2 10.5% of companies 13% of employees in this cluster</b>	<b>Cluster 3 3% of companies 5% of employees in this cluster</b>	<b>Cluster 4 27% of companies 30% of employees in this cluster</b>	<b>Cluster 5 6% of companies 3.5% of employees in this cluster</b>	<b>Cluster 6 2.5% of companies 3% of employees in this cluster</b>	<b>Cluster 7 7% of companies 5.5% of employees in this cluster</b>	<b>Cluster 8 5% of companies 5% of employees in this cluster</b>	<b>Total employees</b>
<b>Job status</b>									
Open-ended contract	96 +	87 -	83 -	90	95 +	83 -	68 - -	88 -	90
Fixed-term contract	2	5	6 +	4	0	17 + + +	13 + +	1	4
Temp workers	2	7 +	0	3	5	0	14 + +	7 +	4
Other	ns	ns	ns	ns	ns	ns	ns	ns	ns
<b>Seniority</b>									
-1 year	8	9	28 +	12	0	32 + +	6	6	10
1 - 5 years	35 +	22	4	12 - -	33 +	6	41 + +	22	24
5 - 10 years	21	16 -	25	22 +	22	17	11 - -	18	20
10+ years	34 -	42 +	43 +	49 + +	40	43	28 - - -	46 +	41
Does not know / not concerned	2	12 + +	0	5	5	2	14	8	5
<b>Changed post or job since joined company</b>									
YES (vertical)	15	7	24 + +	11	0	11	10	25 + +	13
YES (horizontal)	6	10 +	5	6	14	12 + +	4	11 +	7
NO	74 +	66 -	65 -	71	79 + +	58 - -	65 -	56 - -	70
Does not know / not concerned	5	17	6	12	7	18	21	8	10
<b>Is informed about training in the company (% YES)</b>									
Managers	ns	95 + +	ns	86	ns	ns	87 +	ns	84
Intermediary professions	62 -	85 +	100 + +	64 -	ns	ns	81 +	ns	71
Employees	49 -	74 + +	ns	61 +	ns	ns	46 -	ns	57
Workers	28 -	64 + +	83 + + +	39 -	ns	44 +	22 - -	51 +	42
Total	48	79	92	59	70	61	54	58	59
<b>Has heard of the individual right to training (% YES)</b>									
Managers	ns	86 + +	ns	65 +	ns	ns	49 - -	ns	71
Intermediary professions	59 +	80 + + +	28 - -	43 -	ns	ns	61 +	ns	55
Employees	26 - -	47 +	ns	65 + +	ns	ns	10 - - -	ns	40
Workers	29	31	17 - -	24 -	ns	70 + + +	14 - -	52 + +	29
Total	42 -	61 + +	31 - -	45	41	60 + +	28 - -	53 +	45
<b>Distribution of workers</b>									
Managers	12 -	21 +	5 - - -	19 +	15	13 -	18	28	16
Intermediary professions	27 +	29 +	34 + +	26	21 -	10 - -	17 - -	9	25
Employees	22 -	25 +	24	20 -	16 - -	23	40 + +	17	23
Workers	39 +	25 -	37	35	47 + +	54 + + +	24 - -	47 + +	36
<b>Rates of access to training</b>									
Managers	ns	89 + + +	ns	24 - -	ns	ns	41 +	ns	36
Intermediary professions	35	63 + +	57 +	37 -	ns	ns	4 - - -	ns	40
Employees	11 - -	59 + +	ns	17 - -	ns	ns	22 -	ns	24
Workers	14 - -	36 +	73 - - -	25	ns	19	20 -	34 +	25
Total	19 - -	61 + +	54 +	26 -	31	44 +	22 - -	28 -	30

<b>Possibility of expressing training needs (% YES)</b>									
Managers	ns	90 + + +	ns	68	ns	ns	92 + + +	ns	67
Intermediary professions	25	84 + + +	70	53 +	ns	ns	50 +	ns	46
Employees	20	72 + + +	ns	37	ns	ns	23 - -	ns	36
Workers	19	33 +	67 + +	28	ns	36 +	37 +	43 +	31
Total	23 - - -	69 + + +	64 + +	44	41	53 +	44	57 +	42

(ns: not significant)

## **ADDITIONAL COMMENTS: DISCUSSION OF THE PAPER ‘CAPABILITY FOR LEARNING IN FRENCH COMPANIES’ (HOLGER ALDA, BIBB, GERMANY)**

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The paper written by Josiane Vero, Marion Lambert, Delphine Corteel and Bénédicte Zimmermann suggests an empirical research design in order to apply Sen’s CA in the field of access to training. The first thing I asked myself was: is access to training in a capability-friendly perspective correct to say? In a strictly interpretation one can cast some doubts on it, because it is not only the access to training, but the *capability* of individuals of accessing to training, whenever they have reason to value such an access. Is this a better answer? Partly yes, and partly no and this is because such questions are at the very centre of what the application of the CA demands and what can make empirical investigations sophisticated. I would like to discuss the latter.

First of all, the authors of the paper suggest a fully convincing methodology in order to get rid of the complexity deriving from micro-macro (better: meso) link of their research question. And I must say - from a German perspective - that I am a little bit jealous on the great opportunities you have on data level for addressing your empirical research question.

On a quantitative level the two French linked employer-employee datasets are in my opinion for capability-friendly empirical analyses a powerful tool and therefore a very good choice. The access to training is – in the French case – on the one hand more or less guaranteed by law; on the other hand the firm is – as I understood the respective paragraphs in the paper - an intermediate agent transforming the formal right of individual training into a real one.

But even after reading the respective paragraphs: I did not understand very well how firms avoid respective penalties in case of misbehaviour (is there a legal definition of it in France?) and, who would give such penalties? Before 2004 I assume works councils can more or less demand respective firm sanctions, (it would be for Non-French interesting to know something about respective mechanisms), but after 2004 I am not sure. Can for example the change of the law in 2004 be interpreted as a substitution of responsibility from the collective to the individual level? At least it would be helpful to know more about the role of works councils in providing individual access to training in French firms (in terms of formal and real rights) and its coverage on firms and employees. Depending on the status quo the presence (or absence) of a works council in a firm might have a more or less strong impact on the capability of persons of accessing vocational training, especially if individuals are hampered in activating their individual resources.

So I would like to know more about the interaction of firms, workers and institutions:

- What is the role of collective negotiations both on firm (works councils) and branch level (as formulated in collective agreement) for getting access to training? Or do only individual factors count? Such questions might have some implications on the applied firm typology and the future investigation methods applied. I discuss that later.
- The second I am wondering about is: are firms ‘only’ conversional factors or are they (also) resources? For example, if a firm offers training to any of its employees the firm it is for me a resource. A respective conversional factor might be in that case that respective employees have characteristics making them for the free (not constrained)-training-access firm desirable, while others would have nearly no chance to enter such a firm.

Taking the interaction dimension seriously brings me to some remarks on the empirical results and the applied firm typology, because it raises the question of the universe for the entire possible micro-meso link and the interactions between them, given the printed and concrete proceeding. This typology is very informative, and it surely is a good idea in order to catch the entire firm population for the qualitative interviews on individual level (are they made with the same persons who gave an quantitative interview? Sorry for asking if I haven’t read carefully). But I have several questions about the concrete empirical proceeding:

- First of all, I didn’t understand what the values mean being printed in appendix with the constituting factors. [ Hope it is clarified while discussing because of your former presentation ]

- Methods: clustering is – in my opinion – an appropriate tool, if the research focus is on complex interdependencies between certain variables, namely if they describe endogenous mechanisms which cannot all be modelled. Capability-friendly I agree that the capability of getting access to training one has reason to value is such a case. And of course I see why you putted also information on the individual level in the typology (namely in order to get to the entire several firm types needed to be covered by the qualitative interviews). [ Question: Do you always have one employee per firm? ]

But in the paper there is much more done than modelling endogenous firm characteristics concerning training, namely – despite the individual characteristics- you also modelled at least partly the interaction of firms and employees within the typology. In my opinion it gives much more information in further quantitative investigations, if both levels stay separated. Especially multi-level analyses provide powerful tools to attribute the  $R^2$  to firm and employee characteristics *and* the interaction between both levels.

My next two points are therefore mainly concerning the firm level and a presumably sorting on the French labour market [meaning that the ‘good’ workers (in terms of access to training - work also in the good firms (who enable them to do so)). The first is: I miss descriptions or analyses of the economic environment of the firms and their production conditions. Especially one variable is missing: the wage. There are so many reasons why wages on both levels are so important: One of the most important one could be a more or less clearly division of French firms into high or low wage firms (a first glance of sorting would be given by comparing the individual and firm wage; you see whether you have an high wage worker in a low wage firm or a low wage worker in a high wage firm [of course is any other combination possible]).

The firms might have specific reasons to give all or none (a minimum) of their workers access to training while more heterogeneous firms - in terms of their workers (i.e. larger firms)- might have more or less detailed rules for the access to training (or sometimes not, like one of the cluster types). It raises the question what is the typical worker in the respective firm? Or do firms have in general incentives to train especially highly educated persons (there are many reasons to assume so, because technological and organizational change raises especially the productivity of (highly) skilled workers). Of course, you can clarify such questions partly in the qualitative part, but also the quantitative data provide pretty much information to shed light in such more or less typical patterns and cannot be done on the qualitative level alone.

The second point therefore suggests additional quantitative analyses. I would be very interested in a regression (logistic, multinomial or ordered) making the determinants of the clusters visible. It could be also interesting to do something similar on the individual level, but in that case you are forced to decide whether you put individual characteristics of the current typology on the left or right side of the equation! But if you do, then it is only a small step for applying multi-level analyses in order to determine, how strong the interaction effect is between the firm and individual level, in other words: how strong is the correlation of conversional factors and (individual) resources?

My last remark is about ‘placing the individual in the core of everything’. I do believe this is correct if – capability-friendly - interpreting any empirical result. But I am wondering if this could hide some interesting questions especially addressing the CA. I understand the CA – briefly – as: (after defining a target process) consider the resources persons require in order to achieve something they have reason to value (here: access to training). Take into account conversional factors, constraints and whatever else. In other words it means for me: what can be good for one person in one place could be worst for another. What does this mean for the access to training one has reason to value? Despite the case of low wage workers in high wage firms, also in the interaction of firms and employees many combinations may occur. One example: firms offer training, employee refuses. Both sides are satisfied. Is that ‘okay’? In my opinion a distinction between objective and subjective values is necessary to get rid of this aspect of freedom of choice.

However, the sorting aspect cannot be investigated in the qualitative interviews, because it addresses the question whether a rather deprived individual (concerning training) would have more degrees of freedoms when working in a different firm environment. I think answers to such questions could be very informative especially for policy recommendations. But in order to do so means also dividing the individual and firm level into separated parts and therefore strictly limiting the typology on firm (and not worker) characteristics. At least for some investigations I would risk loosening the presumably intended and strict connection between the qualitative and quantitative level in order to exploit the full range the both research methods offer.

Please take my discussion as suggestions, where sometimes I do not know whether I made them as suggestions for the qualitative interviews or for quantitative analyses, because it also depends on the variables the LEE data provide. You will consider them or not. But please take my discussion in any case as a motivation

to follow your research path and research questions. The combination of LEE data with qualitative interviews is a very powerful tool, if you find the right balance between the in-depth interviews and applying some statistical methods corresponding with some striking findings on qualitative level. Both sides profit from this situation: quantitative research observes how its statistics become more vivid and what they mean from an individual perspective, qualitative research gathers some more knowledge about the coverage of its crucial findings. Excellent!



# Labor trajectories, work-life balance and social assistance policies in developing countries. Insights from Argentina

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## INTRODUCTION

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When I was a child, I was frequently asked “what would you like to be when you become adult?” (qué te gustaría ser cuando seas grande?). This question implied that I would study and that I would become “something”. “Something” that would be related to the labour market, to an occupation, to employment.

Now that I am an adult (who studied and became something like an economist), I am aware that the chance to become “something” that is socially and economically recognized is not that simple, and that many people lack the opportunity to become what they dreamt.

In this paper I board a simplified version of this question, focused on the different labour trajectories people develop, why they are so, and what public policies do about people with weaker chances. I study the case of the Argentinean labour market, men and women labour trajectories, and the impact on them of a specific social assistance program. Female and male labour trajectories are analyzed within three different periods of time related with different macroeconomic contexts. The three periods are:

- i) the economic recovery of the beginning of the first half of the nineties,
- ii) the economic restraint at the end of the nineties (that ended up with the financial crises of 2001),
- iii) the economic recovery that started in 2003, once the “convertibility plan” was abandoned.

The paper is organized as follows: in the first section I briefly present the Argentinean context. Section 2 is devoted to the presentation of the conceptual and methodological approach. Section 3 presents the data source used both in the quantitative and the qualitative analysis. Section 4 presents the result of the quantitative analysis. In section 5, I present the specific labor-related assistance program to be analyzed. Finally in section 6, the results of the qualitative analysis are presented.

## 1. THE ARGENTINEAN CONTEXT

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The characteristics that the capital accumulation model adopted during the 90s in Argentina, was determinant in the evolution of the labour market. In 1991 and after the hyperinflationary events of the previous years, the law of strict convertibility between local currency and United States dollar was enacted. The stabilizing effects of this mechanism of exchange rate fixation, in addition to a favorable international financial context and the support of multilateral credit institutions, facilitated a series of economic structural reforms<sup>42</sup>.

After the stabilizing initial take-off generated by this program, it became evident that in order to sustain the competitiveness of an economy with a fixed exchange rate (with an overvalued local currency) and extreme market opening, a significant reduction of labour costs and a strong indebtedness increase were necessary. Even when production of tradable goods was increased, mainly by organizational technologies and by the possibility of incorporating imported capital goods at low prices, this increase was not enough to excel foreign competitors. All this pressed even more to adjust production costs, not only those of the hard core of tradable goods but also those of the economy as a whole. It was no longer an issue of expelling pockets of inefficient manpower towards the technological unemployment zone, but it was also needed to adjust the cost of those who remained “inside” the system.

The expansive cycle of the Convertibility Plan lost intensity progressively until the 1995 crisis of the international financial markets, initiated in Mexico, changed the existing scenario by one of recession. In 1996 growth was recovered. This expansive wave was shorter and the economy slowed down again by mid 1998, to enter into a terminal crisis of the convertibility model by the end of 2001.

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42 For a critical Macroeconomics study of this period, see Lo Vuolo (2001).

With the ups and downs of the macroeconomic evolution typical of that period, the labour market behaved with oscillations, but with a general and strong trend towards the worsening of its conditions<sup>43</sup>. One of the principal characteristics of the economy of those years was its reduced capacity of employment generation, even with product and investment growth.

In fact, the evolution of the main labour market indicators during that period, present the following aspects:

- i) Growth of activity rate, mainly driven by the increasing participation of women in the labour market.
- ii) Relative stagnation of employment rate, with a slight increase in the case of women and a strong decrease in the case of men.
- iii) Accelerated and very important increase in open unemployment. During the 90s, this indicator grew by more than 100% in the economically active population as a whole. Even when male unemployment rate grew more acceleratedly, female unemployment rate was higher than that of men along the whole period<sup>44</sup>.
- iv) Time-related underemployment also increased significantly in the economically active population as a whole, and female underemployment rate almost doubled that of men.

There is no doubt that the most evident aspect of this phase is the increase in workforce underutilization. Unemployment became the most relevant and concerning aspect in the population's economic situation during this phase. Being as it was so extended a phenomenon, unemployment affected all population groups, but resulted more critical among young people, lower-qualified workers, and family heads.

Another core characteristic during that period was the progressive stagnation in the relative participation of the informal sector, and at the same time, an increase in the informalization of the formal sector. This refers to the spread of labour precariousness within formal sector companies, including a variety of new contract forms and labour conditions that appeared after the changes to the labour regulation.

Finally, the Argentine labour market dynamics was intensified during the 90s, causing the widening of the employment gap, defined by Monza (2002) as the degree of workforce aggregate underutilization, that is, the several forms of occupational distortion. According to Monza's evaluation, while in 1991 almost 40% of the EAP suffered some sort of underutilization, ten years later and in contrast with Argentina's economic regime during that period, underutilization increased by 14 percentage points, reaching 54.1% of the EAP in October 2001, which corresponds to an annual average increase of 5.3% for the total urban country. In addition to this quantitative change in the employment gap, a change in its composition is also verified: unemployment absorbed 35% of the gap in October 1991 and reached 55% in October 2001.

Regarding the particular experience of women in the Argentine labour market during this period, the most outstanding feature is the increase in the activity rate. The majority of the studies agree to indicate that this evolution is a fundamental consequence of three facts: the search for additional incomes by the households who suffered a significant decrease in their real income, the increase in the incidence of male family heads unemployment (men are the main income recipients in many families), and a general deterioration of the employment conditions of the employed household members.

It is no coincidence that women have increased their participation in the labour market only when the labour market's conditions have deteriorated. That is the reason why the higher level of female activity does not achieve to reverse the principal gender inequity features that have been verified in the labour market through history, which adopts distinctive features during this period. Synthetically, the following is verified: i) higher underutilization of female workforce than that of male; ii) persistence of horizontal and vertical gender segregation; iii) higher labour vulnerability for women than for men; iv) persistence of the income gap.

Although this pattern of female participation seems quite homogeneous in the central ages, the evidence also shows significant differences according to the presence and number of dependent children. To sum up, the persistence of traditional gender patterns in the division of domestic responsibilities, and the little availability

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43 Beccaria (2005) identifies five phases during this period: i) expansion phase (1991-1994); ii) recessive phase (1994-1995); iii) recovery (1996-1998); iv) new recessive phase (1998-2001); v) crisis by late 2001.

44 The year 2002 shows male unemployment rate over female rate for the first time during the period. But the evidence of subsequent years shows that it was only a circumstantial variation.

of child care services for the majority of the population, seem to have been fundamental determiners for the female experience in the labour market in the 90s.

The year 2003 marks the beginning of a sustained process of economic activity recovery, with growth in product, investment, consumption and employment as well. This macroeconomic context sets up a new scenario for the improvement of labour market conditions.

Product accumulated a growth of 29%, and employment one of 13,6% between 2003 and 2006. Together with this, open unemployment is getting systematically reduced, changing from 16.3% in the third quarter 2003 to 10.2% in the third quarter 2006. In 2006, the estimates indicate 20,5% more jobs for the urban employed as a whole. This means that the pre-devaluation period and the highest levels reached during the 90s have been overcome. In brief, this scenario of economic recovery allows to think about better employment chances for both women and men.

What happens in this regard during the “convertibilidad” and afterwards? This is what I intend to analyze in coming sections of this paper.

## **2. THE CONCEPTUAL AND METHODOLOGICAL APPROACH**

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The purpose of this paper is to analyze individuals’ labor trajectories in connection with the capability of paid work to act as a mechanism to create life chances and to discuss the positive impact that labor-related assistance policies may have on people with the weakest labor trajectories.

In this paper, life chances are defined as the actual possibility to choose among a wide range of life options, enabling the individual to: i) meet his/her own needs and desires; ii) develop his/her own skills and tastes; iii) participate in social life on an equal footing to other citizens. Thus, three levels of life chances may be identified: i) the material level; ii) the level of fulfillment; and iii) the level of equity<sup>45</sup>.

For the purposes of this paper, two dimensions must be analyzed: on the one hand, whether individuals are employed or not, and on the other, what the quality of such employment is.

In order to analyze the first dimension, the transition of workers between paid work states is studied: employment, unemployment and inactivity. In order for employment to act as a mechanism to create life chances, individuals must be employed. Therefore, employment, unlike unemployment or even inactivity, will be a positively valued condition.

To analyze the second dimension, paid work status was classified in “full-employment” and “underemployment”. These categories are considered to be approximations to the quality level of the job position, and they are analyzed in connection with their capability to impact on each of the three levels of life chances<sup>46</sup>.

“Underemployment” is defined as a condition including any of the following:

- Employees that are in a temporary position lasting less than three months or that have no social benefits, or that, even having social benefits, are underemployed with time available to work.
- Self-employed workers that are in a temporary position lasting less than three months, or that consider their employment as an “odd job” or that perform non-qualified tasks, or that even performing professional or qualified tasks are underemployed with time available to work.
- Domestic-service workers.
- Unsalariated workers
- Skippers that are in a temporary position lasting less than three months or that are underemployed with time available to work.

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<sup>45</sup> For a detailed analysis of the concept of life chances as used herein and its conceptual and methodological implications, see Rodríguez Enríquez (2008). The conceptual inspiration of this concept relies on the capability approach of Amartya Sen and the theory of human needs of Doyal and Gough.

<sup>46</sup> The methodology used by Rodríguez Enríquez (2001) is repeated.

Individuals who do not fall within any of the above categories are considered to be in a full-employment condition. It is understood that each of the two categories (full-employment and underemployment) entails different results in connection with elements key to determining life chances. The condition of full-employment strengthens the ability of paid work to affect the material level and the level of fulfillment of life chances; whereas underemployment weakens such ability.

So, the transition from inactivity to work is positively valued, except when the individual's age is inappropriate to work in a salaried job, as it is either school age (under 18 years of age) or the statutory age to retire. Conversely, inverse transitions, that is, individuals in active age, moving from activity to inactivity, are negatively considered.

Any transition from unemployment to some kind of employment is considered a positive transition. On the contrary, any transition from employment to unemployment is considered a negative transition.

Any transition from underemployment to full-employment is considered positive, while any inverse transition is considered negative.

In order to analyze the transition of individuals between the two possible states, a longitudinal study was performed and transition matrices were constructed to reflect the situations of the individuals at the beginning and end of each period. Transition matrices are presented for the aggregate of the population over 10 years of age, and separately for men and women of said age.

As it is intended to link the characteristics of these transitions to the tension in the reconciliation of work and family life, we will subsequently analyze the importance of such transitions (classified as positive and negative) to individuals with different socio-demographic factors, including, but not limited to, the presence of children in the household.

After having identified the population group with weakest trajectories by means of the longitudinal study, the labor-related assistance policies involved are investigated. In particular, it is interesting to know if this kind of intervention by a public policy affects favorably these individuals' labor trajectories and their life chances in their own experience of the program.

For such purpose, in-depth semi-structured interviews were conducted with a group of beneficiaries. This qualitative study allows knowing the beneficiaries' own perception on this matter, and comparing some of the deductive conclusions from the quantitative analysis.

### 3. DATA SOURCE

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The longitudinal study conducted to analyze labor trajectories during the convertibility [Currency Board System] period, was based on the construction of matrices with data from the Punctual Permanent Household Survey (EPHP, for its initials in Spanish), and collected up to 2003. The aim was to follow the individuals' trajectories during the longest time possible throughout the two economic phases: an expansion phase (1996 - 1998)<sup>47</sup> and a contraction phase (1999 - 2001)<sup>48</sup>.

To analyze the post-convertibility economic expansion period, a longitudinal study was conducted based on data from the Ongoing Permanent Household Survey (EPHC, for its initials in Spanish) which provides information as from 2003 second semester. Using the data available, matrices were constructed to follow household members during a year and a half, from the first quarter of 2004 to the first quarter of 2006.

In all cases and with the purpose of having a statistically-significant sample with the longest period of time possible, additional samples were constructed through a pooling procedure. This sample pooling procedure is

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47 According to the information available, the exact period is comprised between October 1995 and October 1998. GDP grew 17.5% at constant values from 1996 to 1998.

48 According to the information available, the exact period is comprised between October 1998 and October 2001. GDP grew 8.6% at constant values from 1999 to 2001.

often used in literature and allows simultaneous display of trajectories that took place in close but different time periods<sup>49</sup>. Appendix I shows the composition of the samples added for each period.

The qualitative analysis is based on in-depth semi-structured interviews with 21 current beneficiaries of labor-related assistance programs (PJJHD, PEC), of either gender, different ages, geographical locations and manners to access the program (through social movements, local political leaders, municipal officers, or without middlemen). Interviews were conducted during the second semester of 2006, in the communities of Florencio Varela, Claypole, and Avellaneda and in the city of Buenos Aires.

## **4. WOMEN AND MEN LABOR TRAJECTORIES IN ARGENTINA**

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### **4.1. The Convertibilidad (Currency Board) Phase**

If we consider that an expansion phase of the economic cycle is a favorable scenario to boost the ability of paid work as a mechanism to sustain and expand life chances, we can expect the following individual labor trajectories to predominate: i) continuity of employment; ii) transition from underemployment to full-employment; iii) transition from unemployment and inactivity to employment, preferably full-employment; iv) little transition from employment to unemployment and inactivity; v) little continuity of unemployment.

Table 1 shows that, indeed, if we consider the totality of the population over 10 years of age, continuity of employment is high for those who at the beginning of the analyzed period were fully employed (76.1%) and significantly lower in the case of individuals who were underemployed (51.4%). Among the latter, considerable transit to full-employment is verified. Almost a quarter (23.6%) of underemployed individuals at the beginning of the period, was fully employed at the end of said period.

The transition from employment to unemployment and inactivity is far less significant, but it is worth noting that it is also markedly different between fully-employed individuals and underemployed ones. As it can be seen, while hardly 4.5% of fully-employed individuals became unemployed, and 4.6% of them became inactive, these percentages increased to 9.9% and 15% respectively in the case of underemployed individuals at the beginning of the period.

Reasonably, continuity of unemployment is lower, reaching 26.9%. Almost half of those unemployed at the beginning of the period are employed at the end of it. However, scarcely 17.1% of unemployed individuals are and continue to be fully employed, whereas 30.9% are under-employed.

Finally, in the economic expansion scenario, there are no significant transitions from inactivity to activity. 85.4% of inactive individuals remain in such situation. From those who access the labor market, two thirds find a job, although most of them are underemployed<sup>50</sup>.

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49 For information about the use of this methodology in studies of the Argentinean case see Paz (2003) and Groisman (2006).

50 Attention should not be paid to the long continuity of inactivity as the analysis included retired individuals (60-year-old women or older and 65-year-old men or older). This was decided so that individuals of that age group that accessed the labor market, or remained in it, could be included in the analysis, as literature reported that such was a relevant phenomenon during this period. Therefore, please note that out of the total of inactive population; approximately 25% belongs to individuals of that age group. The same applies to individuals under 18 years of age (approximately 35% of the inactive population), also included in the analysis so as to compute trajectories of young individuals in school age that work (whether they dropped out of school or not).

**TABLE 1**  
**Transition Matrix –Economic Expansion - Convertibility**  
 October 1995 – October 1998 – By Sex. Expressed in percentages

Total		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	76,1	14,8	4,5	4,6	100,0
	underemploy	23,6	51,4	9,9	15,0	100,0
	unemploy	17,1	30,9	26,9	25,1	100,0
	inac	3,0	6,8	4,9	85,4	100,0
	total	26,0	17,9	7,4	48,7	100,0
Women		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	74,3	14,4	2,9	8,4	100,0
	underemploy	16,2	53,1	8,5	22,2	100,0
	unemploy	10,9	28,2	23,1	37,8	100,0
	inac	2,4	6,4	4,5	86,7	100,0
	total	15,8	15,9	6,2	62,1	100,0
Men		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	76,9	14,9	5,2	2,9	100,0
	underemploy	30,5	49,9	11,2	8,4	100,0
	unemploy	22,0	33,1	30,0	14,9	100,0
	inac	4,1	7,5	5,5	82,9	100,0
	total	37,4	20,1	8,8	33,7	100,0

Source: Based on EPHP

If we distinguish men and women trajectories, interesting similarities and differences can be noticed (see Table 1). First, continuity of employment is significant in this period for men and women alike. Although women remain fully employed relatively less and underemployed relatively more, such difference is not considerable.

Second, transition from underemployment to full-employment is higher for men than for women. Indeed, while 30.5% of underemployed men at the beginning of the period are fully employed at the end of it, this percentage is reduced to 16.2% in the case of women.

Likewise, the difference is significant when the transition from underemployment to inactivity is observed. While hardly 8.4% of men record such transition, 22.2% of underemployed women make the transition to inactivity.

Third, some gender differences can be seen in the transition from unemployment to the different work states. Continuity of unemployment is more marked for men (30%) than for women (23.1%). In contrast, the transition from unemployment to inactivity is notably higher for women (37.8%) than for men (14.9%). Consequently, transition from unemployment to employment during this period of economic expansion is higher for men (55.1%) than for women (39.1%). In addition, as regards full-employment, transitions differ too. While 40% of unemployed men that find employment become fully employed, the percentage is reduced to 27.8% in the case of women.

In summary, during the economic expansion period positive aspects are verified in individual labor trajectories, expressed by a marked continuity of employment, notably higher for full-employment than for underemployment and a transition from underemployment to full-employment and from unemployment to employment, mainly underemployment.

The composition and intensity of said transitions differ between men and women. Positive transitions are more pronounced in men than in women. In fact, more men move from underemployment to full-employment and from unemployment to employment.

Regarding negative transitions, men are more likely to remain unemployed and to make the transition from employment to unemployment. In the case of women, they are more likely to move from different paid work

states to inactivity. That is, even though there is a favorable macroeconomic scenario, when accessing the labor market, men have more issues as regards unemployment and women, inactivity.

It is worth wondering if individuals' personal traits mark differences in paid work transitions during this convertibility period of economic expansion. Table 2 below shows data to make such analysis.

**Tabla 2**  
**Labor trajectories – Economic Expansion - Convertibility**  
**Individuals by age group, level of education and dependents according to sex**  
**and transition type.**  
 October 1995 – October 1998. Expressed in %

	Total		
	Positive Transitions	Negative Transitions	Total
Total	45,0	55,0	100,0
Age			
Up to 25	38,7	61,3	
From 25 to 45	51,7	48,3	
Over 45	41,4	58,6	
Educational level			
Up to primary school	35,5	64,5	
Up to secondary school	46,8	53,2	
Over secondary school	59,0	41,0	
Children under 6			
None	45,5	54,5	
One	45,6	54,4	
More than one	40,8	59,2	
	<b>Women</b>		
	Positive Transitions	Negative Transitions	Total
Total	34,1	65,9	100,0
Age			
Up to 25	34,9	65,1	
From 25 to 45	37,6	62,4	
Over 45	28,3	71,7	
Educational level			
Up to primary school	21,6	78,4	
Up to secondary school	33,3	66,7	
Over secondary school	54,9	45,1	
Children under 6			
None	36,3	63,7	
One	30,4	69,6	
More than one	27,0	73,0	
	<b>Men</b>		
	Positive Transitions	Negative Transitions	Total
Total	56,0	44,0	100,0
Age			
Up to 25	42,1	57,9	
From 25 to 45	67,5	32,5	
Over 45	53,5	46,5	
Educational level			
Up to primary school	48,5	51,5	
Up to secondary school	59,5	40,5	
Over secondary school	64,2	35,8	
Children under 6			
None	54,3	45,7	
One	62,6	37,4	
More than one	55,8	44,2	

Source: Based on EPHP

The following are the main conclusions:

- a higher proportion of women than men undergoes negative labor trajectories;
- young individuals are the ones that most undergo negative transitions in the labor market;
- the difference between men and women in central ages in gaining access to the labor market is notable. While 67.5% of men within this age group have undergone positive trajectories and 32.5% of them, negative ones, these figures are inverted in the case of women, among whom only 37.6% goes through positive trajectories and 62.4%, negative ones. The difference is perceived to lie in the larger amount of women of this age group remaining inactive (considered in this context as a negative trajectory), and the larger amount of men moving from underemployment and unemployment to full-employment (both of them considered to be positive trajectories);
- the existence of a positive relationship between the level of education and quality of employment is verified; while scarcely 35.5% of individuals with primary education undergo positive trajectories, said percentage increases to 59% for individuals that completed secondary school.
- also, it can be noticed that the positive relationship between education and job quality is more intense for men than women. In the case of women, the positive effect of education is more evident at higher education levels.
- the lower the level of education, the most women become inactive.
- if we consider the relationship between the type of labor trajectories and care responsibilities, it can be seen that women with children under 6 years of age undergo a higher proportion of negative labor trajectories, whereas in the case of men, the proportion of positive and negative trajectories is very similar between those without children under 6 years of age and those who have more than one.

The period of economic contraction, which started in 1998 and continued after the financial crisis that led to the end of the convertibility era, had evident impact on the labor market and the socio-economic state of the population. In this context, positive labor trajectories are expected to diminish - or even reverse.

Indeed, this unfavorable economic context is expected to lead to labor trajectories characterized by: i) little continuity of employment; ii) more transitions from full-employment to underemployment; iii) more transitions from employment to unemployment and inactivity; iv) less transitions from unemployment and inactivity to employment; v) more continuity of unemployment.

Table 3 shows labor trajectories of the aggregate of the population of 10 years of age or over, disaggregated by sex, for the period of economic contraction during the last years of the convertibility era. During said time, continuity of employment is reduced: 74.4% of individuals remained in full-employment conditions and 52.2% of individuals remained in underemployment conditions. Simultaneously, the transition of individuals from underemployment to full-employment conditions is reduced to 20.2%.

The most notable aspect of this period is the increased continuity of unemployment and the fewer transitions from unemployment to employment. The transition from unemployment to inactivity remained almost the same for all the population. Continuity of unemployment at the beginning of the period goes from 26.9% during the expansion phase to 32.7% during the contraction phase. Likewise, while 50% of unemployed individuals found paid work during the economic expansion period, said percentage fell to 41% during the economic contraction period.

Moreover, during this period the transition of individuals from employment to unemployment is relatively higher, and the difference among employed individuals in positions of different quality is deepened. While 5.8% of fully-employed individuals at the beginning of the economic contraction become unemployed, said percentage increased to 13.1% in the case of underemployed individuals.

These trends in labor trajectories during the period of economic contraction occur equally among men and women. That is to say, in both cases there are proportional increases in the continuity of unemployment and proportional decreases in the continuity of employment (mainly full-employment). Also, between the periods of economic expansion and contraction, there are no changes for men and women in the volume of transitions from full-employment to underemployment. It is verified that in individual trajectories, informal paid

work (or underemployment) is considered as a mechanism of shelter during periods of economic contraction. In contrast, the direct transition from employment to unemployment increases.

There are two differences that deserve to be emphasized between male and female trajectories. First, the difficulty of full-employment to attract workforce from underemployed individuals is greater for men than for women. Second, the increased transition from underemployment to unemployment is also relatively more intense during this period, as compared to the previous one, for men than for women.

**TABLE 3**  
**Transition Matrix –Economic Contraction - Convertibility**  
 October 1998 – October 2001. By Sex. Expressed in percentages

Total		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	74,4	15,1	5,8	4,7	100,0
	underemploy	20,2	52,2	13,1	14,5	100,0
	unemploy	13,9	27,4	32,7	26,1	100,0
	inac	2,8	7,3	5,5	84,5	100,0
	total	24,9	18,5	8,9	47,7	100,0
Women		ending status				
origina status	full-employ	73,4	15,8	3,5	7,3	100,0
	underemploy	14,0	53,9	9,9	22,3	100,0
	unemploy	8,8	24,6	28,4	38,3	100,0
	inac	2,5	7,4	5,5	84,6	100,0
	total	15,9	17,1	7,4	59,6	100,0
Men		ending status				
origina status	full-employ	74,9	14,7	6,9	3,5	100,0
	underemploy	25,9	50,7	16,0	7,4	100,0
	unemploy	18,3	29,8	36,3	15,5	100,0
	inac	3,3	7,0	5,4	84,3	100,0
	total	35,1	20,2	10,6	34,1	100,0

Source: Based on EPHP

Finally, the period of economic contraction does not entail more trajectories from activity to inactivity. This applies for women as well as men. That is, the unfavorable economic context does not induce individuals to exit the labor market, due, presumably, to households own survival strategies to maintain the same number of active individuals and compensate for the worsening of the paid work status and income.

In summary, during periods of economic contraction, labor trajectories reflect the diminished ability of the labor market to preserve the availability and quality of jobs. Besides, the higher relative value of unemployment as an imbalance adjustment mechanism becomes evident, while underemployment loses strength as a sheltering alternative.

While men trajectories accounted for the best available job options during the period of economic expansion, they also suffer the contraction of the macroeconomic context to a greater degree. In particular, this is so due to fewer opportunities to move from underemployment to full-employment and more relative opportunities to move from underemployment to unemployment. Women still turn to inactivity as a resource in the event of a complicated labor market, even though such mechanism is not used more during the period of economic contraction.

Table 4 shows the relative value of positive and negative labor trajectories in different population groups.

**TABLE 4**  
**Labor trajectories – Economic Contraction – Convertibility (1998 - 2001)**  
**Individuals by age group, level of education and dependents according to sex**  
**and transition type.**

October 1998 – October 2001. Expressed in %

	Total		
	Positive Transitions	Negative Transitions	Total
Total	43,6	56,4	100
Age			
Up to 25	36,2	63,8	
From 25 to 45	49,3	50,7	
Over 45	42,1	57,9	
Educational level			
Up to primary school	33,2	66,8	
Up to secondary school	44,0	56,0	
Over secondary school	57,1	42,9	
Children under 6			
None	44,5	55,5	
One	43,3	56,7	
More than one	37,6	62,4	
	Women		
	Positive Transitions	Negative Transitions	Total
Total	34,9	65,1	100
Age			
Up to 25	33,8	66,2	
From 25 to 45	37,5	62,5	
Over 45	32,2	67,8	
Educational level			
Up to primary school	22,3	77,7	
Up to secondary school	34,3	65,7	
Over secondary school	50,3	49,7	
Children under 6			
None	37,2	62,8	
One	31,7	68,3	
More than one	25,4	74,6	
	Men		
	Positive Transitions	Negative Transitions	Total
Total	52,7	47,3	100
Age			
Up to 25	38,6	61,4	
From 25 to 45	63,5	36,5	
Over 45	51,5	48,5	
Educational level			
Up to primary school	43,7	56,3	
Up to secondary school	53,3	46,7	
Over secondary school	66,3	33,7	
Children under 6			
None	51,9	48,1	
One	56,3	43,7	
More than one	51,5	48,5	

Source: Based on EPHP

Table 4 accounts for the following:

- men trajectories deteriorate more than women's; however, women still withstand the higher relative value of negative trajectories;
- during periods of economic contraction, the relative value of women's negative and positive trajectories remains similar to the relative value during economic expansion. This is due to a kind of "reserve stock" or "buffer" role played by the female workforce during periods of economic contraction, with women moving from inactivity to activity (the transition considered to be positive in this analysis) in order to compensate for the loss of family income resulting from the deterioration of the labor market in general<sup>51</sup>;
- women with a higher level of education continue to undergo more positive trajectories, although this group also suffered a greater decrease in this proportion;
- negative trajectories of women with more household responsibilities still prevail without there being any significant changes between the periods of economic contraction and expansion. Furthermore, it also reflects how inelastic economic periods are to women's labor trajectories;
- in the case of men, the increase of negative trajectories affects mostly young individuals and those with lower educational levels; at the same time, the difference between the trajectories of men without and with dependents is smoothed. These differences continue to be significantly fewer than the ones seen among women.

#### **4.2. Post-convertibility recovery period**

The macroeconomic context changed dramatically after the abandonment of the convertibility regime. Added to the recession during the last years of such regime, was the impact of devaluation on real income, the financial volatility, and the effect of governmental decisions to offset an asymmetric pesification of assets and liabilities, all of which led to a severe economic and social crisis.

2003 marked the end of such condition, thanks to a reversal of the GDP decreasing trend. Since then, economic expansion has become consolidated with average growth rates of 8% in subsequent years. Currency devaluation modified competition patterns and offered a more favorable scenario to reconstruct the local productive system.

Post-convertibility economic recovery brought effective improvements in the labor market, such as an increase in employment and a pronounced decrease in unemployment, even as the quality of the jobs created were still an issue and access to these new jobs was still somewhat fragmented.

In this context, labor trajectories are expected to reflect the positive change and, after a detailed analysis thereof, to reveal which population groups were more or less favored within this renewed scenario.

Table 5 shows labor trajectories during this period. As it can be seen, continuity of employment is high and the better the quality of the employment at the beginning of the period, the greater its continuity. 79.3% of the individuals fully employed at the beginning of the recovery period, were still employed at the end, however, such percentage decreased to 52.4% in the case of underemployed individuals.

This lower rate in the continuity of underemployment is explained by a significant transition to full-employment. Almost a quarter (24%) of underemployed individuals was fully employed by the end of the period.

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51 This does not imply that the access of these women to the labor market is weak as regards the capability of work to strengthen their life chances. Even when access to the labor market is considered to be positive, this economic period reflects the scarce working options available for women: mainly inactivity or precarious activity.

**TABLE 5**  
**Transition Matrix –Economic Recovery – Post-convertibility**  
I-2004 - I-2006. By sex. Expressed in percentages

Total		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	79,3	12,7	3,0	5,0	100,0
	underemploy	24,0	52,4	8,2	15,5	100,0
	unemploy	15,2	30,1	26,9	27,7	100,0
	inac	3,7	7,4	3,9	85,1	100,0
	total	29,1	19,5	6,3	45,1	100,0
Women		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	76,7	13,0	2,5	7,8	100,0
	underemploy	19,0	51,6	7,5	21,9	100,0
	unemploy	10,0	24,9	25,9	39,2	100,0
	inac	3,2	7,4	3,7	85,7	100,0
	total	20,5	17,9	5,8	55,8	100,0
Men		ending status				
		full-employ	underemploy	unemploy	inac	total
origina status	full-employ	80,9	12,5	3,3	3,3	100,0
	underemploy	29,0	53,2	8,8	8,9	100,0
	unemploy	20,6	35,5	27,9	15,9	100,0
	inac	4,6	7,3	4,3	83,8	100,0
	total	39,0	21,3	6,8	32,8	100,0

Source: Based on EPHP

During the period of economic expansion, there were few trajectories from employment to unemployment and inactivity, although they were rather diverse according to the quality of the job of origin. Whereas hardly 3% of fully employed individuals became unemployed, and 5% of them became inactive, these percentages increased to 8.2% and 15.5% respectively when the individual was underemployed at the beginning of the period.

Thanks to the increase in job opportunities, almost half the population (45.3%) that at the beginning of the recovery period was unemployed became employed by the end of it. In the first years of post-convertibility economic recovery at least, the greatest amount of new jobs falls in the category of underemployment. Indeed, while 30% of unemployed individual became underemployed, such percentage decreased to 15.2% in the case of transitions to full-employment.

Finally, a little bit more than a quarter (27.7%) of individuals unemployed at the beginning of the economic recovery, left the labor market and retired.

If men and women trajectories are analyzed separately, significant differences can be see. First, continuity of employment is relatively higher for men than for women, and such difference is somewhat bigger for full-employment than for underemployment.

Second, the improvement in the paid work status is greater for men than for women, namely, the transition from underemployment to full-employment was 29% for men and 19% for women, the transition from unemployment to full-employment was 20.6% for men and 10% for women, the transition from unemployment to underemployment was 35.5% for men and 24.9% for women.

Third, continuity of unemployment is higher for men than for women, although this difference is considerably smaller than it was in the contraction period during the last years of the convertibility regime.

Fourth, the transition from activity to inactivity is markedly greater for women than for men. While 8.9% of underemployed men at the beginning of the period retire at the end of it, this percentage is increased to 21.9% in the case of women. And while 15.9% of unemployed men at the beginning of the period retire at the end of it, this percentage is increased to 39.2% in the case of women.

The above trends are similar to the ones verified in the period of economic expansion during the convertibility era<sup>52</sup>. That is, labor trajectories verify that a context of economic expansion favors transition to and continuity of employment and diminish transition to and continuity of unemployment.

In general, differences between men and women are the same for these trends. Please note that men still evidence higher transition values to better jobs (from underemployment to full-employment), although the difference is less pronounced in the post-convertibility period. On the contrary, the difference is more pronounced in the over-representation of men in the transition from unemployment to underemployment, and the continuity of men under underemployment conditions is also increased in relative terms. Finally, during the post-convertibility economic recovery the difference in the relative value of the continuity of men under unemployment conditions is reduced.

Because of methodological reasons, the intensity of these transitions is not strictly comparable between the two periods. However, some comments can be made.

The EPHC allows to record activity states better than the EPHP. That is, employment or unemployment states that may not be considered as such by respondents themselves, but that are considered in that manner by the conceptual definitions of workforce surveys.

Therefore, it is expected that, because of the methodological change, there will be (as compared to the previous survey) more transitions from inactivity to activity, and relatively less transitions from activity to inactivity.

Despite this more accurate collection of activity data, transition intensities during the expansion periods under analysis are very similar. Beyond that, transitions to inactivity, which should be less, are slightly more in the post-convertibility period.

This could originate in the methodological differences between both surveys; for instance, the types of activity detected by the EPHC more accurately than the EPHP may not be so relevant. Or, the post-convertibility economic expansion, with higher growth rates and a macroeconomic context a priori more favorable to the expansion of the local productive system, does not generate an incentive sufficient to achieve greater continuity of activity.

More specifically, the continuity of women's greater relative transition to inactivity in the period of post-convertibility economic recovery compared not only to the previous period of economic contraction but also to the period of convertibility economic expansion, continues to be important data.

This is so because the above-mentioned continuity accounts for the inability of a more favorable macroeconomic context and better general conditions in the labor market to revert such trend. Furthermore, such continuity unveils how the female workforce continues to be a "reserve stock", accessing the labor market in recession periods to compensate for the worsening of the paid work status and income. And, once conditions have improved, such reserve stock goes back to inactivity.

Now, it is worth emphasizing the consequences of the foregoing from the point of view of life chances. Indeed, we could wonder if it is reasonable to consider it negative that a woman with a precarious job, which was obtained in response to the reduction in the household income, returned to inactivity and abandoned the state of job precariousness after the household income increased. Or if, on the contrary, it is a logical decision to consider that, given the woman's meager salary and after the household income has improved, it is convenient for the woman to go back to the exclusive care of her children. Indeed, it is not negative in itself. Furthermore, it can be considered as the most reasonable decision under the circumstances.

But if what is at stake is such woman's life chances, and the labor market stands as a mechanism recognized by society to foster said opportunities, then returning to inactivity, or equally, abandoning the labor market, is a negative transition. It is so, not because it is negative in itself, but because it reflects the few options available: a precarious job or inactivity.

It is a negative transition, because it also discloses conditions that reduce women's options: discrimination in the labor market, no children care options available and unequal distribution of domestic responsibilities within the household. It is a negative transition, because it turns a woman's entry into the labor market into a

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52 It is worth noting that the longitudinal study in this period is based on the EPHC, different in sampling and methodology from the EPHP. So, even if it is possible to compare both surveys trends during the periods under analysis, estimates are not strictly comparable, or else, the impact of methodological differences on estimates should be taken into account.

by-product of the paid work status of the individuals with whom she lives, and this represents a restriction to women's autonomy.

It is a negative transition, because households rarely think about the possibility of men, rather than women, returning to inactivity, as men are more likely to find better options than women in the labor market, and because the idea that women are naturally the main caregivers is still deeply rooted. This is unfair and that is why these types of transitions are considered negative.

What is the significance of positive and negative transitions for men and women in this period of economic expansion? Table 6 below shows the answer.

**Table 6**  
**Labor trajectories – Economic Recovery – Post-convertibility**  
**Individuals by age group, level of education and dependents according to sex**  
**and transition type**  
I-2004 to I-2006. Expressed in %

	Total		
	Positive Transitions	Negative Transitions	Total
Total	48,4	51,6	100
Age			
Up to 25	39,5	60,5	
From 25 to 45	54,5	45,5	
Over 45	47,4	52,6	
Educational level			
Up to primary school	39,4	60,6	
Up to secondary school	46,4	53,6	
Over secondary school	60,5	39,5	
Children under 6			
None	48,8	51,2	
One	49,7	50,3	
More than one	42,4	57,6	
	<b>Women</b>		
	Positive Transitions	Negative Transitions	Total
Total	39,8	60,2	100
Age			
Up to 25	34,9	65,1	
From 25 to 45	44,1	55,9	
Over 45	37,7	62,3	
Educational level			
Up to primary school	27,1	72,9	
Up to secondary school	35,2	64,8	
Over secondary school	56,6	43,4	
Children under 6			
None	41,3	58,7	
One	38,0	62,0	
More than one	31,6	68,4	
	<b>Men</b>		
	Positive Transitions	Negative Transitions	Total
Total	57,4	42,6	100
Age			
Up to 25	43,8	56,2	
From 25 to 45	66,7	33,3	
Over 45	57,1	42,9	
Educational level			
Up to primary school	51,0	49,0	
Up to secondary school	57,3	42,7	
Over secondary school	65,5	34,5	
Children under 6			
None	56,3	43,7	
One	63,1	36,9	
More than one	54,8	45,2	

Source: Based on EPHC

The following are the main conclusions:

- in this period, men undergo more positive transitions (57.4%) than negative ones (42.6%). In the case of women, women undergo more negative transitions (60.2%) than positive ones (39.8%), although the spread between both is shorter in comparison with the periods previously analyzed;
- the relationship between personal traits and labor trajectories in this period continue the trends pointed out in the analysis of the previous economic phases;
- the volume of negative trajectories is higher among young individuals, and particularly, among young women;
- the biggest difference appears among young individuals that were unemployed at the beginning of the period; young men move more often to employment and young women to inactivity;
- this period shows that the level of education and labor trajectories are more closely related; furthermore, such relationship is different between men and women;
- women's labor trajectories continue to be more conditioned by care giving responsibilities than men's, although such responsibilities seem to be slightly less compared with previous periods;

In brief, evidence shows that a favorable macroeconomic environment is not enough to reverse the stratification of labor trajectories and modify the level of equity in life chances. As a matter of fact, during the period of post-convertibility economic recovery, young individuals (especially young women), individuals with a low level of education (specially women) and women with greater caregiving responsibilities underwent a high proportion of negative labor trajectories.

Thus, female workforce still acts as a "reserve stock" in the Argentine labor market, evidenced by more women seeking entry into the labor market in the period of economy contraction and "coming back home" when the economic and work environments get better. This can be seen in women with a lower level of education and greater domestic responsibilities, which is directly related to discrimination in the labor market and the persistence of an unequal sharing of domestic chores between men and women.

It is worth wondering what kind of public policy addresses these population groups. The following part of this paper reflects on the issue.

## **5. LABOR-RELATED ASSISTANCE POLICIES**

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One of the immediate effects of the devaluation that led to the definitive abandonment of convertibility was an increase in prices. Between the end of 2001 and the end of 2002 the consumer price index rose by 40%. The impact on purchasing power, especially for fixed-income sectors, was immediate. Consequently, there was an increase in poverty and indigence. In October 2002, 42.3 % of the households and 54.3% of the population lived below the poverty line (PL) and 16.9% of the households and 24.7% of the population were in extreme poverty. The effect of the devaluation added to the social problems that the convertibility regime itself had created, namely: high unemployment, strong work instability, low medium income, and high level of inequality in income distribution.

The severe deterioration of social conditions called for immediate action by the government. Pursuant to the Public Emergency and Foreign Exchange System Reform Act, emergency regulatory frameworks were established in social areas<sup>53</sup>. The main social programs today have been implemented through the declaration of the National Food Emergency<sup>54</sup> and the National Occupational Emergency<sup>55</sup>, both acting as legal umbrellas.

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53 Act 25561 enacted in 2002.

54 Decree Law Number 108/2002.

55 Decree Law Number 165/2002.

Under the emergency, interim president Eduardo Duhalde implemented three massive social welfare programs: Plan for Unemployed Heads of Households (Plan Jefes y Jefas de Hogar Desocupados), Food Emergency Program (Programa de Emergencia Alimentaria), and Remediation Program (Programa Remediar). The first of these was implemented by the Ministry of Labor, the second by the Ministry of Social Development and the last by the Ministry of Health.

These programs marked a turning point for welfare management until then. Not because of the values they promoted or their operation logic, but, mainly, because of the magnitude they reached. The three programs comprised the mass transfer in cash and in kind to extensive population groups.

Given the continuity of high indicators of social vulnerability, and despite the fact that the economic activity had started to recover, during the first years of the Kirchner<sup>56</sup> administration, this “emergency” strategy turned into a structural welfare policy.

From the above-mentioned programs, the Plan for Unemployed Heads of Households (PJJHD, for its initials in Spanish) is the one more specifically focused on the population with weak labor trajectories. The following are the benefits granted and the conditions required to access the program:

- **money transfer** (AR\$150 – monthly) **to unemployed individuals** whose family meet certain characteristics, as established in the access conditions;
- **access is conditioned:** to obtain this benefit applicants must provide evidence of the following: a) status of unemployed head of household; b) minor dependents or, in the case of women, certificate of pregnancy; c) regular school attendance of children under 18 years of age; d) conformity of vaccination plans, if applicable. Unemployed individuals participating in other employment programs are not eligible, nor are those who receive social security facilities or non-contributory pensions<sup>57</sup>.
- **work is required in consideration of the monetary benefit:** beneficiaries must commit to participate in training activities or community service, for 4-6 hours per day. This service or training activity requirement is mandatory for those wishing to collect the benefit. The head of each municipality must approve the activities related to community service or training. The activities involved are the same to the ones were performed in previous temporary employment programs<sup>58</sup>: construction, refurbishing, maintenance of public spaces, social services. If the consideration of the benefit entails training activities, courses to learn trades or specific knowledge or to complete basic general studies may be taken.
- **effective term:** the plan was originally intended to last until December 31, 2002, throughout the whole country and under the declaration of the food, occupational and health emergency. Subsequently, the plan expiration date was extended annually, in the same way as the emergency regulations that govern it<sup>59</sup>.

Since its launch, the PJJHD had extensive coverage, exceeding by far the expectations of its creators. Indeed, as shown in Figure 1, the program covers more than one million beneficiaries, and reached its peak in the second quarter of 2003.

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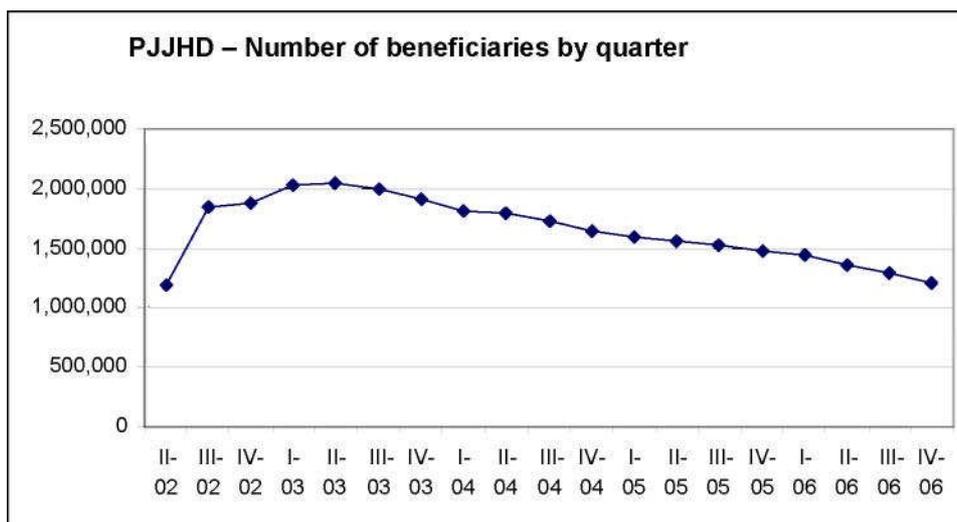
56 This first stage covers the period from the presidential inauguration in 2003 until legislative elections in 2005, when the candidate supported by President Kirchner won a landslide victory.

57 A condition that was not established by the decree but which operated in fact was having applied for the program before May 17, 2002. According to the Cels (2003): “To be a PJJHD beneficiary, applicant must have registered before May 17, 2002. Although this restriction was not established in the regulation, pursuant to information received orally, the Ministry of Labor would have instructed that applications be received up to such date; therefore, nowadays it is impossible, at least formally, to apply for the benefit.

58 The immediate predecessor of the PJJHD is the Work Plan [Plan Trabajar], but during the 90s transitory employment programs followed each other under different names.

59 It is worth mentioning that the term extension did not entail the reopening of the application process.

Figure 1



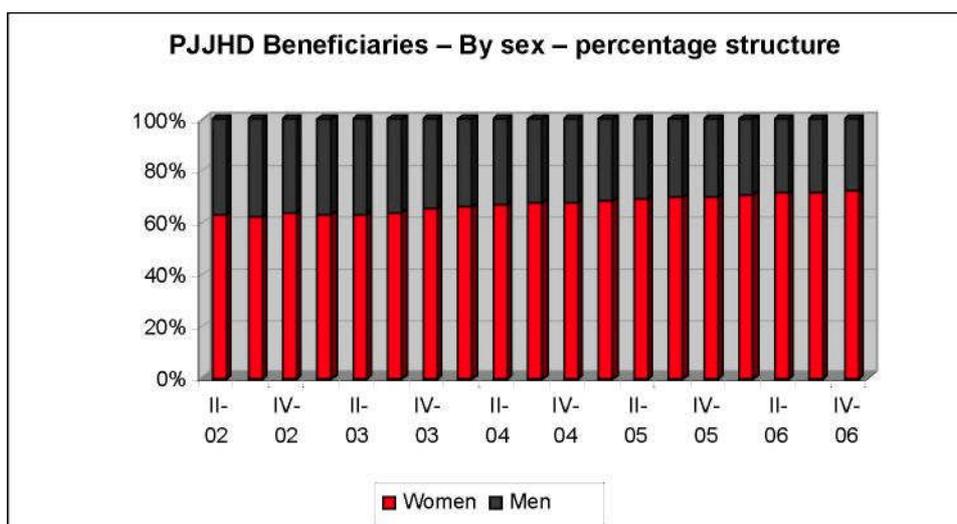
Source: Based on Mtess data.

Since then, the amount of beneficiaries has decreased each quarter, and by the end of 2006 values were the same as those at the beginning of the program<sup>60</sup>. The following are some of the reasons for such decrease: i) register purge and elimination of irregular cases, for failure to comply with the program requirements; ii) dependent children turning 18 years of age; iii) voluntary abandonment of the program; iv) entry into a registered job.

Even though the program was originally intended for unemployed men who were head of households, the truth is that the requirements enabled a great number of inactive wives to register as well<sup>61</sup>.

The process of women accessing the labor market generated by the PJJHD explains why the great majority of beneficiaries are, indeed, women. This can be seen in Figure 2. Not only were women the majority since the beginning, but their relative participation in the program grew gradually. As a matter of fact, while in the second quarter of 2002, 63% of the beneficiaries were women, this participation rose to 72% in the fourth quarter of 2006. As it will be seen below, the increasing feminization of the program has the same reasons that account for the exit of beneficiaries.

Figure 2



Source: Based on Mtess data.

<sup>60</sup> The total of beneficiaries expected to be included in the program by 2007 is 950,000.

<sup>61</sup> Monza and Giacometti (2003) have stated this early on.

Based on a survey conducted on PJJHD's beneficiaries, the Ministry of Work, Employment and Social Security (Mtess) provided further information on their characteristics<sup>62</sup>:

- Beneficiaries have a low level of education: 20% never completed primary school and hardly 37% of them completed it.
- The number of dependents is significant: 60% has one or two minor children and 16% has three; almost 20% of beneficiaries have large families, with four minor children or more.
- Most of the beneficiaries have work experience, 98% of men and 83% of women. However, they have, in general, low work skills and qualifications: 49.5% of men and 75.5% of women had no qualifications at all; 44% of men and 20% of women had operative qualifications and scarcely 6.4% of men and 4.5% of women had technical qualifications<sup>63</sup>.
- The occupational profile of men was mainly related to building and industrial production activities; in the case of women, it was domestic service, industrial production and administrative activities.
- Beneficiaries' households are characterized by low levels of income. At the time of the survey, with AR\$150 given by the Program, 90% of households were living under poverty conditions. Likewise, more than half of the households were under extreme poverty (indigence) as income was not enough to afford the basic food basket.

During the first years of the program, compliance with the work requirement was high. According to the General Directorate of Work Studies and Statistics (DGEyEL, for its initials in Spanish), more than 80% of the beneficiaries were effectively performing the work required in early 2003. This percentage fell to 62% in the first quarter of 2006.

Despite the high compliance with the work requirement and probably because of the low monetary benefit and the need to complement it with additional income, 70% of the beneficiaries perform further activities apart from the work required (89.5% of men and 62.4% of women).

According to the Mtess (2005) part of these active recipients are employed. That is, 63% of male and 36% of female beneficiaries have an employment, apart from the work requirement imposed by the program. Naturally, these are unregistered employments, because the program regulation itself establishes that the right to the benefit is lost if a paid job is obtained<sup>64</sup>.

Those beneficiaries who do not have another employment or who are not looking for one (10.5% of men and 37.6% of women) state different reasons to justify this situation. "In general, women mainly argued having no time available as they were in charge of children or sick relatives. A group of inactive women who did not look for a job because of being pregnant was also identified. In turn, men argued having health problems (including beneficiaries physically disabled to work) and being too old (beneficiaries older than 50 years)." (Mtess, 2005: 57)

In addition, almost 70% of the beneficiaries declared that they wished they could continue with their formal education and almost 80% of them would accept to receive work training. Most of them can not do so because they need to work in a paid activity, while they express their need for grants and day-care centers where to leave their children while they receive training.

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62 The survey was performed in June 2004 on a probabilistic sample of more than 3,500 cases, representing one million beneficiaries in Great Buenos Aires, Córdoba, Formosa, Tucumán, Santa Fe, and the province of Buenos Aires.

63 Technical qualification tasks require theoretical and practical knowledge obtained through formal education (for instance, electricity technician, manufacturing plant quality supervisor, foreman, engineer, etc.). Operative qualification tasks require previous knowledge acquired through experience and/or formal or non formal education; non qualification tasks do not require any type of specific training (for instance, cleaning in domestic and non-domestic service, bricklayer assistant, collection of cardboard and packages, etc.).

64 Beneficiaries devote 18 hours on average to the "extra-PJJHD" occupation.

## 5.1. Leaving the PJJHD for registered jobs

The desire to obtain a job is a relevant concern or wish among PJJHD beneficiaries. The DGEyEL revealed such information based on a survey to beneficiaries conducted in 2004. At that time, 51% of PJJHD beneficiaries were actively looking for a job. 56% of them preferred to have an employment, particularly due to the greater stability, social benefits and fixed salary. On the contrary, 25% of them preferred to be self-employed and 14% preferred to have a productive micro-enterprise.

In fact, access to a registered job is one of the main reasons for leaving the program. According to the information provided by the Secretary of Employment of the MTESS, between the second quarter of 2003 – moment of peak coverage by the PJJHD- and the fourth quarter of 2006; 839,000 beneficiaries were excluded from the program. The main reasons for the exclusions were: 38.6% of the beneficiaries obtained a registered job, 34.7% no longer complied with the program requirements, 10.9% were transferred to other plans, 8.9% did not collect the benefit during three months in a row and 6.9% for other reasons.

In particular, the DGEyEL analyzed the population leaving the PJJHD for a registered job. It is interesting to note the short period of time spent at the new employment after leaving the plan, and the significant job turnover, both in terms of type of job and states: employment, unemployment and inactivity. According to the information provided, 50% of the beneficiaries that access a registered job remain in it less than 4 months.

Likewise, data shows that workers obtain very low income jobs. 67.2% of them earned salaries lower than AR\$ 350 per month<sup>65</sup>. From the beneficiaries who access a registered job, almost 25% of them engage in construction, 17% in real estate and corporate services, 13.7% in commerce, hotel and restaurants, 12.6% in manufacturing, 8.3% in agriculture and cattle breeding, 6.5% in public administration and 17% in other sectors.

Clearly, age and sex appear to be determining factors when making the transition from an employment program to a registered job. This is shown in Table 7.

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65 US \$100.-, 2.3 times the level of PJJHD's benefit.

**Table 7**  
**PJJH beneficiaries who obtained a registered job**  
**July 2003 - November 2006 - Percentage composition**

Age	Women	Men	Total
Up to 25 years	4.1	4.7	8.8
Between 26 and 35	16.5	24.8	41.3
Between 36 and 45	11.3	17.8	29.1
Between 46 and 55	5.5	10.1	15.6
Older than 55	1.6	3.6	5.2
Total	39.0	61.0	100.0

Source: Based on Mtes data.

As it can be seen, although more than 70% of PJJHD beneficiaries are women, they represent less than 40% of the ones who obtain a job. As regards age, half of those who obtained a registered job were 35 years of age or younger. Clearly, men have more chances of obtaining a formal job than women, and young more than old. Having work experience constitutes an advantage. In summary, the PJJHD beneficiaries with higher employment rates are: men with formal experience, 30-year-old women or younger with formal experience and 30-year-old men or younger with or without formal experience.

## 5.2. PJJHD and labor trajectories

If we analyze the labor trajectories during the period of economic recovery subsequent to the post-convertibility crisis, the inability of the PJJHD to provide access into the labor market to individuals, especially women, is evident. Transitions of individuals that were originally (first quarter of 2004) in an employment plan were estimated based on the longitudinal data presented in the previous chapter for the period of post-convertibility economic recovery. Table 8 shows the results.

**Table 8**  
**Transition from PJJHD employments**  
**Transition rates I - 2004 to I - 2006 - By sex - In %**

	End situation of PJJHD Beneficiaries as compared to original situation					
	Full-employment	Underemployment	Employment Plan	Unemployment	Inactivity	Total
Total	6,7	17,0	49,0	7,0	20,3	100,0
Women	4,7	12,8	50,1	7,1	25,3	100,0
Men	13,4	30,8	45,6	6,6	3,6	100,0

Source: Based on EPH data.

As it can be seen, continuity in labor-related assistance plans is still high in this period<sup>66</sup>, reaching almost 49% of the individuals who, at the beginning of the period under analysis, were employed through an employment plan. Continuity is relatively higher for women (50.1%) than for men (45.6%).

Transition to unemployment (7%) is insignificant and homogeneous between men and women. On the contrary, transitions from a subsidized job to a registered job and inactivity are significant and very different between men and women.

Almost a quarter (23.7%) of the individuals under an employment plan at the beginning of the period, leaves the plan for a registered job at the end of it. Most of them leave the plan and become underemployed. Indeed, while 17% of individuals move from employment plans to underemployment, said percentage falls to 6.7% in the case of transitions to full-employment.

There is a remarkable difference between men who are able to obtain jobs outside the plan (44.2%) and women (17.5%). In both cases, and in keeping with the foregoing, most of them fall into the underemployment category.

These trajectories are comparable to those within the workforce, and are similar to the trajectories of originally-unemployed men and women. As a matter of fact, the previous chapter stated that a significantly greater proportion of unemployed men than women accessed the labor market in this period; and that most transitions were to underemployments. There are more individuals who make the transition from unemployment to employment than those who make the transition from a subsidized employment to a real employment, the difference being more pronounced in the case of transitions to full-employment.

Comparing women and men trajectories, the most remarkable difference lies in the transition from employment plans to inactivity. While such transition is insignificant for men (scarcely 3.6%), it is not so for women. Almost a quarter (25.3%) of women under employment plans at the beginning of the period, was inactive at the end of it.

This last transition may be explained by the following three reasons: i) women leave the plan and do not gain access into the labor market; ii) women remain in the plan but fail to work as required; iii) women go from being PJJHD beneficiaries to being Family Plan beneficiaries, which means that they still receive a monetary benefit but they do not have to work in consideration of it<sup>67</sup>.

The implications of each of these transitions are different. In the first case, leaving the plan may be voluntarily or involuntarily, but it always implies remaining inactive once the monetary benefit of the social program is no longer received. Here, there are at least two possible explanations. First, work, and therefore income conditions of the other family members improved enough so as to compensate the loss of income from the PJJHD, exempting the former beneficiary from looking for a substitute job. Second, even though household income is still rather low, job opportunities for an individual with the socio-demographic characteristics of the former beneficiary are so precarious and scarce that women are discouraged not only to look for a job but also to keep trying.

Both explanations are valid and simultaneously possible in an environment of post-convertibility economic recovery. Because from the analysis made in the previous chapters of the labor market and labor trajectories during this period, it was evident that, in effect, there were more and better job opportunities. However, it was also evident that job opportunities are still limited for women with a lower level of education and more dependents, which is the prevailing profile among PJJHD women beneficiaries.

As a matter of fact, the transitions to inactivity of PJJHD beneficiaries match the transitions found in the workforce as a whole for women with more precarious activity states (unemployed or underemployed), with lower levels of education and with more dependents.

Consequently, in these cases, the inactivity of women derives from a combination of various elements: i) better job opportunities gained mostly by men; ii) instability of job opportunities for this population group (women with the socio-demographic profile of PJJHD beneficiaries); iii) absence of a care infrastructure or system allowing to combine domestic responsibilities and work.

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66 Information does not allow distinguishing between the PJJHD and any other employment plan. Given the relative importance of the PJJHD it is fair to believe that most of the individuals in this condition are effectively PJJHD beneficiaries.

67 The Family Plan and its implications are described in detail further on in this chapter. Please note that the quantitative value of the transitions within the period covered by this longitudinal survey was not yet important.

Different is the case of women that at the beginning of the period are under an employment plan and move towards inactivity because they cease to comply with the work requirement or migrate to the Family Plan. Here, inactivity seems to be a result of the requirements of the programs that distribute social benefits. As regards the Family Plan, as it will be seen below, inactivity is directly related to the own essence of the program; instead, in the case of the PJJHD, inactivity is related to the practical inability to comply with the plan requirements.

From the information available, it may be concluded that there are two reasons why work or training activities are interrupted<sup>68</sup>. One of them is the own technical incapacity of the plan management to organize said activities due to the lack of supplies, space, personnel to organize and manage activities, etc.. The other common reason is the inability to combine work and domestic responsibilities, especially in connection with the care of children.

In summary, many interesting conclusions can be drawn from the analysis of labor trajectories of individuals under employment plans at the beginning of the period of post-convertibility economic recovery.

First conclusion: the trajectories of beneficiaries are similar to the trajectories of the workforce as a whole with like socio-demographic profiles. During this period, there are substantial transitions from unemployment and subsidized employment to employment, mainly underemployment. This transition to employment is higher for men than for women. Thus, labor-related assistance programs do not make any difference in job opportunities for individuals who participate in the plan and those who do not.

Second conclusion: the transition to inactivity is more relevant for women under an employment plan at the beginning of the period than for men in the same situation. The labor trajectories of PJJHD beneficiaries match the labor trajectories of women with similar socio-demographic profile in the workforce as a whole. Again, job opportunities are equal for women under this kind of programs and women in the workforce with low levels of education and significant number of dependents.

Third conclusion: the transition to inactivity of women beneficiaries may occur in different contexts, depending on whether or not the transition is made due to a relative improvement of family income, or the beneficiary starts receiving the monetary benefit from a different welfare program. In either case, the beneficiary stops working as required by the plan and becomes inactive, resulting in implications for her life chances.

## **6. THE PERCEPTION OF PJJHD BENEFICIARIES**

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The qualitative approach allows working on the level of subjectivity of individuals and providing explanations based on the statements of those surveyed, which even if they do not represent the universe of workers, shed a light on some assumptions built on other evidences. In this respect, the analysis of male and female beneficiaries of labor-related assistance programs during the period of post-convertibility economic recovery, seeks to identify patterns in the perceptions stated that agree or disagree with the conclusions drawn from the quantitative analysis of labor trajectories and from the program experience.

The interviews conducted provide elements to analyze both the different levels of individuals' life chances, and the role attributed to employment, and welfare plans to generate, sustain and increase them. Therefore, this qualitative analysis, which complements the quantitative evidence in previous chapters, focuses on two dimensions of analysis. First, we will seek to confirm whether beneficiaries of labor-related assistance policies perceive employment as the main mechanism to generate life chances.

Secondly, we will examine whether the participation of beneficiaries in this type of plans strengthens or weakens their critical autonomy and social agenda, as preconditions necessary to sustain and increase life chances; and whether beneficiaries perceive the strengths and weaknesses of these programs as elements that would effectively provide for the three levels of life chances.

Each of these dimensions is reflected in different aspects of the beneficiaries' experience. The following are some of the elements considered in the interviews conducted: i) labor trajectories prior to the plan; ii) ways

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68 Next section provides further information on this subject through the testimonies and perceptions of beneficiaries of work-assistance programs.

to access the benefit; iii) money transfer; iv) work in consideration of the benefit; v) every day life organization and the use of time during participation in the plan; vi) organization of children care; vii) forward-looking expectations.

Below, there is a summary of the conclusions drawn from the beneficiaries' accounts<sup>69</sup>.

### **6.1. The previous road, the access routes and the sense of the plan**

Welfare program beneficiaries do not consider themselves as entitled to a benefit. Instead, they believe that they are benefited by the State randomly, temporarily and while "luck is with them". Nevertheless, they recognize in themselves characteristics that determine a state of deprivation.

According to beneficiaries, such deprivation is not solely or mainly due to the lack of work and/or income, but to life conditions related to greater needs: having many children, being too old, or being a woman without a male partner. This conception reflects the absence of aid from the State in the face of these conditions. This population group is excluded from social protection plans based on social insurance because of the group's informal labor trajectories. Therefore, they do not have access to program benefits such as family allowances or retirement.

Likewise, the fact that women without a male partner - especially women in single-parent homes ("single mothers") - are regarded as a particularly vulnerable population group is explained by the traditional idea of gender roles that the group holds. Indeed, the trajectories surveyed show that women leave the labor market once they have children to raise. Women believe men to be the main breadwinners, and the absence of a man in the household is a factor of greater vulnerability.

Undoubtedly, this traditional conception of gender roles is culturally rooted. As a matter of fact, as it will be seen below, these values are transmitted between generations. However, said gender division of work also has an economic logic. As stated in the previous chapters, men are the ones who have more access to fuller and better-paid jobs. Therefore, it is a constant decision of households, mainly households with lower socioeconomic levels, to provide more male than female workforce to the labor market.

The context in which male and female beneficiaries gain access to the labor-related assistance plan and the sense given to it is related to the aspects of their life chances.

First, the fact that they do not consider the benefit a right - to social inclusion (the official conception of the program) - but a random product reveals a weakening of the personal autonomy of beneficiaries. Beneficiaries do not perceive that having the benefit or not is their decision. Neither do they consider it their decision to keep the benefit or lose it. Rather, luck decides for them.

Second, in beneficiaries' perception, the importance of the social agenda is downplayed when the welfare plan is regarded as an instrument to control individuals in moments of social riot. On the one side, according to beneficiaries, it is sought to prevent people from taking part in demonstrations of dissatisfaction. On the other, beneficiaries become dependent on public welfare, which discourages them to act.

That is to say, even though beneficiaries themselves seek to participate in the plan, they do not consider themselves as active or autonomous factors in it. Instead, they regard themselves as captive and dependent on welfare, as well as lucky to obtain and preserve such benefit.

Third, beneficiaries declare a state of necessity, which is related to the first level of life chances, that is, to the idea that beneficiaries have of what a state of deprivation that would need to be addressed in order to create effective conditions to sustain and extend life chances is. As mentioned above, beneficiaries refer to situations where income - or an employment to generate it - is absent and where circumstances that make obtaining a job more difficult are present, namely: having many dependent children, being a woman without a male partner, being too old.

Fourth, beneficiaries have a traditional view on the gender division of work that affects the level of equity in life chances. The idea that men are households' main breadwinners and that women are the main responsible person of domestic chores, limits the autonomy of both men and women and leads to unequal job opportuni-

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69 An extensive development of these dimensions, including the explicit testimonies of the beneficiaries can be seen in the work of Rodríguez Enríquez (2008).

ties. Therefore, men are conditioned and forced to opt for becoming employed and women are restricted from accessing the labor market<sup>70</sup>.

In the case of women, such inequity results in the undermining of the other two levels of life chances. Indeed, inactivity implies the absence of income, and therefore, more difficulties to obtain goods or services. Moreover, inactivity sets a limit on the ability to develop skills of their own, or at least, that such skills be recognized socially. Finally, dependence on other family members' income, limits women's autonomy. That is to say, and as it has already been concluded in previous chapters, gender division of work impairs life chances of men and women but at different and more profound levels for the latter.

## **6.2. Employment, work in consideration of the benefit and the sense of work**

There is unanimity between the beneficiaries surveyed as regards the requirement – and even the fairness - of work in consideration of the monetary benefit. The idea of deserving such benefit and of social reciprocity is inherent to the subjectivity of the beneficiaries and is related to the aforementioned fact that they do not regard the benefit as a right. On the contrary, beneficiaries hold that it is proper to work in consideration of the benefit but point out that the amount of the benefit appears to be too modest for the number of weekly work hours required to receive it.

Likewise, beneficiaries are also unanimous when condemning the attitude of those who receive the monetary benefit without performing any work. This is so, even when a large number of those who express such dislike are not, at the moment, working in consideration of the benefit.

Similarly, beneficiaries believe it is correct to perform work activities in reciprocity. Here, testimonies reveal that work ethics is deeply rooted: they regard a paid job as the legitimate way to obtain the income needed, and as “the” way to contribute to society and community. Beneficiaries also view the idea of work as opposed to the idea of idleness. They believe that those who do not have a paid job lack incentives to be better off. It is interesting how this view disregards and undervalues other types of work, such as unpaid caregiving activities, since staying at home, even looking after the children, is, in opinion of those surveyed, a way to become stagnant. This vision is shared even by individuals who devote most part of their time and energy to such kind of activities.

The contradiction is even more profound when the difficulties inherent in being the main person responsible for the care of dependents become evident both in the execution of the work and in the aspirations to obtain one. Many female beneficiaries claim that caring for children is the main reason not to obtain a job, either because they consider that they should assume their roles of mothers, as it is established in traditional values, or because they can not turn to domestic help to absolve them of such responsibility. In this respect, the possibility of combining work and domestic responsibilities of this population group appears to be restricted to family arrangements, whereas mother, mothers-in-law or older daughters can be in charge of minor children in the household.

Finally, it is important to highlight the coincidence between the values expressed by the beneficiaries and those identified as promoted by political interventions: i) that employment is the legitimate way to earn one's living; ii) that lack of employment is an individual responsibility; iii) that this may be atoned through the social reciprocity required from the beneficiaries; iv) that looking after the children is also an individual responsibility that must be settled within the privacy of households.

Beneficiaries' perception of labor-related assistance programs confirms how central employment is to them as the preferred mechanism to generate life chances. For them, employment is the ideal way to make a living and the space where work, and therefore the skills developed because of it, is recognized. All male and female beneficiaries surveyed expressed their desire to obtain a job.

At the same time, they said that they were aware of the existence of conditions that make this aspiration difficult to attain. Low levels of education, old age in the case of men, and dependent children in the case of women, appear to be elements that restrict the individuals' autonomy when deciding whether to look for a job or not.

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<sup>70</sup> This perception confirms the interpretation of the work trajectories made in Section 4 herein, and the fact that, in these population sectors, men remain in unemployment and underemployment conditions and women, in inactivity conditions.

### **6.3. Monetary value, the meaning of money and the material level of life chances.**

Monetary resources are an essential element in maintaining an individual's material life chances, particularly due to the mercantile character of the economy and the pre-eminence of market regulation in the access of goods and services required to satisfy needs and desires. For this reason it is important to analyze the beneficiaries' perception of the benefit as a monetary resource.

The interviews confirmed the conclusion drawn from the quantitative information: the limited actual value of monetary benefits. This lack of value contributes to the beneficiaries' view of the plan as a state-distributed charity. For the same reason, the benefit is not, apparently, used for the most essential needs, such as food products, but for supplementary consumer items such as rent, home services, or the improvement and maintenance of housing.

Thus, even if complimented by money transfers, the material level of life chances is not seen as settled.

There is something in the order of a critical autonomy in play with the beneficiaries' interpretation of the money and what it allows for. What is changed is the impossibility of accepting that even in states of emergency it is valid to express material aspirations beyond the most basic, aspirations related simply with what is desired.

That the material level of life chances is not only material can be read in the beneficiaries' perceptions. The gathered testimonies demonstrated that individuals value the future certainty provided, which is to say, the conception of the material level of life chances expands in the beneficiaries' own perception, shedding light on the aspirations exceeding mere sustenance.

### **6.4. Work in consideration of the benefit, the sense of utility and the level of fulfillment of life chances**

The interviewed beneficiaries have had heterogeneous experiences with the work activities in consideration of the benefit. The most valuable of these are among those who attended trade courses or participated in the production of goods and services within cooperatives organized by beneficiaries of labor-related assistance policies. At the other extreme, we find the experiences of those who complied with their consideration in political activities, or who participated in community or municipal activities, the majority of which have been discontinued.

Analyzed as a space for skill-development, and in relation with the level of fulfillment of life chances, the work in consideration of the monetary benefit enables potentiality when it is oriented towards activities that provide individuals with the skills they lack, or when it consists in the production of concrete goods and services.

In this way the most valuable consideration is interpreted to be that which is perceived as tool for better insertion in the labor market, for example, because it improves skills, or else as something that can be assimilated into productive employment. Which is to say, the beneficiaries' perception of the consideration exercise reveals the social recognition attributed to productive tasks similar to those in the labor market, and the lesser recognition attributed to those activities more closely associated with social and community services.

The training occurring in the activities in consideration of the benefit, or work developed in this space, are not, contrary to what the preceding would indicate, valued in and of themselves. The interviewed beneficiaries did not appreciate the activity for what they did there, but for what they would be able to do if they found employment. They did not value the activity in itself, but as a means to finding insertion in the labor market.

In sum, the analysis of the beneficiaries' perception corroborates the idea that the development of their own abilities is tied to the social recognition which they receive. In "real life", this recognition is attained through the remuneration of a job. In the world of consideration, the activities that are most similar to work or that prepare individuals for insertion in the labor market "extra-plan", garner the most recognition.

## **6.5. Everyday life, the sense of time and the level of equity of life chances**

The following emerged from the interviews: i) that, in the homes of beneficiaries of labor-related assistance policies, the burden of caretaking responsibilities is important; ii) that these responsibilities turn out to be determining factors in their precarious labor market; iii) that they also determine the possibility of effectively meeting the work requirements within the plan; iv) that the plan has not offered alternative solutions for the reconciliation of these requirements with domestic responsibilities.

The centrality of domestic responsibilities is also evidenced by the way in which the female beneficiaries structure their everyday lives and their life "plan", according to care giving chores. In effect, the majority of the women have abandoned their precarious work experiences to take exclusive responsibility of taking care of their families. Likewise, they have postponed the possibility of returning to their studies, or training for a trade, until the moment that they "give up raising children". In their everyday lives, school hours organize family life, including the cases where an attempt is made to reconcile work and domestic duties. In this way, the testimonies show that the "option" of a low-quality job (in terms of remuneration and conditions) allows them a better grade of reconciliation.

This organization of women's lives is found to be mediated by deeply entrenched, traditional gender values, which is apparent in the interviewed beneficiaries' own discourse. The idea that women are responsible for raising children, that the husband be the breadwinner (keeping a job) and the woman must remain in the home, and that the husband has the legitimate right to veto the personal initiatives of his wife, and to authorize, or not authorize, her to participate in activities outside the home, is evidenced in the stories of the interviewed population.

These cultural standards are also in opposition with alternative solutions and institutional mechanisms to reconcile the women's personal interests (their potential for insertion in the labor market) and their domestic responsibilities. The women themselves consider the family arrangement the only valid option (mother, mother-in-law, or oldest daughter caring for the younger children). The distrust of using caretaking services outside the home is well-known.

Again, these values appear to be fortified by the policy's own interventions. As mentioned in the previous chapter, this is demonstrated by the intention to move PJJHD beneficiaries with more than two children to Family Plan (Plan Familias).

Finally, the conditioning factor that domestic responsibilities exercise over women's quality of life is shown by the way in which time (in terms of rest and enjoyment) is referred to as a scarce and precious commodity. Even then, and in keeping with what the interventions of public policy promote, the "possibility of having more time", or "making better use of time" also appears to be an individual responsibility.

In brief, the level of equity in life chances is not seen to be positively affected by the intervention of labor-related assistance policies. This is evident in the experience of women with heavier caretaking responsibilities, who have difficulty reconciling domestic responsibilities with work activities and compensation in a way that their male companions do not.

The lack of concern for caretaking options is a striking weakness in a program which has, as its target population, individuals responsible for children, and expects them to use their time to meet work exigencies.

The restriction that the unequal distribution of caretaking tasks between men and women imposes on the life chances of the latter is sustained by the persistence of traditional gender values. The beneficiaries' acceptance, manifested in their stories, that this is a natural situation, reveals the restrictions of their critical autonomy. It is the impossibility of questioning whether or not a situation directly affecting their quality of life could be different.

## **6.6. The future: the limits of the expansion of life chances**

The current restrictions of the expansion of the beneficiaries' (particularly women's) life chances apply as well to their vision of the future. In this sense, three elements from the interviews are worth mentioning. First: a pessimistic vision about the future, or else the idea of a future very similar to the present moment, was expressed. Second: the force of faith in education as a vehicle for social ascendance, and the priority, at least rhetorical, given to their children's education. Third: the most powerful indicator of existent limits of

the expansion of life chances among current beneficiaries of labor-related assistance programs; namely, the incapacity to imagine other life chances.

The gathered testimonies show that for the beneficiaries, in the majority of cases, better quality of life is associated with: i) having a job (as opposed to continuing in the plan); ii) having a better job (as opposed to odd jobs); iii) “having what is yours”, generally referring to housing. Again, the possibility of having all this depends on each individual, or, possibly, on God’s help. There is not, in the beneficiaries’ perception, an indication that a change in their economic situation could imply a change in their reality. Nor is a demand to the State made explicit, in the form of “this must be had to live better”.

When expectations regarding children were researched, the responses were very homogenous. In the majority of cases, the testimony about what was wanted for the children showed the individuals’ dissatisfaction with their own lives and their possible options. Thus, the interviewed beneficiaries hoped that their children: i) would have a different life for themselves; ii) that they would be able to choose what to do with it; iii) that they would stay away from drugs and crime; iv) that they would be able to study; and, v) that they would be able to work.

Their own frustrations are reflected in their expectations for their children. In the case of the women, the limits of the options they themselves had are revealed. Thus, the inactivity of women, which is assumed, in their homes as well in the interventions of public policy, to be natural to them turns out to be a false option: the only possible alternative cannot be called an option.

For their children, on the other hand, they want what they weren’t able to have themselves: study and work. The value attributed to formal study, and the hope for a “better future” associated with it, are common knowledge. In effect, in spite of the devaluation of educational credentials, of the deterioration of educational service provisions, and of a higher level of education’s lessened upward mobility, social sectors with difficulty accessing education continue to view it as the window to a better possible future.

Finally, the most categorical evidence that the labor-related assistance plan has not served to promote the idea that individuals can increase their life chances or the hope that other lives could be possible, is expressed in the difficulty the beneficiaries have imagining a different future or other, better life for themselves, even supposing the disappearance of the economic restrictions that limit them today. And it can not be said that choosing the same life is an option for the beneficiaries. Precisely because of the fact that they desire a different life for their children, they show the dissatisfaction they have with their own lives.

In short, the work plan has consolidated the idea that the fate of being born in a home of low socioeconomic level is an inevitable destiny and not something that can be modified and transformed into a better life. The plan has left them without options.

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## APPENDIX

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**Table 1**  
**Sample used in Longitudinal Study**  
**Cohorts by wave and number of cases**  
**Agglomeration Total**  
**Expansion Phase (October 1995 to October 1998)**

Cohort	Wave							N
	Oct-95	May-96	Oct-96	May-97	Oct-97	May-98	Oct-98	
1	XXX	XXX	XXX	XXX				15082
2		XXX	XXX	XXX	XXX			15069
3			XXX	XXX	XXX	XXX		11751
4				XXX	XXX	XXX	XXX	11612
Total								53514

Note. Population over 10 years of age or more.

**Table 2**  
**Sample used in Longitudinal Study**  
**Cohorts by wave and number of cases**  
**Agglomeration total**  
**Recession Phase (October 2001 to October 1998)**

Cohort	Wave							N
	Oct-98	May-99	Oct-99	May-00	Oct-00	May-01	Oct-01	
1	XXX	XXX	XXX	XXX				10638
2		XXX	XXX	XXX	XXX			11571
3			XXX	XXX	XXX	XXX		10500
4				XXX	XXX	XXX	XXX	10524
Total								43233

Note. Population over 10 years of age or more.

**Table 3**  
**Sample used in Longitudinal Study**  
**Cohorts by quarters and number of cases**  
**Agglomeration total**  
**I-2004 to I-2006.**

Cohort	Quarters									Cases
	I-04	II-04	III-04	IV-04	I-05	II-05	III-05	IV-05	I-06	
1	XXX	XXX			XXX	XXX				6196
2		XXX	XXX			XXX	XXX			6442
3			XXX	XXX			XXX	XXX		6360
4				XXX	XXX			XXX	XXX	6188
Total										25186

Note. Population over 10 years of age or more.

## **Panel/Session/Forum 3**

**Using longitudinal data in a cross-country  
perspective**

**L'utilisation de données longitudinales dans  
une perspective comparative**

**Die Verwendung von Längsschnittdaten im  
Ländervergleich**

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## **Abstracts/Résumés/Zusammenfassungen**



## Paper 7

**Ruud J.A. Muffels**

### **« Testing Sen's capability approach to explain objective and subjective well-being using German and Australian panel data ? »**

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#### **Abstract**

In his work with Bruce Headey, Ruud Muffels confronts the issue of applying Sen's concepts in an analysis of the relationship between social and economic capabilities, functionings and individual well being. The paper presents an original stock-flow model in which capabilities are stock variables such as human, social and health capital, and functionings refer to flow variables (training, job search, caring time...) whereas events (e.g. dismissal, change of job, marriage...) can also be thought of as functionings. Moreover, events in the past affect the present decision context, introducing the concept of path dependence. The objective is to evaluate the effect of these variables on individual well-being measured through an objective criteria (employment or income security) or a subjective one (life satisfaction). Developing a comparative approach, the research uses two very rich panel data sets: the German GSOEP and the Australian HILDA.

The outcomes show the added value of Sen's capability approach for explaining well-being and its evolution over time: the stock variables have a strong effect on income security and life satisfaction whereas events and flow variables contribute most in explaining differences in employment security. The results also underline some distinctive relationships in Germany and Australia between human capital and flexicurity pathways, illustrating the differences in the two skills regimes.

#### **Résumé**

Dans son travail avec Bruce Headey, Ruud Muffels explore la question de la mise en œuvre des concepts de Sen dans l'analyse des relations entre capacités, fonctionnements et bien-être. Le papier présente un modèle stock/flux original dans lequel les capacités sont identifiées à des variables de stock telles que le capital humain, le capital social ou le capital santé des individus, et les fonctionnements sont des variables de flux (l'accès à une formation, la recherche d'emploi, le temps de soin aux personnes...) alors que les événements (licenciement, changement d'emploi, mariage ...) peuvent eux-aussi être considérés comme des fonctionnements. De plus, certains événements du passé déterminent le contexte de choix des individus dans le présent, ce qui introduit la notion de dépendance du chemin suivi. L'objectif est d'évaluer l'effet de ces variables sur le niveau de bien-être des individus mesuré objectivement à travers un indicateur de sécurité d'emploi ou de revenu, ou subjectivement par un indicateur de satisfaction. Dans une perspective comparative, la recherche utilise deux panels : le panel allemand GSOEP et le panel australien HILDA.

Les résultats de l'étude confirment la valeur ajoutée de l'approche par les capacités pour expliquer le bien-être et son évolution dans le temps : les variables de stock ont un effet fort sur la sécurité de revenu et la satisfaction alors que les événements passés et les variables de flux contribuent à l'explication des différences en termes de sécurité d'emploi. L'étude met en évidence des relations distinctes entre capital humain et flexi-sécurité en Allemagne et en Australie, illustrant ainsi les différences entre ces deux régimes de qualification.

#### **Zusammenfassung**

In seinem Beitrag zusammen mit Bruce Headey wendet Ruud Muffels Sens Konzepte in einer Analyse der Beziehungen zwischen sozialen und ökonomischen Verwirklichungsmöglichkeiten, Funktionen und individueller Wohlfahrt an. Es wird ein originelles Modell aus Strom- und Bestandsgrößen präsentiert, wobei der Bestand durch Variablen wie Human-, Sozial- und Gesundheitskapital und die Stromvariablen z.B. Berufsbildung, Arbeitssuche und Betreuungszeiten sind. Ereignisse werden ebenso als Funktionen gesehen, vergangene Ereignisse haben zudem Auswirkungen auf den aktuellen Entscheidungskontext, womit das Konzept der Pfadabhängigkeit eingeführt ist. Ziel ist es, den Einfluss dieser Variablen auf individuelle Wohlfahrt zu beurteilen, die mittels eines objektiven Kriteriums (Beschäftigungs- oder Einkommenssicherheit) oder eines subjektiven Kriteriums (Lebenszufriedenheit) gemessen werden kann. Im Rahmen einer verglei-

chenden Untersuchung werden zwei sehr reichhaltige Paneldatensätze eingesetzt: das deutsche GSOEP und die australische Erhebung HILDA.

Die Ergebnisse bekunden den Wert von Sens Capability-Ansatz für die Erklärung von Wohlfahrt und ihrer Entwicklung über die Zeit: die Bestandsvariablen haben einen starken Effekt auf Einkommenssicherheit und Lebenszufriedenheit, wohingegen Ereignisse und Flussgrößen am meisten zur Erklärung von Unterschieden in Beschäftigungssicherheit beitragen. Die Ergebnisse dokumentieren ebenso spezifische Bezüge in Deutschland und Australien zwischen Humankapital und Flexicurity-Pfaden, wodurch die Unterschiede in den beiden Qualifikations-Regimen verdeutlicht werden.

## Paper 8

Karl Ulrich Mayer

### **“Global pressures and transformation turbulences – work biographies and skill formation of West and East German men born 1971”**

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#### **Abstract**

The proposition of increasingly disordered career paths being widely held, Karl Ulrich Mayer examines the qualification processes, occupational entries and early careers of German men born in 1971. This cohort is exemplary for current challenges to career paths: subdivided into East and West born members, the first group just finished vocational training when a comprehensive system change occurred, making acquired competencies partly obsolete, making firms tumble, but also creating new possibilities. The latter group experienced the economic downswing of the nineties and globalization's increasing competitiveness pressures just at the crucial moment of job market entry.

The study, of which some results are preliminarily published in the present text, uses both quantitative and qualitative data. The quantitative data stems from the 'German life history study', it reveals a considerable degree of stability in work biographies given the important external shocks. Moreover, differences between East and West German men are found not to be as vast as one might have expected concerning job and occupational changes, except for their temporal structure: re-orientation comes earlier in East German's careers. The qualitative data consists of narrative interviews, of which six typical biographies are selected. Rich pictures are painted with this material, including personal accounts of key events, aspirations and overall satisfaction. The impact of such heterogeneous factors as personality, chance and State intervention on success and failure, as well as recovery of careers, is reflected upon. Pathways are found to correspond to different career logics or combinations thereof.

Without adopting the perspective of capabilities, the narrated passages shed light on situations dominated by constraints or by leeway for real choice. With regard to the capability-approach, Karl Ulrich Mayer points to the decreasing range of capabilities during the course of working life due to specialization and raises the question at which biographical moment to determine capabilities. At the end, the question of a possible contribution of Sen to life course analysis remains open for the author.

#### **Résumé**

Le constat que les carrières professionnelles sont de plus en plus diversifiées étant largement établi, Karl Ulrich Mayer examine les processus d'accès aux diplômes, aux professions et aux carrières pour une cohorte de jeunes hommes allemands nés en 1971. Cette cohorte, composée de jeunes gens nés en Allemagne de l'Est et en Allemagne de l'Ouest, est exemplaire des défis actuels qui affectent les cheminements professionnels. Les jeunes allemands de l'Est achèvent juste leur parcours scolaires lorsqu'un complet changement de système intervient, provoquant l'obsolescence des qualifications scolaires, la déstabilisation des entreprises mais également l'apparition de nouvelles opportunités. Pour ceux nés à l'Ouest, leur arrivée sur le marché du travail coïncide avec le retournement économique du début des années 90 et l'accroissement de la pression concurrentielle issue de la mondialisation de l'économie.

L'étude dont certains résultats sont présentés dans le texte, utilisent des données quantitatives et qualitatives. Les premières proviennent de l'étude « Histoires de vie allemandes » qui révèle le fort degré de stabilité des biographies individuelles malgré les chocs extérieurs considérables. De plus, les différences entre les jeunes hommes nés à l'Est et ceux nés à l'Ouest sont beaucoup moins importantes qu'on aurait pu le penser au regard des évolutions professionnelles, si ce n'est dans leur dimension temporelle : les réorientations viennent plus tôt dans les trajectoires des jeunes allemands nés à l'Est. Les données qualitatives sont constituées d'entretiens biographiques et six d'entre eux sont donnés en exemple. De riches portraits sont composés à partir des récits personnels sur les événements clés, les aspirations et les appréciations en termes de satisfaction générale. L'analyse révèle l'impact de facteurs aussi hétérogènes que la personnalité, la chance ou encore l'intervention de l'Etat, sur les succès ou les échecs, ainsi que sur les retournements de carrières. Les cheminements correspondent à différentes logiques de carrières et à des combinaisons de ces logiques.

Sans adopter une perspective en termes de capacités, les extraits d'entretiens mettent en lumière des situations qui sont dominées par des contraintes ou par une certaine liberté d'action pour effectuer de réels choix. Karl Ulrich Mayer souligne le rétrécissement du champ des possibles au fil de la vie active du fait d'une spécialisation progressive, et pose la question du moment biographique auquel observer les capacités des individus. Finalement, la question d'une possible contribution de l'approche par les capacités à l'analyse des parcours de vie reste ouverte pour l'auteur.

### **Zusammenfassung**

Vor dem Hintergrund der verbreiteten Sicht, dass Erwerbsverläufe zunehmend ungeordnet verliefen, untersucht Karl Ulrich Mayer Qualifizierungsprozess, Berufseinstieg und frühes Arbeitsleben deutscher Männer des Jahrganges 1971. Diese Kohorte vereinigt in beispielhafter Weise die Herausforderungen auf sich, die sich Erwerbsverläufen aktuell stellen: Sie unterteilt sich in eine ost- und eine westdeutsche Gruppe, von denen die erste gerade in jenem Moment die Berufsausbildung abschließt, in dem ein tiefgreifender Systemwandel einsetzt. Erworbene Fähigkeiten werden teilweise obsolet, Firmen straucheln, jedoch werden auch neue Möglichkeiten geschaffen. Die zweite Gruppe erfährt den wirtschaftlichen Abschwung der 90er Jahre und den gesteigerten Wettbewerbsdruck der Globalisierung ebenso im entscheidenden Moment des Eintritts in den Arbeitsmarkt.

Die Untersuchung, aus der manche Ergebnisse im vorliegenden Text vorveröffentlicht werden, verwendet sowohl quantitative als auch qualitative Daten. Die quantitativen Daten, die der ‚Deutschen Lebensverlaufsstudie‘ entstammen, zeugen von einem beträchtlichen Grad an Stabilität von Erwerbsbiografien im Anbetracht der externen Schocks. Hinzu kommt, dass die Unterschiede zwischen Ost- und Westdeutschen sich nicht als so groß wie angenommen herausstellen. Dies gilt zumindest für den Wechsel von Arbeitsplätzen und Berufen, wenn auch nicht für deren zeitliche Struktur: Neuorientierung wird in ostdeutschen Karrieren zu früheren Zeitpunkten notwendig. Die quantitativen Daten bestehen aus narrativen Interviews, aus denen hier sechs typische Biografien ausgewählt werden. Aus diesem Material werden reichhaltige Eindrücke gewonnen, die persönliche Berichte zentraler Erlebnisse, Ambitionen und eine allgemeine Einschätzung der Lage einschließen. Der Einfluss so vielfältiger Faktoren wie Persönlichkeit, Zufall und staatlichen Eingreifens auf den Erfolg oder das Misslingen, ebenso wie die Rehabilitierung von Karrieren wird reflektiert. Erwerbsverläufe scheinen sich gemäß abgrenzbarer Logiken zu entwickeln, z.T. auch von Kombinationen verschiedener Logiken bestimmt zu sein.

Ohne sich die Perspektive der Verwirklichungschancen zueigen zu machen, beleuchten die zitierten Interviewpassagen Situationen, die von Sachzwängen oder realem Entscheidungsspielraum gekennzeichnet waren. In Bezug auf den Capability-Ansatz macht Karl Ulrich Mayer auf die spezialisierungsbedingte abnehmende Palette an Verwirklichungschancen im Verlauf des Erwerbslebens aufmerksam, wodurch sich die Frage stellt, zu welchem Zeitpunkt einer Biografie Verwirklichungschancen eigentlich zu bestimmen wären. Letztlich bleibt für den Autor die Frage eines möglichen Beitrags Sens zur Lebensverlaufsanalyse unbeantwortet.

# Testing Sen's capability approach to explain objective and subjective well-being using German and Australian panel data?

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## INTRODUCTION

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There is a vast amount of literature on the theoretical aspect of the CA approach of Sen, but there is undoubtedly lack of research dealing with the measurement of capabilities and functions especially in a dynamic perspective. The need to address empirical quantitative research on the CA approach is however acknowledged (see e.g. Schokkaert, 2007). In this preliminary paper we address the issue to elaborate and test an empirical model explaining the development of WB translated into the level of income and employment security and life satisfaction over time based on what we call a ‘stocks-flows-outcome’ approach. It builds forth on an earlier attempt to combine economic and psychological approaches to well-being (see Headey, 1993). We use two of the richest panel data sets in terms of breadth (GSOEP, 1984- 2007) and depth (HILDA, 2001-2006) to explain and set out our approach and findings.

The structure of the paper is as follows. In the second section we discuss our stockflow-outcome approach in more detail. Then in section three we explain our empirical model before we discuss in section 4 some evidence on our well-being measures. Section 5 presents the estimations results for the RE and FE models to end in section 6 with some general conclusions.

### **1. A STOCKS AND FLOWS APPROACH TO CAPABILITIES: THEORETICAL FRAMEWORK AND CONCEPTUAL MODEL**

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#### *Well-being: objective or subjective*

In much of Sen’s work he views the concept of well-being in an objective sense, whereas others, especially in the realm of psychology, add a subjective interpretation (Headey and Wearing, 1992; Diener et al., 2000, Kahneman, 2003, Kahneman and Krueger, 2006; Clark et al., 2008, Headey 2008; Headey, et al., 2008). Sen was critical about SWB measurement because disadvantaged people might report high levels of SWB partly due to ignorance or deficiencies in their knowledge of the range of choices that ought to be available to them (Headey, 2005, p. 22). Another argument is related to adaptation and anticipation: people in their subjective assessment of the quality of their lives adapt themselves rather quickly to a new situation (e.g. a rise in income or wealth) or even anticipate to future changes and adjust their judgement and behaviour accordingly, suggesting that income or resources improvements hardly affects people well-being or poverty status (Easterlin, 2001; Clark, 2001, 2008, Ball and Chernova, 2008). The first argument seems to hold especially in the developed countries whereas the second might hold especially in richer countries though probably only for people with incomes beyond a certain threshold. We believe that the joint use of objective and subjective well-being measures might give us a better clue on how people cope with or respond to poor social and economic conditions and with financial and economic stress. The literature on the subject shows that well-being and ill-being measures are defined rather differently in the various disciplines engaged in this type of research: economics (income, welfare, health), sociology (social deprivation, happiness) and psychology (life satisfaction, stress). In all disciplines one notices the distinction between objective and subjective definitions of well-being (Schokkaert, 2007).

#### *Sen’s notions of capabilities and functionings*

Capabilities are in Sen’s world the real freedom people have in terms of the choice of functionings. Capabilities reflect the opportunities and choices people have to achieve alternative combinations of functionings. Central is the notion of ‘freedom of choice’ that might be translated into ‘freedom to act’; people, in Sen’s view, should have the opportunities to achieve the functionings they have reason to value most for their personal lives (Sen, 1983, 1993, 1999 a,b, 2004, 2005; Muffels et al., 2002; Alkire, 2007). Capabilities are distinct from resources because resources are just instrumental to or the means to enhance people’s well-being whereas what matters more to people is the ability to achieve certain functions. Because, as Salais and Villeneuve (2005) conclude: “given equal resources, when faced with the same contingencies some people do not

have the ability to overcome them". In essence what matters are the conversion factors of transforming resources or means into ends, which are the 'freedom' or opportunities that people have. For Sen the freedoms are ends in themselves, not requiring any further justification on their instrumental effects on other outcomes such as economic growth (Muffels et al., 2002, p. 5). Sen's focus is neither on outcomes nor on people as passive recipients of these outcomes, but rather on individuals' acting and bringing about change, where the achievement can be judged in terms of people's own values and objectives. People make decisions during their life courses which are partly affected by these contingencies and partly are strict personal but in either case they have a temporary or lasting impact on their outcomes in terms of well-being. Capabilities are in Sen's world therefore not purely ideosyncratic personal characteristics or traits while they are shaped in the interaction of 'agency' and 'structure', that is, in the societal and economic context. The wider context including policies affect the 'opportunity set' of people and define the 'freedoms to act' and the contingencies they face simultaneously.

### *A stock and flow/event approach*

The main thrust of the paper is to elaborate a stocks-flows/events framework to test the relevance of Sen's capability model to explain well-being. Stocks bear resemblance to the notion of capital, be it economic, social or cultural capital. Economic capital - as we see it - deals with wealth, human capital endowments and skills (Becker, 1975), social capital (Putnam, 2000, 2005) with the level of trust in other people and the social networks people have, indicated by the contacts with relevant others (bonding social capital) and with memberships of organisations and associations or clubs such as trade unions, social and sport clubs (bridging social capital). Cultural capital deals with shared norms and beliefs, social values, life goals and risk attitudes (Dohmen et al., 2006). Psychological capital concerns people's personality traits, generally indicated by the so-called 'big five': extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience (e.g. Diener, 2000).

The second component of the model entails flows or functionings which might be thought of as investments and disinvestment (consumption) in, and returns to capital and is similar to what Sen has named 'beings' (e.g. income, consumption, leisure time, married, received care, autonomy) and 'doings' (e.g. volunteering, caring, training, job searching, exercising, time spending on social events). We argue that events can be viewed as functionings while they are associated with 'beings' and 'doings'. They either result from voluntary choices (endogenous shocks) or from involuntary constraints (exogenous shocks). People make decisions to marry or divorce, to change jobs, or to reduce working hours but often people confront involuntary choices, such as dismissal, divorce, separation through death etc. The inclusion of events brings also the notion of 'path-dependency' into the model because what happened in the past tend to affect current decisions.

### *Stocks and functionings*

A stock like wealth and income drawn from wealth fits perfectly in this stock-flowevents approach. But also human capital, health and social capital which are seemingly more difficult to interpret in this way fit in the framework. The level of professional education people attain is a stock that renders people opportunities to find the job they like most. Further education and training can be viewed as an achievement or an investment in human capital, just like overtime work. Health can also be seen as a stock because it is to a considerable extent determined by people's genetic heritage, but it is also an achievement or flow because a good or bad health is also the outcome of or return to an investment in a healthy or unhealthy life style irrespective of his/her initial genetic condition. Exercising, sport activities and smoking and drinking act as investments respectively disinvestments in health and it improves in the end one's stock of health. Through the impact on health they also affect the value of someone's human capital and therewith impact on achievements and outcomes in the form of well-being.

Trust in other people is part of people's stock of social capital while it induces cooperation which might pay-off in terms of returns to effort and social support. The time invested in cooperation and collaboration can be seen as an investment in trust. The frequency of social contacts, another dimension of social capital, indicate the ability of people to maintain their social network - even though it gives no clue about the quality of the relationships in the network- but it is also the outcome of people's investments in supporting their networks.

Risk attitudes, but also life values can be seen as being part of people's cultural capital just as religion or religious convictions are. There is ample evidence that life values matter for explaining SWB (Headey,

2006). Risk attitudes in the form of risk seeking or risk averse behaviour is an important economic component influencing people's achievements and outcomes. Investing in a new job or starting a business might be risky but might pay-off in terms of an improved career. Life values can be distinguished between economic (success in job, affording luxuries, owning a house etc.) and social life values (have children, importance of partner, altruism, good relationships with friends)<sup>71</sup>. According to Headey (2006) economic values represent zero sum and social values positive sum domains. In zero sum domains gains for one always imply failures for others whereas in positive sum domains gains are either not at the costs of others or even improve those of others. We therefore might view spending time in paid work (work more than one wishes and overtime), volunteer work or in caring as an investment in cultural capital.

### *Events*

Events are functionings from the past that affect future outcomes. Divorce can be seen as an event following a decision to split with large consequences for people's well-being. But also marriage tends to have long-term consequences just like unemployment or stopping a business. There is ample evidence in the literature on the positive effects of marriage and the negative or 'scarring' effects of divorce and of unemployment, temporary work or low paid work on the career and on SWB (e.g. Gangl, 2006; Muffels, 2008, Clark, 2008). The two panel surveys contain information on events but especially the HILDA panel contains an extensive list being much broader than the short list of household formation or labour market events usually available. The list also includes detainment in jail or being a victim of a crime such as violence. The HILDA also asks when the event had happened and how long ago that was. In the German panel study we lack such an extended list but we were able to derive events from the annual and monthly information on current and last year's household formation and labour market changes. The German panel contains a calendar in which information is asked about the socio-economic status of the respondent for each of the 12 months preceding the interview date.

In Table 1 we summarise the way we applied Sen's CA model to develop a stocksflows-outcome approach to well-being.

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71 We first performed a factor analysis using principal components analysis with Varimax rotation. The items importance of own house and of travel and political activity seem to load very low on the two components and were removed. The items left clustered very clearly into an economic and a social component.

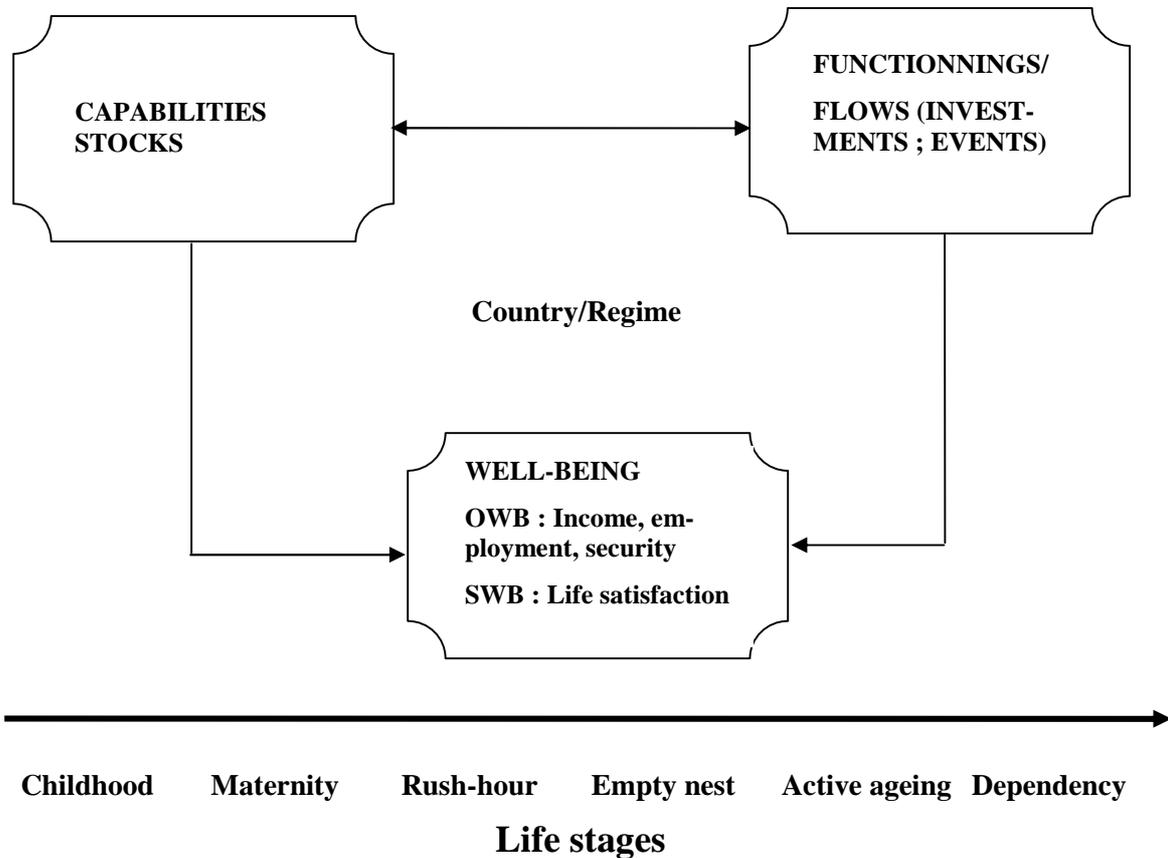
**Table 1. Sen's CA approach and the measurement of stocks, flows and events**

<b>Capabilities</b>	<b>Functionings</b>	
<b>Stocks (capital)</b>	<b>Flows (investments)</b>	<b>Events (choices/constraints)</b>
<i>Human capital</i>		
Education level	Training, courses	Completing education/drop out
Health status	Exercise, healthy life-style (smoking, drinking) Visit doctor	Accident/Disability/Being cured
Job/Employment quality	Job search Working time, job preferences Wage expectations	Lay-off, dismissal/New job Unempl./temp job/Change hrs Start-up/Stop Self-Employment
<i>Social capital</i>		
Social contacts (bonding)	Frequency of social contacts	Change of residence
Membership union etc. (bridgeing)	Time spent to memberships, union, clubs	Change of residence
Living in a sustainable consensual union	Caring time	Marriage/cohabitation Divorce/separation
Trust in other people	Time spent on community events, working together etc.	Working together/teamwork Victim of crime
<i>Cultural capital</i>		
Willingness to take risks	Invest in new job/self-employment	Change of job/business/career
Life values	Volunteer work, social activities	Social events, life shocks
Religion	Church visits	Personal events
<i>Psychological capital</i>		
The big five (open, agreeableness, extraversion, emotional stability, conscientiousness)	Investment in one-self (self- development)	Personal events

*The conceptual model*

The conceptual model is now presented in Figure 1. The flows/events exert a central role in the model while they are seen as reflecting people's behaviour along which outcomes are shaped. The model presumes that decisions are subject to the particular life stage of people but that they at the same time also shape the life course and therewith well-being (see Klammer et al., 2008). Well-being is therefore the outcome of the interaction process between stocks and flows/events. The functionings or achievements (beings and doings) are affected by the stock of capital people possess but at the same time contribute to raising or reducing someone's capital. There seems to be a reciprocal relationship between stocks and flows - stocks allow people to invest and investments lead to accrual of stocks - which is hard to disentangle in a cross-sectional perspective but less so in a dynamic or panel perspective. Using our panel data we can associate causes and consequences viewing the sequences over time.

**Figure 1. A stock-flow-outcome approach to Sen's capabilities model**



*The empirical model*

The empirical model departs from the stocks-flows-outcomes approach where outcomes are defined in terms of well-being. In behavioural context it is assumed that people experience events as a result of voluntary decisions (free choice) and involuntary decisions imposed by others (context/ constraints). The model looks as a purely 'rational choice' model but it is not while it views the impact of personal traits, religious and other attitudes and life values on these decisions which are included in the stocks/capabilities part. Well-being is considered the outcome of the interaction process between stocks and flows/events.

*Country/regime*

We use evidence for two countries which represent according to the VOC literature (Hall and Soskice, 2001) two different types of market economies: a strongly coordinated (Germany) and a weakly coordinated, more or less liberal type (Australia). The question addressed is to what extent Sen's CA model is able to explain well-being in these two countries representing two different market economies and two different 'policy regimes'. The distinction is relevant for Sen's framework because people's 'capabilities' are to a large extent influenced by the level of their human capital endowments obtained through education, learning on the job and training. The coordinated type is now typified by a so-called 'specific skills' regime and the weakly coordinated one by a 'general skills' regime (see also EstévesAbe et al., 2001). We therefore suspect that because of the insider-outsider issue a 'specific skills' regime because of the non-tradability of these skills meet particularly problems to ensuring employment security for particular low-skilled groups over the entire

career whereas a ‘general skills’ regime due to market forces might encounter problems to ensure low-skilled workers income security or income stability over the career. The Australian education system seems to have ‘meritocratic’ features because a large fraction of low educated are in the upper 25% of the income distribution and even more than the high educated (39% against 28% over the period 2001-2006). Still though, the low educated are more likely to be in the lowest 25% incomes compared to the highest educated (43% against 23%).

## **2. DATA AND METHODOLOGY**

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### **2.1. Data**

We used the German panel for the years 1984-2007 and the HILDA panel for the years 2001-2006. We included all persons of workable age of 16 years to 65 years. All incomes were deflated by the consumer price index in 2001 prices. The data were weighted with the product of the cross-sectional weights and the staying factors (the probability to stay in the panel across two consecutive waves). We created a person-year file while including information from the monthly calendars for the entire period. We also included the retrospective information as asked for in the first contact round on work (first job) and life history.

The information on risk attitudes and life values were collected in only one (HILDA) or a few years (GSOEP) of the panel. Though values might change over time there is reason to believe that overall they are rather stable particularly when the period is not too long. We therefore imputed the values for the missing years in between by taking the closest value or the average of the values between two years if available for that particular person. We also used the information on time use which were available for all years in the HILDA panel but missing for some years in the German panel. Even though time use variables might change over time we needed to impute the values for the missing years.

### **2.2. Our measures**

In this paper we use objective and subjective measures of well-being indicated by three yardsticks: income and employment security and life satisfaction:

- Income security is measured as the ratio of equivalent household income in proportion to the 60% income poverty threshold as used by the European Commission. We use the modified equivalence scale as developed by the OECD that is also used by Eurostat. The income measure is a rather well-known continuous measure of ‘relative income’ which in the US context is referred to as the ‘income-to-needs’ ratio. As such, the measure is very similar to Sen’s well-know ‘income inequality’ or ‘income deprivation’ index though his inequality index was defined as a weighted gap between income and the income threshold (weighted with the level of inequality among the poor) instead of the ratio (see Muffels et al., 2008 a, b). The income information in both panels refers to the last year’s income period but in Germany this is the last calendar year whereas in Australia it is the last financial year running from June last year to June this year. For Germany we therefore assigned the  $t+1$  incomes to the current year whereas for Australia we used the information as it is given for the current year.
- Employment security is defined as the proportion of months of full-time or part-time employed during the preceding year. Whether people actually worked full-time or part-time employed does therefore not affect the measure. If people prefer to work part-time and they are able to realise their preferences they should be considered as being employment-secure. For that very reason we correct for whether the part-time or full-time work corresponds to people’s working hour preferences or not. We also try to correct for the voluntary nature of a low attachment to the labour market by deriving a variable indicating whether people want a job or prefer not to work. Employed people are assumed to want a job and for unemployed people we know their job search behaviour in both panels. The Australian panel further asked people, including the inactive population, whether they look for a job or not. We used that to construct a variable whether people want a job or not but for the German pa-

nel we had to rely on other kinds of information. If people reported that they were retired or that they were engaged in education or vocational training, were caring for children or others or engaged in volunteer work we assumed that they were unavailable for the labour market and not wanting a job. When they still did some paid work we considered them attached and assumed they were still looking for a job. For the remainder categories of unemployed and inactive people we made use of a question on how people judge the importance of success in a job. If they had the lowest score, which is zero, we assumed that they were not looking for a job. We used this ‘job search’ dummy to correct for the impact of people’s labour market attitudes or preferences for work.

- Life satisfaction is measured in the usual way on a scale of 0 to 10, 0 indicating the lowest level and 10 the highest. The life satisfaction question is asked every single year. Apart from life satisfaction the surveys also contain information on income, job, living standard and health satisfaction which we don’t use here. According to set-point theory (Diener, 2000; Headey, 1995) people’s life satisfaction score remains rather stable over time because each individual tend to stay on his or her idiosyncratic track, dependent in particular on a person’s score on the ‘big five’ social-psychological traits. Shocks associated with health impairments or life events (such as unemployment, marriage/divorce) may cause people to depart from their long-term path but only temporarily; people tend to recover rather quickly to return to their quasi permanent baseline track.

### *Income or consumption*

Even though we used an income measure here, there is reason to argue for measures viewing the combined effects of wealth, income and consumption (Headey et al., 2008). For well-being the level of consumption over time matters more than income while people can share resources with others. In economics as well as in sociology there is also increasing attention to bring the capabilities approach within the multi-dimensional poverty or the human rights framework (Alkire, 2001; Sen, 2005; Nussbaum, 1997; Vizard & Burchardt, 2008, Bartelheimer et al., 2008). Within sociology much work is done on what is called the ‘relative deprivation’ approach to multi-dimensional poverty (see Townsend, 1985; Sen, 1983). Even though the approach is interesting there is lack of information in our panels. The German data contain for some years some information on social exclusion but the information is limited to 11 items dealing with deprivation on food and clothes, amenities in the house, some durables and social contacts (dinner with friends). There is no information in the Australian panel on these social exclusion items. We examined the information collected in the German panel but decided to focus on the income poverty concept as widely accepted and used in the European context.

### **2.3. The variables included in the empirical model**

We employed random and fixed effects panel regression models to allow correcting for unobserved individual effects. This is important because capabilities are latent or unobserved factors which are likely to be associated with the observed measures for capabilities that we included in our models such as education level and participation in training. Even though we were able to incorporate much more capability/ functionings indicators than usual we cannot rule out the possibility that we only partly capture the unobserved heterogeneity related to factors as ability, motivation and effort.

More specifically, we estimated random and fixed effects panel regression models separately for income security (IS), employment security (ES) and life satisfaction (LS):

$$IS_{it} = \alpha_0 + \beta X_{it} + \delta_o TRAILS_{it} + \delta_1 STOCKS_{it} + \delta_2 FLOWS_{it} + \delta_3 EVENTS_{it} + \gamma_t + \mu_i + \varepsilon_{it} \quad (1)$$

$$ES_{it} = \alpha_0 + \beta X_{it} + \delta_o TRAILS_{it} + \delta_1 STOCKS_{it} + \delta_2 FLOWS_{it} + \delta_3 EVENTS_{it} + \gamma_t + \mu_i + \varepsilon_{it} \quad (2)$$

$$LS_{it} = \alpha_0 + \beta X_{it} + \delta_o TRAILS_{it} + \delta_1 STOCKS_{it} + \delta_2 FLOWS_{it} + \delta_3 EVENTS_{it} + \gamma_t + \mu_i + \varepsilon_{it} \quad (3)$$

where income security ( $IS_{it}$ ) is the ratio of equivalent income of each individual at time  $t$  to the level of the poverty line in the country for year  $t$  as defined by the 60% of the median household income threshold as used by the European Commission ( $Y_{it}^{eq}/pl_t$ ). Employment security is defined as the number of months em-

ployed in the current year and life satisfaction or subjective well-being (SWB) as the score on the life satisfaction scale in the current year ranging from 0 to 10. The  $\beta X_{it}$ 's represent a set of control variables either time invariant like sex or 'born in a foreign country' or time varying, like age, age squared, birth cohort, education level, number of children, life course stage and whether people are seeking work or not. The traits, stocks and events variables are also included either as time invariant variables, like personal traits or risk attitudes (part of stocks), or as time varying such as functionings and events. The  $\gamma_t$  represents a time-specific effect that is assumed to correct for business cycle influences indicated by year dummies with the first year acting as the reference year. The  $u_i$  represent the unobserved heterogeneity or individual effects and the disturbance is given by  $\varepsilon_{it}$ . The SWB scale is ordinal and ranges from 0 to 10<sup>72</sup>. However, a cardinal treatment of it renders more or less the same results (Diener 2000, Clark, 2008). The advantage of treating the life-satisfaction scale in a linear manner is that we can correct for unobserved individual effects estimating GLS random and fixed effects models.

### *Variables*

The most important variables are of course the variables indicating the stocks and functionings/events. Table 2 gives the operationalisation of the variables included in the empirical model. For the controls we included a variable indicating whether people want a job or not and a dummy for being early retired. We also constructed a life-course oriented household type variable indicating the different life-stages of people (single, single parent family with young children, couple with young children, empty nest etc.).

For the stocks we included variables measuring human, social and cultural capital. Human capital is measured through education level that is however measured very differently in the two countries. For Germany we used the international education level classification called ISCED to distinguish between three levels of education (high, intermediate and low. For Australia we did not have the ISCED codes and used the classification as it is included in the panel though recoded into three levels.

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72 Because SWB is basically an ordinal scale most authors in the field use an ordered probit or ordered logit for estimation. However, because the scale ranges from 0 to 10 (and hence contains 11 mass points), the linearity assumption as implied by treating it as a cardinal scale is not seriously violated.

**Table 2. List of variables used in the empirical model**

<b>Variable</b>	<b>Germany</b>	<b>Australia</b>
<b>Controls</b>		
Birthcohort	Based on birthyear. Split into 7 periods, born before 1940, 1940-1945,1945-1955,1955-1965,1965-1975,1975-1985, 1985-1995.	Panel is too short to define birth cohorts. Too high correlation with age.
Interaction age and birthcohort	Age*birthcohort	n.a.
Household type (life course stages)	Couple yngst ch<5; couple yngst child between 6 and 15, single with children, single parent, yngst child <5, single parent, yngst child between 6 and 16, other	Ibidem
Number of children	In-living child between 0 and 16 years of age	Ibidem
Number of employed	All members with self-reported employment status.	Ibidem
East-Germany and Immigrant	Living in East-Germany; Not born in Germany	No region indicator used; Not born in Australia
Not looking for work	To unemployed asked whether people are looking for work. For the inactive people we only consider those being attached to the labour market to be looking and the rest not.	Asked whether people wants a job or not.
Year and period correcting for business cycle	Period is split into the 1980s, the 1990s and the 2000s	Year included as dummy with first year as reference
<b>Stocks</b>		
Physical and mental health	Based on standard list of questions on health conditions (physical, mental health)	Ibidem
Bad health	Self-reported health from very good to very bad. Bad and very bad are taken together.	n.a.
Human capital	Education level using ISCED codes and recoded into low, intermediate and high.	Education level consisting of 8 categories based on years of education and certificates. 1=11 and below, 3=advanced diploma, bachelor, and master graduate; 2=everything in between.
Social capital	Bonding: Frequency contacts relatives/friends, Trust other people (4 categories from totally agree to totally disagree) Bridging: Membership trade union/association, clubs	Frequency contacts friends Trust: "I don't have anyone I can confide to" (from totally agree to totally disagree)
Cultural capital	Religion: Catholic, Protestant, Other Christian, Other religion, No denomination Life values: importance of altruism, success in life, self-fulfilment, family, friends, partner, owned house Willingness to take risks (11 points scale)	Religion (idem) Importance of religion, scale 1-10 Life values: family, work, health, house, leisure. Willingness to take risk and financial risk attitude asked 2 times.
<b>Functionings/Events</b>		
Training, apprenticeship Interaction training/empl.	Training for job or vocational training to unemployed	Training on the job or not
Investment in job	Working hours more or less than preferred number of hours: overworked, underworked	Ibidem plus overtime
Investment in health	Healthy life: active sports, exercising,	Ibidem + drinking, smoking
Investment in social activities	Time with friends, attending community and social events, volunteer work. Time weekdays on: housework, shopping, work, visiting friends	Attending social and community events Time use: homework, errands, playing with children, volunteer work and social time with relatives/friends
Events	Constructed from the calendar	N of negative job events (job loss, sacked) ; N of negative family events (divorce, separation, death) , N of crime events (jailed, violence)

Social capital is measured through the frequency of contacts with friends and relatives and through the level of 'trust in other people'. For Australia we added also variables like the support people get from others and the number of friends people report they seem to have. The amount of cultural capital is measured by the so-called life values dealing in Germany with the importance of certain aspects in life such as altruism, success in job, what people can afford, self-fulfilling, being happy with the partner, having children, friends, travel and social or political activities and owning a house. The life value list in the HILDA panel deals with the house, the employment and work situation, the financial situation, the involvement in the local community, health, family and leisure activities (sports, hobbies, contacts with friends). We employed for both countries a principal components factor analysis on these life values and the results (not given here) show that there remain basically two main factors which we called the economic (in Germany success, afford, self-fulfilment and in Australia employment and financial situation) and social values (in Germany have children, happy with partner, altruism and in Australia family, health, local community and leisure). Because of the low loadings in Germany of 'owning a house' and 'travel and political activity' we removed these items. We did not weight the factors with the factor loadings but just took the aggregated scores on the variables belonging to the two dimensions. We also included variables measuring the willingness to take risks and the willingness to take financial risks in particular which are supposed to affect people's labour market behaviour (see e.g. Dohmen, 2005). We see the level of risk aversion as a stock while it might affect in particular people's income prospects as well as their employment career opportunities.

Eventually we included a number of events as listed in Table 1. For Germany we constructed a limited set of events based on the information in the panel with a view to employment and marital status whereas for Australia we had a long list asked for to the respondent. The constructed well-being indicators for income (IS) and employment security (ES) and life satisfaction (LS) refer to the current year whereas the events refer to the last calendar or last financial year.

### **3. FIRST EVIDENCE ON OUR WELL-BEING MEASURES**

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We have opted for three well-being indicators: income security (IS), employment security (ES) and life satisfaction (LS). We created annual measures for all three indicators of well-being. In Table 1 we show some stylized facts on the levels of our well-being measures (IS, ES, LS) by employment status. We also include some information on being income poor (below 60% of median equivalent income), employment poor (below 50% of median number of months at work during last year) and life satisfaction poor (a score below 6 on the scale of 0 to 10).

**Table 3. Well-being according to several well-being indicators, males and females by employment status and gender, GSOEP 2001-2006; HILDA, 2001-2006**

Empl status	GSOEP						HILDA					
	IS	IP	ES	EP	LS	LSP	IS	IP	ES	EP	LS	LSP
Males												
Employed	2.14	0.06	96.24	0.05	7.05	0.17	2.32	0.07	93.40	0.04	7.89	0.07
Self-employed	3.50	0.05	96.81	0.04	7.02	0.19	2.17	0.19	96.25	0.02	7.85	0.08
Unemployed	1.24	0.43	0.00	0.78	5.42	0.52	1.50	0.36	31.67	0.59	7.64	0.10
Inactive (incl s	1.73	0.18	5.34	0.94	6.88	0.22	1.39	0.44	7.40	0.91	7.91	0.08
Total	2.06	0.12	59.03	0.39	6.89	0.21	1.97	0.21	62.67	0.35	7.88	0.07
Females												
Employed	2.13	0.09	94.15	0.08	7.01	0.19	2.29	0.07	93.09	0.04	7.98	0.07
Self-employed	3.01	0.08	93.81	0.07	7.11	0.19	2.10	0.19	95.61	0.03	7.97	0.08
Unemployed	1.25	0.45	0.00	0.83	5.71	0.46	1.45	0.37	29.61	0.63	7.85	0.10
Inactive (incl s	1.68	0.22	4.96	0.93	6.89	0.23	1.39	0.44	7.58	0.91	7.98	0.08
Total	1.91	0.17	44.21	0.56	6.89	0.22	1.92	0.22	60.29	0.37	7.97	0.08

Note: IS=income security (income-to-needs ratio); IP=Income poor (<60% of median equivalent income); ES=Employment security (% of months employed current year); EP=employment poor (<50% of median of ES); LS=life satisfaction (0-10); LSP=life satisfaction poor (< 6.0 on LS scale).

Source: GSOEP, 2001-2006, HILDA, 2001-2006

The self-employed and the employed have the highest income and employment security scores in Germany and Australia. In Australia the self-employed and inactive are considerably worse off than their counterparts in Germany. The proportion of income poor (IP) is higher for males as well as for females in Australia compared to Germany. The proportion is particularly high among the self-employed, the unemployed and inactive people. Viewing the picture for females it is shown that women exhibit generally lower levels of income security and lower levels of employment security in Germany and Australia compared to men but also that women in Australia perform much better than German women. This reflects the traditionally higher participation of females in the 'liberal' labour market. Females exhibit on average equal (Germany) or slightly higher (Australia) levels of subjective well-being (LS) compared to men, even though more women score below 6 on the SWB scale. Note however also the much higher levels of income poverty in Australia but also the higher levels of subjective well-being, both for men and women, compared to Germany.

#### 4. RESULTS ON THE MODEL ESTIMATIONS

The empirical model we want to test departs from the stocks-flows/events perspective. We are particularly interested in the separate contribution of the stocks and flows/events variables on well-being and therefore estimated four separate models on each of the three WB indicators. These are the following:

- Model I. The base-line model with the usual controls (age, age squared, sex, household type, number of children, region (West and East German region only), and being an immigrant).
- Model II. The stocks model with controls and the stocks variables included (except for the personality traits).
- Model III. The stocks-traits model with the controls, the stocks and the personality traits.
- Model IV. A full model with controls, stocks, traits and the functionings/events.

For each of our three WB indicators we estimated four random effects models to examine the added value of stocks, traits and functionings/events on explaining wellbeing. In Table 4 we show the fit indices of the four RE models of our WB measures.

**Table 4. Contribution of stocks, traits and functionings/events on explaining wellbeing by comparing four random effects models in Germany and Australia (R-squares)**

	Germany (GSOEP)				Australia (HILDA)			
	M I	M II+	M III+	M IV +	M I	M II+	M III+	M IV +
	Contr.	Stocks	Traits	FCTS/Ev	Contr.	Stocks	Traits	FCTS/Ev
Income security	0.091	0.192	0.192	0.227	0.129	0.186	0.189	0.211
Employment security	0.389	0.406	0.407	0.511	0.492	0.520	0.522	0.581
Life satisfaction	0.051	0.214	0.223	0.236	0.005	0.094	0.148	0.139

Source: GSOEP, 1984-2007, HILDA 2001-2006

The stocks seem particularly important for explaining income security because adding the stocks to the model raises the explanatory power of that model strongly (the R-square is almost doubled from 9.1% for controls only to 19.2% for the stocks plus the controls). The traits seem particularly important for explaining life satisfaction but only in Australia (the R-square is raised from 9.4% to 14.8%) but exert hardly any additional effect on explaining income and employment security. The effects of functionings and events are particularly strong in the employment security model and to a less extent also in the income security model but exert hardly any effect in the model for life satisfaction.

#### *Fixed effects (FE) models*

In the second stage we estimated also fixed effects models but only for Model IV the full model. We employed the Hausman model selection test showing whether the fixed effects model should be preferred over the random effects model. For Germany we find that the fixed effects specification should be preferred for all three WB measures indicating that the unobserved individual effects indeed correlate strongly with the observables. For Australia it appears that the fixed effects specification is performing worse especially for the SWB or life satisfaction model. The reason is that for Australia we only had information about the personality traits for one year because of which the traits, which explain most of the variance in LS, dropped out in the FE models. For Germany we therefore present the random and fixed effects models while for Australia we only present the random effects results. The results are given in Table 5 (Germany) and 6 (Australia) in Annex 1.

Below we discuss shortly the outcomes of the full model (IV). The FE model is assumed to be the appropriate model from a methodological point of view because we assume that the individual unobserved effects are associated with especially our observed (indirect) capability measures because of which the FE estimates are consistent and efficient. The FE model explains the level of well-being at each point of time compared to the mean level of well-being over the observation period. Because of this transformation time invariant variables like sex or country of birth drop out. For that reason we also present the results of the RE models for Germany.

### **4.1. Results from the random and fixed effects models: Germany and Australia**

#### **4.1.1. Germany**

##### *Controls*

Viewing the results of the income and employment security models for Germany we find that the relationship with age is inversely U shaped, first increasing and then decreasing after some age threshold. Age seems to have no significant effect on life satisfaction. The post-war generations see their employment security

continuously reduced compared to the pre-war generation. The picture might be blurred because we observe uncompleted careers of the younger cohorts. The interaction between age and birth cohort shows that within each birth cohort the higher the age is the higher employment security is.

Children seem to harm a person's income and especially employment security but raise his life satisfaction (Muffels & Headey, 2008). Families with very young children tend to experience substantial problems to maintain their income security. The single parent households with young children seem particularly vulnerable with a view to their levels of income insecurity but their life satisfaction is larger than with couples with no kids or kids with older children. The more workers there are in the household the better the income and employment security and the better also subjective well-being. The East-Germans and the immigrants have a worse record in maintaining income and employment security. Immigrants also have a lower life satisfaction. We included a variable indicating whether someone is looking for a job or not. The results show that those who are not looking for a job attain indeed the lowest income and employment security levels but if that reflects their true preferences this might not pose a particular problem. The early retired seem also to attain lower levels of income and employment security.

### *Stocks*

The more human, social and cultural capital endowments people have the better they appear capable of maintaining one's income and employment security. The inclusion of stocks raises the explanatory power of especially the income security model strongly though also has strong effects in the employment security model. In particular the effect of health shows up very strongly in all models. A bad health seems to threaten the level of income and employment security strongly whereas a good physical and mental health has a strong positive effect.

Interestingly, we do find rather strong effects for the variable 'willingness to take risks' showing that economic risk seeking behaviour seems to reward in terms of income as well as employment security but it seems to lower people's life satisfaction. That it exerts such a strong effect on employment security is somewhat unexpected. Another interesting finding deals with the positive impact of social capital (trust, memberships). It is shown that 'trust in other people' exerts a particularly strong positive effect on income and employment security which effect is even stronger than the effect of risk seeking behaviour. The impact of social capital on long-term income and employment security is also reflected in the strong positive effect of membership of a trade union or association. Both results render firm support to the social capital thesis put forward by Putnam and others (Putnam et al., 2005). The positive effects of social and economic values appear stronger in the employment security model than in the income security model which is slightly unexpected. Religion exerts no effect whatsoever on permanent income security though people with no denomination seem better able to maintain career-long employment security than religious people but their subjective well-being appears also lower (the latter effect disappears in the FE model). The traits exert strong effects particularly in the LS model. Neurotic people have a lower SWB and extravert and agreeable people a higher SWB. The neurotic people also score low on income and employment security and nice (agreeable) people turn out to be less income secure.

### *Functionings: investments in stocks*

Functionings are considered investments in stocks. Working hard through working longer hours than one wishes might be seen as an investment in the career. That turns out to be true while it indeed improves people's income and employment security. That is also raise their SWB is slightly surprising. People working less than they wish pay a price in terms of income security but their employment security is not endangered. People active in sports or exercising are less income secure but more employment secure and more satisfied in life, at least if we believe the FE model (they are less satisfied in the RE model which is puzzling). For training we found rather strong and puzzling negative effects on all measures of WB but the reason is that it just resembles the adverse outcomes for the unemployed/inactive who participate strongly in (vocational) training in Germany. For that same reason we also found negative effects for apprenticeship. Inclusion of an interaction term with employment status learned us that job related training has a negative effect on income security, a strong positive impact on employment security and no effect on SWB. To examine the effects of training we should compare a matched group of workers with and without training in their subsequent careers but that goes beyond the purpose of this paper. That people with job related training tend to have better

employment opportunities suggest that training matters for people in Germany and might reflect the ‘specific skills’ type of the Germany labour market

The investments in social capital not always pay off while it seems to be related to the amount of time invested. The time spent to visit relatives and friends during weekdays indeed harms the income career as well as one’s SWB though visiting relatives and friends occasionally (social networking) appears good for employment security.

### *Events*

Events in the German case seem to exert a strong impact on all three WB measures. Unexpectedly, we find that the birth of a first child raises people’s income and employment prospects. It might be that fathers after childbirth tend to work harder to compensate for the income loss of their partner and to raise the household income to cover the additional costs of children. The effect of second and following childbirths is however negative for employment security. Divorce works out badly and marriage good to income and employment security as well as to SWB. The transition into early retirement harms especially the employment security but not people’s income security. Rather strong adverse effects on income and employment security but also on SWB are observed for the total length of the unemployment spells in the past. These results confirm the existence of strong ‘scarring’ effects of unemployment on WB and suggest that people seem to recoup with great difficulty from unemployment experiences in the past (see Clark, 2008, Muffels, 2008b).

### **4.1.2. Australia**

Viewing the results for Australia it is shown that they are generally in line with the ones for Germany. There are only a few striking differences. First we observe couples with young children and singles without children to have worse income security levels compared to couples without children and secondly, immigrants appear not worse off in terms of income security compared to native Australians, but do show worse employment security levels.

Viewing the effects of stocks we find remarkable small effects of the impact of human capital variables indicated by education level which were rather strong in the German case. Even when we use the detailed classification of education level and using dummies for each of the 8 levels we find hardly no effect on any of our WB measures. There is a positive effect of high education in the stocks model on income security but a negative effect on employment security but both effects turn insignificant in the full model including the functions and events. This might indeed signal the ‘general skills’ or meritocratic feature of the Australian labour market. To check this further we added a variable measuring “required skills in and complexity of the job” and found that this exerts a rather strong positive effect on income and employment security.

Again we found strong positive effects of health and of social capital (frequency of contacts) on income security in Australia though not on employment security or on SWB. We do however find positive effects of trade union and club membership on income and employment security but no significant effect of trust. Bridging social capital in the form of memberships seems to pay-off for the career but makes people no more satisfied with life.

We found no positive effect of social values on income or on employment security though rather strong positive effects on SWB. Also the economic values show no effect on income and employment security but a rather strong negative effect on SWB supporting Headey’s zero sum hypothesis. For the same reason we find that willingness to take financial risks<sup>73</sup> has a strong positive effect on both, income security and employment security though no effect on SWB, which effects are for employment security even stronger than in Germany. This might also reflect the typical feature of the unregulated, uncoordinated Australian labour market with large returns to risk taking behaviour. The impact of personal traits for Australia is almost absent in the income and employment security model but rather strong in the LS model. Neurotic people have a low SWB whereas conscientious and extravert people a high SWB. Remarkably though, people more open to experience pay a price through a lower SWB.

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73 We included financial risk here instead of willingness to take risk because we retained much more observations and the effects turned out to be very similar

With a view to the functionings the investment in working more than one seeks to seem to pay off also in Australia but only for income security while working less than one wants (underworked) has a negative impact on both, income and employment security. The negative effects we found in Germany with respect to training are confirmed for Australia though only for employment security. The interaction term with employment is positive indicating that training for workers pays off in terms of employment security even in this 'general skills' regime. Exercising does raise your income security as well as your SWB. The time spent in commuting to your work raises your income and employment security. The time spent to homework harms your employment security but not your income whereas volunteer work harms both, your income and employment.

Finally, viewing the effects of the large number of events it is shown that the effects are rather small. Especially the length of people's unemployment experience affects their income and employment career adversely which is not surprising. Financial gains and losses have a positive respectively a negative effect on people's income security. Contrary to what was found for Germany early retirement seems to exert a negative effect on people's income security. That the effects are rather small might be associated with the different way in which these events were derived in both panels though this needs further scrutiny. One option might be to build in longer time lags and to look at the cumulated effects of events over time.

## 5. CONCLUSIONS AND DISCUSSION

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The empirical findings render strong support for the capabilities and functionings approach of Sen. The results are all very plausible and confirm the findings of other research in the area. A number of effects such as on human and social capital are rather strong in both countries. The outcomes show the added value of Sen's capability approach for explaining well-being and their evolution over time. The stocks seem to exert the largest effect on the explained variance in the models for income security and SWB whereas functionings or investments contribute most to explaining differences in employment security, especially in Germany. The effects of human, social and cultural capital are largest in the income security model whereas the personality traits have the largest impact in the LS models. All models perform rather good with a view to the explained variance, including the fixed effects models. The reason might be that the long-running German panel but even the much shorter Australian panel allow the researcher to include a rather rich set of covariates in the models that is required to be able to test Sen's theoretical CA model.

Overall, the results appear fairly robust in the models and we consider it reassuring that the fixed effects models reveal no different picture from the random effects models except for a very few variables indicating that correcting for the correlation between the unobserved individual effects and the observables does not do much harm to the parameter estimates of the models suggesting that most of the variance is captured with the observables in the models.

We also show that the results with respect to especially human capital seem to differ between the two VOC regime types or flexicurity pathways. We indeed find that Germany has a better record in maintaining income security and Australia a better record in maintaining employment security especially for females. Whether that should be attributed to the different 'skill' regime remains to be seen. But we do find evidence in our models that the human capital variables such as education level and training efforts are much less influential in explaining income and employment security in the unregulated 'general skills' regime of Australia than in the strongly regulated 'specific skills' regime of Germany. Though the evidence is not conclusive yet, there is reason for further scrutiny into the issue using more information contained in these panel studies on training and learning practices than we used for this paper. We also find rather strong positive effects of social capital variables like trust and social networks (bonding) and memberships (bridging) on income and employment security though not on SWB, but also of cultural capital factors like the willingness to take risks and social and economic life values such as altruism and success in a job. Strong positive effects are observed for risk taking behaviour on income and employment security but negative effects on life satisfaction whereas social values raise people's life satisfaction. The effects of these risk factors for Australia were even stronger than for Germany also pointing to the 'liberal' nature of its labour market. For future research we therefore want to add more information on risk attitudes as included in the panels than we used here in order to get more insight into their effects. The results therefore convincingly show that along with human capital

and economic values social capital and social values do significantly contribute to explaining differences in well-being.

There is no single discipline therefore that can claim the truth in being able to explain well-being while the use of a set of measures derived from the rich theoretical literature in the various disciplines add to our knowledge about what raises people's well-being with a view to income and employment security and how satisfied people are with their lives.

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## ANNEX

**Table 5. GLS random and fixed effects models on income security (IS), employment security (ES), life satisfaction (LS), Germany, males and females, 16-64 years**

OWB, SWB	Random effects			Fixed effects		
	IS	ES	LS	IS	ES	LS
<b>Controls</b>						
Age	0.030*	0.657	-0.009	0.023	-0.103	-0.021
Age squared div by 100	-0.043**	-3.000**	0.016	-0.042**	-2.618**	0.017
<i>Birthcohort (ref. &lt;1940)</i>						
1940-1945	-0.001	-23.570**	0.071			
1945-1955	-0.107	-48.098**	0.043			
1955-1965	-0.325	-68.276**	0.059			
1965-1975	-0.515	-83.027**	0.163			
1975-	-0.648*	-97.924**	0.275			
Age*birthcohort	0	0.038**	0	0	0.047**	0
<i>Household type</i>						
Couple, yngst ch 0-5	-0.201**	0.709	0.080**	-0.210**	-0.571	0.076*
Couple, yngst ch 6-15	-0.126**	0.708	0.015	-0.124**	-0.256	0.021
Single, no ch	0.077**	11.107**	-0.112**	0.123**	10.715**	-0.089**
Single parent, yngst ch 0-5	-0.152**	2.99	-0.138	-0.120*	2.619	-0.119
Single par, yngst ch 6-15	-0.111**	11.436**	-0.217**	-0.074*	10.975**	-0.207**
Other	-0.073**	-0.268	-0.023	-0.065**	-0.2	-0.035
<i>Sex</i>						
Sex	0.039*	-8.664**	0.093**			
Number of children 0-15	-0.114**	-0.880**	0.036**	-0.115**	-0.281	0.044**
Number of employed	0.105**	12.909**	0.100**	0.097**	12.534**	0.100**
East-Germany	-0.399**	-5.326**	-0.522**	-0.092*	-4.112**	-0.388**
Immigrant	-0.282**	-2.637**	-0.005			
Not looking for job	-0.060**	-24.013**	0.046	-0.063**	-22.840**	0.037
Early retirement	-0.083*	-6.328**	0.07	-0.064	-5.323**	0.053
<i>Period (ref. 1980s)</i>						
1990s	0.323**	-0.618	0.016	0.359**	1.830**	0.095**
2000s	0.303**	1.403*	-0.009	0.363**	4.655**	0.110**
<b>Stocks</b>						
<i>Education level</i>						
Medium	0.037**	2.819**	0.013	-0.027	2.418**	-0.001
High	0.241**	4.434**	0.114**	0.075**	3.561**	0.118**
Physical health	0.005**	0.114**	0.016**	0.001	0.059	0.004
Mental health	0.004**	0.070**	0.028**	0.002*	0.074*	0.017**
Bad health	-0.024*	-2.945**	-0.722**	-0.025*	-2.277**	-0.670**
Freq. Contacts friends/rel.	0.006	-0.624*	0.113**			
Membership Trade Union	0.042**	5.309**	0.017	0.036*	5.665**	-0.025
Trust in other people (1-4)	0.085**	1.168**	0.268**			
Willingness to take risks	0.040**	0.963**	-0.026**			

(Table 5, continued)

OWB, SWB	Random effects			Fixed effects		
	IS	ES	LS	IS	ES	LS
<i>Religion (ref. Catholic)</i>						
Protestant	-0.014	0.179	-0.014	-0.026	0.711	-0.088
Other Christian	0.008	-0.069	0.046	0.054	0.492	-0.03
Other religion	-0.042	-3.217	0.08	0.035	-2.171	0.001
No denomination	0.036*	1.313*	-0.079**	0.023	2.775**	-0.078
Social values	0.003	-0.285*	0.068**	0.006	-0.171	0.047**
Economic values	0.005	0.489**	-0.014*	0.006	0.512**	-0.009
<i>Personal Traits</i>						
Extravert	-0.014	-0.12	0.035**			
Neurotic	-0.024**	-0.616**	-0.114**			
Conscience	-0.015	1.548**	0.025			
Agreeable	-0.035**	-0.172	0.039**			
Openness	0.046**	-0.343	0.011			
<b>Functionings</b>						
Overtime	0.007**	0.886**	0.007**	0.005**	0.847**	0.008**
Overworked	0.093**	15.350**	0.072**	0.087**	13.381**	0.073**
Underworked	-0.034**	15.446**	0.003	-0.021*	13.587**	0.009
Active sports/exercise	0.018**	-0.126	-0.038**	-0.005	0.250*	0.032**
Participate in training	-0.045*	-24.498**	-0.019	-0.079**	-23.862**	-0.011
Apprentice	-0.149**	-42.846**	-0.160**	-0.137**	-42.531**	-0.164**
Int.training/employment	-0.001**	0.275**	0	-0.001*	0.264**	0
Visit community events	0.029**	0.176	-0.008	0.015	-0.074	-0.015
Visit relatives/friends	0.058**	-0.447	-0.009	0.030**	-0.436	0.001
Time wkd volunteer wrk	0.005	0.313	-0.017	0.004	0.223	-0.005
Time wkd friends/rel.	-0.035**	0.159	-0.054**	-0.018**	0.151	-0.051**
<b>Events</b>						
Voluntary job change	-0.013	-5.005**	-0.004	-0.011	-5.111**	0.008
Start own business	0.027	-4.296**	-0.177**	0.009	-5.076**	-0.142**
Stop own business	-0.067*	4.284**	-0.234**	-0.097**	3.685**	-0.182**
First childbirth	0.243**	4.610**	0.278**	0.243**	4.906**	0.283**
Second, third child	0.090**	-6.098**	0.159**	0.086**	-5.437**	0.161**
Divorced or separated	-0.297**	0.113	-0.313**	-0.319**	-0.262	-0.289**
Got married from t to t+1	0.172**	1.159	0.092*	0.164**	1.012	0.082*
<b>Unemployment</b>						
Experience	-0.054**	-4.690**	-0.039**	-0.041**	-4.891**	0.007
Early retirement event	-0.072	-5.448**	-0.059	-0.076	-5.181**	-0.059
Constant	1.376**	76.606**	4.778**	1.301**	28.962**	6.768**
R2 overall	0.227	0.573	0.245	0.089	0.253	0.207
N	62331	61073	62224	62331	61073	62224

\* p&lt;0.05, \*\* p&lt;0.01

Source: GSOEP 1984-2007

**Table 6. GLS random effects models for income security (IS), employment security (ES) and life satisfaction (LS), Australia, males and females, 16-64 years**

<b>OWB, SWB</b>	<b>IS</b>	<b>ES</b>	<b>LS</b>
	<b>Beta</b>	<b>Beta</b>	<b>Beta</b>
<b>Controls</b>			
Age	0.102**	1.951**	-0.003
Age squared div by 100	-0.116**	-2.255**	0.006
<i>Household type</i>			
Couple, yngst ch 0-5	-0.482**	0.55	0.124
Couple, yngst ch 6-15	-0.498**	1.054	0.095
Single, no ch	-0.489**	3.763**	0.027
Single parent, yngst ch 0-5	-0.456**	-8.707**	0.137
Single par, yngst ch 6-15	-0.472**	3.654	0.057
Other	-0.222**	-1.503	0.093
Gender (1=female)	0.04	-0.495	-0.031
Number of children 0-15	-0.160**	-1.754**	-0.039
Number of employed person	0.137**	5.276**	0.005
Immigrant	0.06	-2.469**	-0.06
Not look for job	-0.123	-41.000**	-0.003
Early retired	0.206	-10.868**	-0.041
<i>Year (ref. 2001)</i>			
2003	0.005	1.708*	0.079*
2004	-0.055	1.612*	0.07
2005	0.008	0.803	0.024
<i>Education level (ref. low)</i>			
Intermediate	-0.005	-0.707	-0.059
High education	0.006	-0.294	-0.051
Physical health imputed~s	0.050**	0.876**	0.011
Mental health condition~	0.012	0.375*	-0.003
Frequency meet friends	0.038**	0.238	-0.007
Trust in other people	-0.004	0.289	0.013
Have friends	-0.002	-0.233	-0.003
Support friends	0.01	-0.116	-0.01
Membership Trade Union	0.107**	3.688**	-0.025
Membership clubs	0.143**	1.274*	-0.048
Importance of religion	-0.004	-0.051	0.005
Financial risk taking	0.197**	0.751*	0
Social values	-0.004	-0.111	0.280**
Economic values	-0.003	-0.143	-0.052**

(Table 6, continued)

<b>OWB, SWB</b>	<b>IS</b>	<b>ES</b>	<b>LS</b>
	<b>Beta</b>	<b>Beta</b>	<b>Beta</b>
<i>Personal traits</i>			
Extroversion	0.014	-0.064	0.119**
Neuroticism	-0.027	0.604	-0.265**
Conscientiousness	0.012	0.304	0.065**
Agreeableness	-0.054**	0.764	0.046
Openness to experience	0.018	-0.591	-0.087**
<b>Functionings</b>			
Overworked	0.133**	-0.394	0.004
Underworked	-0.151**	-8.624**	0.019
Exercising	0.021*	0.101	0.064**
Participate in training	-0.023	-24.603**	0.017
Interaction training employed	0.001	0.285**	0
Leisure time	-0.045*	-2.018**	-0.041*
Time use home work	-0.002	-0.238**	0
Time use playing with children	0.001	-0.054*	0
Time use volunteer work	-0.026**	-0.378**	0.002
Time use caring for family	-0.005	-0.08	-0.003
Time use commuting	0.010**	0.594**	-0.001
<b>Events</b>			
First child birth	-0.019	0.669	0.012
Second, third children	-0.049	-1.565	-0.037
Negative family events	-0.004	0.029	-0.013
Positive family events	0.131**	1.082	-0.045
Number of crime events	-0.045	0.6	0.009
Positive health events	0.008	-0.531	0.018
Negative health events	0.092	1.102	0.036
Financial gain	0.245**	-0.682	0.039
Financial loss	-0.228**	2.503	0.09
Early retirement event	-0.463*	-6.716	0.184
Unemployment Experience	-0.065**	-1.945**	-0.004
Constant	-0.946**	29.042**	5.733**
Variance component	0.023	0.021	0.522
R2 overall	0.211	0.556	0.139
N	7110	7110	7107

\* p&lt;0.05, \*\* p&lt;0.01

Source: HILDA, 2001-2007

# **Global Pressures and Transformation Turbulences? Work Biographies and Skill Formation of West and East German Men Born 1971**

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## INTRODUCTION

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The theoretical discourse about the thesis of increasingly flexible work life patterns in Germany has been dominated initially by the individualization thesis and then by the globalization thesis (Grunow & Mayer 2007; Brückner & Mayer 2005). The individualization thesis postulates that working lives have become much less stable and standardized, because individuals have new orientations and options to pursue individual life designs (Beck 1992). The globalization thesis asserts that due to increasing international economic competition, employers impose an increasing risk burden on workers (Mills & Blossfeld 2005) and therefore a decline in job stability. In its most emphatic form this debate on the “new capitalism” claims that all kinds of work continuity, stability, identity, and consequentially the very basis of social personality are threatened (Sennett 2000). It is further assumed that new waves of information technology and organizational re-engineering lead to permanent restructuring of the skill mix (Levy & Murnane 2003). Therefore one can expect increasing mismatches between early training and occupational demands. On the labor market side, such trend projections find support by discussions on the ‘erosion of the standard employment relationship’ (Dombois 1999; Mückenberger 1989) and the ‘end of the work society’ (Offe 1984).

For the purposes of this paper we are especially interested in the implications of these debates for qualification processes, occupational entries and early careers of German men in the period between the late eighties and early nineties (when our respondents mostly finished their occupational training) and the year 2005 (when we collected our most recent data).

This paper reports on the skill formation processes and work biographies of East and West German men born 1971. The employment histories of these men were subject to extraordinary external shocks: on one hand, for East Germans, the potential destruction of formerly acquired skills and qualifications as well as the turbulences resulting from the rapid privatization of East German industry; on the other hand, the consequences of mass unemployment and economic restructuring resulting from global market pressures in West and East Germany. This research relies on a mixed methods approach using both quantitative data from a representative population panel survey (n=1805/1073) and qualitative data from narrative interviews (n=32) conducted in 1997/1998 and between 2004 and 2007. The primary material which we will use here consists of two parts: biographical interviews and the corresponding cases of the same persons reconstructed from the quantitative surveys. In addition, and as a descriptive first step, we will show tables on training, jobs, and occupational shifts based on the full sample of the retrospective panel survey

Given widespread assumptions about the increasing disorderliness of work trajectories and the rapid obsolescence of initial skills we are looking at the processes of how the men of this birth cohort accumulate their qualifications and skills, and how these shape and interact with their work histories. The paper is structured in six sections. In section 1, we review the debates about ongoing changes in regard to skill formation. In section 2, we discuss the special situation of West and East Germany during the process of unification and the labor market situation of the 1990s and early 2000s, and report on earlier findings about German labor market mobility. In section 3, we discuss concepts in labor market theory on skill distinctions and the affinities to Amartya Sen’s theory of capabilities. In section 4, we provide essential information about our data and methods. In section 5, we present representative data on the work histories of the 1971 West and East German cohort. In the main empirical section 6, we present six case studies on skill formation processes and work histories. In section 7, we conclude with a summary of the findings and discuss their theoretical implications.

## 1. SKILL FORMATION (MAYER & SOLGA 2008: CH.1)<sup>74</sup>.

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In recent decades, the pressure for increasingly improved skills has greatly intensified in regard to the extent and type of skill acquisition. Automation of production and services, as well as the outsourcing of manufacturing into low-wage developing countries, have left fewer skilled manual jobs and few unskilled jobs in advanced societies. Although the new information technology brought about a new breed of expert jobs and occupations in the 1960s and 1970s, information technology and computer skills have now become mandatory in all sectors and on almost all levels of the job hierarchy. In many countries, the share of (directly) information-communication-technology-related occupations already accounts for one-fourth to one-third of all jobs. The postulated consequences for the *kind of competences and skills* are assumed to include not only a shift away from narrow job-specific skills toward broader, more analytic general skills, but also a move from hierarchically fixed activities to autonomous work in processual and cooperative work settings. For advanced societies, this implies an increase in the level of average skill requirements (coupled with the constant risk of polarization of skills), as well as a much more rapid turnover in the content and outcomes of training. It is also asserted that in addition to task-solving skills, social and emotional competences (so-called soft skills) have become more important as cooperative work groups, services, and management tasks proliferate (e.g., Levy & Murnane 2003; Giloth 1998).

Changes in the *timing of skill formation* involve readjusting the relationship between schooling, initial training, and continuing education. Despite the transformations of the past few decades, schooling and initial vocational and professional training have retained their primary significance for occupational careers. To keep pace with the developments in the world of work (without implying longer periods of education and training, but rather streamlining the process), the contents and temporal organization of schooling and training are under pressures to change. Initial and further education become more demanding, and skill formation starts as early as the preschool years (Heckman 2006). Frequently, vocational training and skill enhancement are still concentrated early in the occupational career, and further training is based on an ad hoc and short-term logic of opportunities rather than on a systematic, lifelong learning approach. Moreover, further training rarely serves a compensatory function; rather, it tends to widen skill gaps between groups, as the well-educated at their demanding workplaces are well placed to invest in further skill acquisition.

The institutional implications of these changes in the world of economy and work involve a paradigm shift away from jobs for life toward the flexible updating of occupational skills throughout the life course, as well as a move away from rigidly structured university and training courses toward flexible, modular systems based on cumulative credits and intermediate certificates.

For our respondents we should expect therefore:

- 1) Problems of mismatch between the qualifications they received in a traditional and (for East Germany) often obsolete training system and their entry jobs in the labor markets.
- 2) Activities aimed at securing qualifications more suitable to new occupational demands and gaining further training with a better fit to perceived labor market opportunities.
- 3) A shift towards more general and analytic skills, especially in regard to information technology, and towards more social skills.

## 2. THE GERMAN LABOR MARKET CONTEXT (GRUNOW & MAYER 2007; DIEWALD 2006)<sup>75</sup>

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Historically, the West German institutional setting is associated with long-term employment relationships ('*Normalarbeitsverhältnis*') and a flexibly coordinated economic system (Soskice 1999). Both features reflect an ideal of skilled employment, life-long occupational continuity and long-term commitment between

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<sup>74</sup> This section is adapted from Mayer & Solga 2008, Ch.1.

<sup>75</sup> This section is adapted from Grunow & Mayer 2007 and Diewald 2006.

employers and employees (Mayer 1997). The West German institutional framework was designed to create and maintain these kinds of industrial relations, such as the long-term financing of firms, the collective bargaining system, co-determination legislation, and workers' councils, as well as the vocational training system (Kurz et al. 2006). To be sure, these features have traditionally been oriented towards the male life course, while in the mid 20th century women worked more often in the lower-paid, unskilled and more precarious segment of the labor market, and predominantly in private homes. It is also known that those women seeking access to the labor market- among them youth, unemployed, and mothers- have always had quite a different standing in the segmented German labor market, compared to the traditional mid-career male core-worker. In other words, historically, the ideal of the stable uninterrupted occupational track has always been a norm that was actually restricted to a specific subgroup of the labor market. Nonetheless, many of the features that contributed to maintain the ideal of the stable 'life-long' standard-employment relationship have been subject to severe changes during the past 60 years, among them the prolongation of education and training, sectoral changes, the upgrading of the occupational structure, and the frequency and nature of employment interruptions during the early and mid-career phase.

It should, thus, be recognized that the "lifelong occupation" has always been a myth, even in the most highly occupationally segregated labor market of Germany. First of all, there were always significant shares of the labor market where prior occupational training and experience was not required for entry. On one hand, this was partially the case for un- and semi-skilled jobs in industry which relied heavily on prior artisanal craftsmanship. But it was also a standard practice to require some kind of prior (manual) apprenticeship (Mayer & Konietzka 1998) for access to the lower grade jobs of the police, firemen and the military.

Moreover, in the German vocational training system there always was and still is a built-in tendency for triggering occupational mobility. Small manufacturing firms and services (like hairdressing, medical practices and law firms) tend to train more personnel than they actually keep long term after the training. This is especially salient for men who are trained in manual occupations with little future perspectives. This means that a considerable number of persons have at least to change firms from a "training" to a "labor market" occupation and often also make an occupational shift after having stayed with their training firm for a while. The early career is thus a core phase for further career development. The more distant the recent occupation from the occupational training received, the greater the negative mismatch (Seibert 2007). A recent empirical study shows that between 1977 and 1984, the number of people who completed training in the dual system but switched occupations at labor market entry increased by approximately 7 % or 8 %, with numbers for men (approximately 18 % to 26 %) being higher in general than for women (approximately 15 % to 22 %) (Seibert 2007: 3). There is an important business cycle and demographic component to these dynamics between training and labor market entry occupations (Hillmert & Mayer 2004).

Since at least the nineties, the West German employment system is under pressure to adapt to increasing demands for flexibility. Therefore, the following comparison of East and West Germany focuses on the double question of whether West German working lives have become more flexible, and whether or not East Germany joined this trend and even surpassed the former FRG. East Germany faced a "double transformation" in the sense of implementing the West German labor market institutions while at the same time reforming it towards more flexibility (Diewald 2006).

Following Diewald (2006) one can roughly conceive of four different scenarios for the comparison between West and East German labor markets in the nineties and the years after: First, the West German institutions and mobility patterns remained more or less the same, despite the pressures for more flexibility, and East Germany may have adapted. This scenario is a simple export of possibly outdated West German regulations to the East, leading in both East and West Germany to low job mobility and a sharp division between insiders and outsiders in the labor market. The second scenario is one of flexibility in the whole of the enlarged FRG, i.e. both parts of the country moved in the direction of more flexible working conditions and/or mobility patterns as the former resilience against flexibility was given up. Thirdly, East Germany became a "laboratory," testing out ways of flexibility not yet accepted or enforceable in West Germany. Finally, the fourth scenario assumes that West Germany slowly shifted towards more flexible patterns of employment, whereas East Germany remained behind, bound to less modern patterns of work.

Germany is typically characterized by long-term, cooperative, trust-based industrial relations and employment contracts (Soskice 1993; Mayer 1997). In comparative studies, Germany has consistently shown high employment stability and "one-way traffic" job mobility with upward motion as a rule (Allmendinger & Hinz 1997). Labor market studies in West Germany have shown an astonishing amount of job and earnings stability into the 1990s (DiPrete & McManus 1996; Erlinghagen 2004), while raising the question of whether

this stability came “at the expense of creating more jobs”(DiPrete & McManus 1996: 73). Some authors believe a lag of labor market institutions is a precursor to more job instability in the very near future (Mayer 2004: 213).

Other authors point to the distinction between internal and external flexibility options (OECD 1986). With internal flexibility measures, fluctuant labor demand is met by flexible work schedules, the (temporary) reduction of working hours, and variation of wages instead of staff cutbacks. In other words, low job shifts and long job and firm tenures suggest a stability that, in fact, does not exist anymore (e.g. Bosch 2002; in sharp contrast: DiPrete & McManus 1996). Notable exceptions are people with a low level of education and training who are generally most exposed to external flexibility (Breen 1997; Kalleberg et al. 2000) and increasingly face low levels of employment security in West Germany (Erlinghagen 2004; Diewald & Sill 2004).

German firms are taking mostly internal flexibility measures that do not show up in studies of job mobility and firm tenure. German labor market institutions are more open for the introduction of measures of internal flexibility, since they fit better with long-term commitments. Flexible work schedules require a skilled workforce and the implementation of continuing education, which is an investment more likely to occur in labor contracts based on trust. Thus, the initial question for West Germany was whether and how needs for flexibility were met within the given institutional system, and for East Germany, whether these solutions helped to cope with the specific challenges of the transformation as well. Labor markets in West Germany remained highly regulated in the eighties, and these regulations were imported to East Germany wholesale (Soskice & Schettkat 1993; Windolf et al. 1999). But even within this fixed institutional framework, there were degrees of freedom in order to adapt to the adverse economic circumstances, locally different constellations of relevant actors, and the distinctive socio-cultural inheritance of the GDR (Hyman 1996; Lohr et al. 1995): First of all, less firms implemented work councils in East Germany than in West Germany, and where they were in place, often refused to fully adopt the West German job regulations and industrial relations in order to keep more staff in work at lower wages. Many firms did not join the employers’ federation in order to avoid being bound to collective agreements. Thus, in East Germany, the collective interest representation system was partly relinquished.

Differences in conditions of work and job mobility patterns between East and West Germany may not only be due to institutional differences but also due to structural forces. The occupational structure in East Germany is still not fully identical to the West German structure, though the differences diminished after 1989. However, the shares of self-employed, of civil servants, and of higher service class positions remain lower in East Germany.

What can we derive for the 1971 cohort from these specific West and East German contexts?

For our East German respondents, who were about 19 years old when unification occurred, we would expect:

- 1) Their apprenticeship-based occupational training would not be as effective as specific skill sets, but would facilitate their labor market entry as a signal of general skills.
- 2) They had special opportunities in newly expanding sectors, like IT-technology and services (banking and insurance).
- 3) They were highly subject to the fates of their firms (either the dismantling or restructuring of the old GDR firms, or the new firms maneuvering in new and uncertain markets).

For our West German respondents, we would expect:

- 1) A certain stickiness of traditional West German labor market institutions, resulting in a polarization between men in fairly secure and orderly training/career sequences, and those who did not succeed in getting a post-training hold on the labor market.
- 2) Relatively smooth training and labor market entry transitions due to a relatively selective training threshold (Hillmert & Mayer 2004).
- 3) An increasing importance of general and social skills.

### 3. ASSET SPECIFICITY AND TYPES OF SKILLS

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Iversen and Soskice (2001: 875) posit a difference between workers with general skills and workers with specific skills in their interest to support and seek social protection from the government:

*“... we conceptualize human skill as an investment and ask how the character of this investment affects workers’ preferences for social protection. ... Endogenous trade theory hypothesizes that investments in physical assets that are specific to a specific location or economic transaction lead firms to lobby the state for protection against uninsurable risks... We start from the similar idea that investments in skills that are specific to a particular firm, industry, or occupation exposes their owners to risks for which they will seek nonmarket protection. Skills that are portable, by contrast, do not require extensive nonmarket protection, just as the exchange of homogeneous goods does not require elaborate nonmarket governance structure... in our model exposure to risk is inversely related to the portability of skills.”*

According to Iversen, Germany ranks in the upper half of OECD countries in incidents of vocational training (about 34% of a cohort) and below Italy, Norway, Netherlands and Belgium (2005: 19, 55) as measured by ISCED 5 for secondary or post-secondary vocational training. “Germany is highlighted by its capacity to cultivate deep vocational training through a combination of school and on-the-job training” (Iversen 2005: 57-58).

In Estevez-Abe et al. (2001) three different skill types are distinguished and associated with three different product market strategies: 1) firm-specific skills, 2) industry specific skills, and 3) general skills. Mass production systems rely on general skills (i.e. unskilled and semi-skilled workers) and offer few incentives to the bottom third to work hard in schools, but at the same time general schooling systems tend to have larger proportions of workers in higher education, which is assumed to enhance technological innovation. Firm-specific skills favor diversified mass production and industry-specific skills favor high-quality mass production. The authors recognize that the German case combines firm-specific skills with industry-specific skills where the latter are assumed to be based on trade skills portable within an industry. It is also assumed that the German system provides strong incentives for pupils to work hard in schools in order to get placed in the best training schemes.

Estevez-Abe et al. introduce a misleading ambiguity when they characterize the German labor market as predominated by industry specific skills. It is, rather, occupation specific skills which are characteristic of the German labor market. Occupational skills are hybrid skills especially in the sense that the dual training system combines strong elements of general skills (general subjects learned in the public vocational schools), firm-specific skills (due to elaborate training schemes within firms) and occupation/industry specific skills (due to obligatory adherence to nationally accepted occupation specific training regulations). Therefore, German licensed occupational skills are portable in several respects. First, apprenticeship and similar licenses are portable as signals of general skills, trainability and social skills (to an extent). This aspect of portability was traditionally formally institutionalized in the German labor market when, for example, middle level positions in the mail services, train services, public employment, and the military required any apprenticeship level. The second aspect of portability pertains to the standardized set of occupational skills.

How does Amartya Sen’s concept of capabilities correspond to the above concepts, which are well-established in labor market economics? Sen goes beyond the conventional notion of resources in order to develop a new (normative) concept of welfare and its bases. Capabilities are those properties and abilities of a person which gives them the freedom to make choices, allowing for functioning. Capability “... represents the various combinations of functionings (beings and doings) that the person can achieve. Capability is, thus a set of vectors of functionings, reflecting a person’s freedom to lead one type of life or another. Just as the so-called ‘budget set’ in the commodity space represents a person’s freedom to choose from possible livings.” (Sen 1992:40)

When applied to the study of skills and careers, this translates into a statement of one’s capability to choose from a set of possible careers and work trajectories. It thus seems to have a close affinity to the concept of “general skills” as assets which do not narrow potential working lives, in contrast to firm specific and occupation specific assets. The visible problem here is that cumulative advantage and progression in careers might depend on investing in a special line of work or a specific work context. At which time in the life course, then, would we consider capabilities to be set?

## 4. DATA

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The data used in this study were collected as part of three different surveys of the German Life History Study (Mayer 2007). All surveys of the German Life History Study concentrate on small ranges of birth cohorts in order to capture fine-grained period and cohort effects and focus on retrospective event histories in separate life domains such as residence, family of origin, marital family (including partners and partner's characteristics), education, training, employment and careers. Events and transitions were recorded forward in time and dated monthly. The 1996-98 data was collected for the East German cohort born 1971 (n=610), mostly by computer-assisted phone interviews (Matthes 2002; <http://www.yale.edu/ciqle/glhsindex.html>). Sampling was based on a regionally stratified random sample based on the former GDR central register. The East German 1971 cohort was chosen because its members had finished vocational training at the time the Wall came down and were thus the first cohort to enter post-socialist labor market under the "system." In 1998 and 1999 we collected data for the 1964 and 1971 birth cohorts in West Germany (n=2909) in cooperation with the Federal Institute for Labor Market Research (IAB) (Hillmert 2004). Both the 1964 and 1971 West German cohorts were of particular interest due to the economic downswing in the eighties and nineties and the alleged impacts of international competitive pressures<sup>76</sup>.

In the year 2005 we re-interviewed 1,073 of the 1,805 men and women born in 1971 from both the 1997 East German Study and the 1998 West German Study (Matthes 2005). On the basis of the quantitative protocols we selected a small sample stratified according to gender, East-West, North-South, Urban-Rural and High-Low Qualifications. In cooperation with the Berlin Institute of Social Research (BIS) we conducted 32 narrative biographical interviews. Field time for the quantitative panel ran from early 2005 to the end of June 2005 and was truncated due to restricted funds. Selectivity, therefore, is a serious consideration. Field time for the qualitative study took place in late 2004 and the first half year of 2005, but some interviews were also conducted in 2006.

## 5. FLEXIBILITY IN THE CAREERS: JOB SHIFTS OCCUPATIONAL SHIFTS AND NUMBER OF TRAINING PERIODS OF WEST AND EAST GERMAN MEN COMPARED

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Table 1 shows the average number of jobs, number of changes between occupations and the number of training periods for the men and women born 1971 for our surviving panel sample. Jobs are here defined as changes between firms and major activities within a firm. Occupational changes are defined as changes between occupations within different 3-digit ISCO occupational codes. Training periods are defined as (full time) education and training of at least two months duration. West German men have at about age 34 experienced 4 different jobs, have changed occupations at least once and had more than two spells of vocational or professional training. East German men had almost 5 jobs at age 34, had changed occupations almost twice and had also had about two training spells of at least two months duration. Clearly neither have a very high degree of job and firm stability nor is the "lifelong occupation" typical for these workers. Other studies (Grunow & Mayer 2007) have demonstrated that for West German men, occupational changes are less frequent than earlier, except if one takes into account occupational changes which are brought about, such as "gaps" of training or unemployment.

The big surprise here is that East German men do not differ dramatically from West German men. All the turbulences resulting from the transformation process have resulted in less than one additional job (mostly equal to one more firm), a little occupational change, and less training periods. We follow Diewald (2006) and Matthes (2002) in interpreting these results as less work-life mobility and therefore more stability for East Germans, and more turbulence and less stability for West German men. We thus concur with Diewald (2006) in diagnosing a "double transformation" in both East and West Germany. One obvious question then

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<sup>76</sup> This interplay of cohort size, labor market conditions and policy measures was the central focus of our monograph on the latter two cohorts (Hillmert & Mayer, 2004).

is whether East German men, with less than one additional job, effectively entered a “new” labor market regime fairly similar to the one experienced by their West German counterparts.

**Table 1: Average Number of Jobs, Occupations and Training Periods of West and East Germans Born 1971 for Gender and Region**

		Number of Jobs*	Number of Occupational Shifts**	Number of Training Periods***
<b>West Germany</b>	<b>Men</b>	4.10	1.44	1.98
	<b>Women</b>	3.64	1.08	1.80
<b>East Germany</b>	<b>Men</b>	4.79	1.71	1.78
	<b>Women</b>	3.92	1.33	1.96

\* Jobs of more than 12 hours per week.

\*\*Only persons with jobs of more than 12 hours per week, ISCO 3 digit occupational code

\*\*\* Training periods of durations two months and longer.

The measures in Table 1 are derived from the situation at the time of the second (panel) interview in 2004/2005. It thus does not take into account that the likelihood of job change varies with the duration of labor market experience. Therefore, in Tables 2 and 3 we examine the process of career entry on the basis of duration in employment, asking how many months it takes until the first job or occupational change for the cohort. In West Germany, men born 1971 worked for about 2 years until a quarter of them changed jobs; they worked about 3 ½ years until half of them moved to a second job; and they worked 7 ½ years until three quarters of them moved from the first job to the second one. What do these changes actually entail? First of all, we excluded the periods of training, especially apprenticeship. Second, we excluded all first jobs with a duration of less than six months, in order to disregard summer jobs and the like. Third, job changes are here defined as either changes between employers or major changes within a firm, and it was up to the respondent to determine which of these changes he experienced. A certain ambiguity is introduced if a firm changes the owner (and this might appear here as a job change). Given these criteria, the job trajectories of West German men show remarkable stability, which clearly stands in stark contrast to the prior claims of decreasing job stability. West German women generally have higher job stability, which partly reflects the lower labor market mobility of those women who stay in the labor force rather than interrupting their careers for family reasons.

East German men experience markedly higher rates of job mobility. A quarter of the cohort switched to a second job after 1 1/12 years, half of them are job mobile after 2 years and 8 months, and after five years in the labor force three quarters of them have switched to a second job. Thus, East German men during the first years of the transformation were exposed to a considerable degree of job mobility, often due to the closing or restructuring of the firms where they had been working (Goedicke 2006). The career patterns of East German women are remarkably similar to those of West German women, with only a slightly higher rate of job mobility.

**Table 2: Kaplan-Meier Estimates for the transition between first and second job, East and West German birth cohort of 1971 (quartiles, in # of months)**

		25%	50%	75%
<b>West Germany</b>	<b>Men</b>	23	43	80
	<b>Women</b>	22	50	102
<b>East Germany</b>	<b>Men</b>	18	32	61
	<b>Women</b>	22	45	93

Note: Job changes are included only if respondent was at least six months in prior job.

Job changes are here defined as the extent to which prior qualifications match with the task definition and rewards of a given employment position. Occupational changes are here defined as the extent to which persons can stick to a career which corresponds with their prior qualifications that match with their entry level job or whether they are promoted to a job with significantly different occupational content. Table 3 shows the transition from first to second occupation with the condition that the first job lasted at least six months and measured as differences in 3 digit ISCO occupational codes. A quarter of West German men stayed for almost four years in their first occupation and half of West German men stayed almost 8 years in their first occupation. West German women are much less occupationally mobile than West German men.

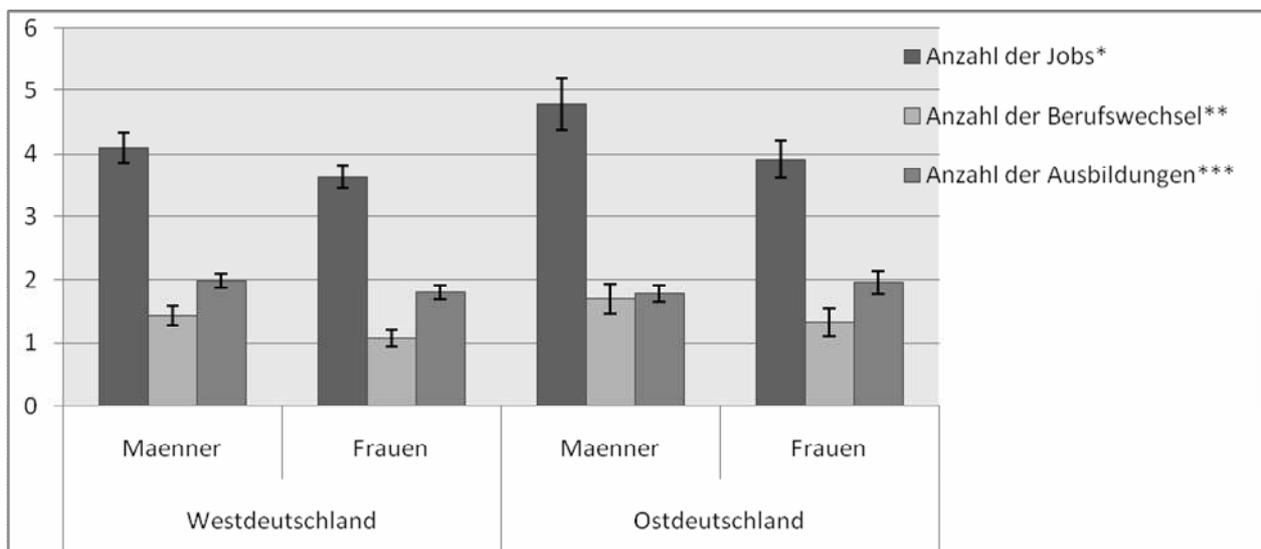
East German men are more occupationally mobile by about a third in comparison to their West German peers. A quarter of them had switched occupations by 2 1/2 years on the job, half of them by about six years, and three quarters of them by 14 years of labor market experience. East German women are less occupationally mobile than East German men, but significantly more occupationally mobile than West German women. Thus, while the pattern of a life long occupation clearly does not describe any of our groups, there is still a considerable amount of occupational continuity.

**Table 3: Kaplan-Meier Estimates for the transition from first to second occupation (quartiles, # of months), East and West German birth cohort of 1971**

		25%	50%	75%
West Germany	Men	46	94	/
	Women	53	145	/
East Germany	Men	29	70	166
	Women	46	106	205

Note: Job changes are included only if respondent was at least six months in prior job.

**Abbildung 1: Durchschnittliche Anzahl der Stellen, Berufswechsel und Ausbildungen von Personen der Geburtskohorte 1971 nach Geschlecht und Landesteil**



Anmerkung: Fehlerbalken indizieren das Konfidenzintervall (95%).

\*Erwerbstaetigkeiten mit einer Arbeitszeit von > 12 Stunden/Woche.

\*\*Nur Personen mit mindestens einer Erwerbstaetigkeit > 12 Stunden/Woche; Aenderung des BA88 3-Stellers.

\*\*\*Vollzeitausbildungen, die zwei Monate oder laenger andauern.

## 6. SKILL AND WORK BIOGRAPHIES

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Out of 32 narrative interviews, we selected six cases for the reconstruction and interpretation of the skill and work biographies- three for West Germany and three for East Germany. For each of the two subgroups, we selected a person each for low (apprenticeship at minimum), intermediate, and high skill levels (roughly corresponding to the distribution of vocational and professional qualification in the two sub-samples). We have excluded cases without at least initial vocational training because they not only represent a small minority in the data, but also because these cases present special difficulties in reconstructing skill acquisition and changes.

### 6.1. West German Qualification and Work Trajectories

**“I always had this problem that I did not know what I really wanted to do.”**

**Max Berghuber: Professional without an occupational identity Abitur or university degree; Computing network consultant; Unmarried; Cohabiting.**

9/77 - 8/81	Elementary School
9/81 - 9/90	Gymnasium
10/90 - 9/91	Civil Service
10/91 - 9/92	university: physics
10/92 - 12/98	university: geology
3/99 - 12/99	self-employed soil consultant
12/99 - 1/00	world tour
6/00 - 6/01	further training: IT management
8/02	1.cohabitation
8/01 - 5/04	systems engineer
6/04 -	technical IT consultant

Herr Berghuber’s mother worked as a trained beautician. His father was a civil engineer with a university degree and a doctorate who worked in the public sector (and died when the respondent was in his early twenties.) His brother, four years older, finished Realschule and obtained a production apprenticeship.

Herr Berghuber attended Gymnasium with Mathematics and Sports as special subjects and after Gymnasium served for a year as a driver in Civil Service with the Red Cross. He then studied physics for two semesters, although “I already knew that I would not finish it through”. In his first year at university, he also worked with the mail service in order to save for a USA trip during summer vacation. He then switched to study geology, which he finished with a Diploma after 6 years.

Labor market entry could have been smooth. He had several offers which he turned down because he did not want to work 50-60 hours a week: “No, I did not want to work so much” as he started as a (part time) free-lancing engineer for several consulting firms doing earth probes on construction sites. He worked there for only one year and wanted to earn money quickly for a one year “World Tour” which he spent mostly in Thailand, Australia, and New Zealand. He quickly realized that this was not what he wanted to do as a line of work:

*“...and it was pretty clear after half a year that it was not for me...it soon became apparent that there was not a lot of variety. And in the reports one could not relay in writing what one wanted and had to be cautious...so I did not find it so great. And because I wanted to take a big vacation anyhow, and since I did not know what to do, I decided to go on vacation for several months... And to some extent it was a trip to find myself and I said to myself, ‘I have to come clear and find out what I*

*want, I am 28 years old, and I did not want to do another university degree.' ... And then there was the IT Boom and I was always interested in computers, so I had some inclination in that direction..."*

After his world tour, Herr Berghuber entered a one year training course in computer technology, paid by the Federal Labor Office. He then worked as a systems and network manager for almost three years until 2004 when he switched to a better-paying job as a "network consultant" in the same information technology sector. All his career moves were voluntary and motivated by gaining higher income, better promotion opportunities and a desire to alter his occupational activities.

His partner is also an applied scientist whom he got to know at the university. He plans to have 2 children but only wants to marry if he does have children.

Herr Berghuber, in his seven years of university study, did not acquire the specific skills he needed in his IT consulting and distribution jobs. Even after the year of training he saw skill deficits in comparison to his specifically-trained colleagues:

*"My direct boss was a computer scientist (Diplominformatiker)... and the others were mostly physicists... so in the beginning I lacked a lot of practical experience, especially since the others had done internships during their training, but now in my area of technical consulting it does not make any difference [between the colleagues' specific training and his on-the-job training]."*

When asked whether he would have studied something else if he had known where he would end up working, he says:

*"Not really, well may be I would have studied sports because it doesn't seem to matter what one studies, but I should not complain- a completed university degree does pay off... University studies generally make one able to work independently... that does not mean that this is not possible without a university degree, but with a degree one can take it for granted... I mean that one can structure tasks oneself and that one thinks across fields which, prima facie, have little to do with each other. Or analyzing, which probably comes more with a mathematical or natural science degree... But my further training period was of course crucial. It was a prerequisite before they let me take the job. But I could not have done the additional training without a university degree."*

Then Herr Berghuber tries to define more general competencies which are derived less from university or technical college experience:

*"Some people, even if they have been to university, sometimes do not know what they should do by themselves... that also has to do with a certain type of human being: to get oneself organized, to communicate, to have a strong presence, for instance with clients..."*

Thus, in regard to his skill formation, this respondent started with the Gymnasium base, with a concentration in mathematics and sports in the Oberstufe. He had no clear occupational or professional orientation and started to study physics, although he knew that he would unlikely follow it through to completion. He did not really engage in his first university subject, but he worked to earn money for a long summer vacation. Almost accidentally (because a girl friend told him he looks like a geologist), he drifted toward studying geology which combines science with the outdoors. He took a summer course as a research diver (he called it a "paid vacation") and did his field work and diploma thesis in Greece.

Again, instead of seeking good career opportunities, he took a non-career job as a freelancing consultant doing soil assessments for, on average, about 20 hours a week. And again he wanted to earn quick money to do a year long travel which, in retrospect, he saw as means to find himself and to find out what he wanted to do in his life. Mainly triggered by the IT boom and his own computer skills (unrelated to his seven years of university study), he tried to get into the IT-sector. This was facilitated by a training subsidy of the Federal Labor Office which – clearly stretching the rules – agreed to finance him although he was employed, because "geologists are understood to have bad labor market prospects," which was, however, not the case for him. A one year program provided him with theoretical skills in systems and network management. This allowed him to get into the IT-sector, where – competing with more specially trained experts – he acquired the necessary practical skills on the job.

His university degree functioned as a general labor market signal for trainability and social competence. In his first IT job, he worked in a small service firm as a second level supporter. He sees himself as lucky because the IT boom was already on the decline and his first firm faced some difficulties which even led to salary cuts.

*“...it was a small firm and I was grateful, because without it I probably could have got into a project so quickly and could not have learned so much in such a short time... But on the other hand, while our department had no problems, the firm did not do so well and we even had to give up some of our salary sometimes... in these days money was not so important to me, it was more important for me that I liked the job and that it was a good team... But in the meantime I have realized that money is an important factor as well...it is this classic idea that somehow security is important. Thank God I don't have to worry about that in my present job...if they don't do well then there will be opportunities elsewhere- I just had two offers from headhunters.”*

In his present job he is a higher level technical consultant and spends 3-5 days a week on the road visiting client firms. He is one of six in a group and aspires to become IT manager and group leader with more job security and less travel duties. Herr Berghuber feels relatively secure in his present firm, but reflects on how one can keep up with the knowledge in an environment where products constantly evolve. He stresses that in his line of work one has to invest about a fourth of one's working time in keeping up with innovations in the field. His aim is to get a job as IT manager in which he does not have to travel so much.

Thus, Herr Berghuber is a professionally trained IT service consultant whose current skills are not derived from his prior university training, but - apart from a retraining period of several months- were learnt on the job. The technical knowledge he needs is constantly evolving. Nonetheless he feels relatively secure, since his firm is only one of a few in that market, and his aim is to move into a less technical and more managerial role.

Primarily, then, it is the subsidized retraining and the new opportunities of the IT sector which structures this career. The university training and degree was more important as a door opener for the level of retraining and the entry to the IT sector.

**“Every five or six years I need to do something new.” “I am happy all around...”**

**Martin Haeberle: A firm internal career of an industrial skilled worker;**

**Technical sales representative for tool making machines; Married; 3 children.**

9/78 – 6/82	elementary school
8/82 – 6/ 84	Gymnasium
8/84 – 1/88	Realschule; mittlere Reife
8/88 – 2/92	apprenticeship in home appliances firm: electronics worker
2/92 - 6/02	electromechanic in toolmaking firm: permanent contract
10/92	marriage
3/93	birth of son
2/95	birth of daughter
7/96	birth of daughter
7/02- 6/03	assembly machine programmer; same firm
7/03 -	technical sales representative, same firm

Martin Haeberle's mother comes from a large East German city, completed compulsory schooling, made a clerical apprenticeship and worked some time as an unskilled worker. The father also completed compulsory school, has no vocational training and worked as a bus driver and bus tour organizer. Herr Haeberle has one sister who obtained a clerical apprenticeship.

Herr Haeberle lived all his life in the small towns of a not very industrial region in the South of Germany. He attended 4 years of elementary school, then 2 years of Gymnasium and then up to Mittlere Reife a Realschule which he finished with a good grade level. He always wanted to become an electronics worker and through private contacts got an industrial apprenticeship in this occupation with a large home appliances firm. He was offered a chance to stay there but looked for something else, and switched as an electromecha-

nic to a small tool-making *Machinen bau* firm with about 100 workers. He has worked there ever since, first in production than as a programmer for assembly machines. In 2002 he took a 3-month course (evenings and weekends) in business administration, and then became a sales representative. In that capacity in 2004, he earned 3200 EU net per month.

He met his wife at vocational school where she trained as technical draughtswoman. They moved in together in 1992 and married a year later. They have three children born 1992, 1993 and 1996. His wife stayed at home about three years for each child and is now working part-time in a firm for firefighting equipment. This is also the firm where the respondent received a well-paying offer which he turned down when he was promoted at his old firm, because the work schedule conflicted with family life. They live with his parents-in-law. He is not a member of a trade union, he is a Lutheran, and leans towards the Green party. At the time of the interview he was earning 3200 EU.

In regard to *skill formation*, Herr Haeberle started with the occupational idea of becoming a veterinarian. He had to give that up because he and his parents decided that his grades in Gymnasium are not good enough. With a Satisfactory (3) in English, this would not have prompted a school change for middle class parents, but after he changed to Realschule he reoriented his plan, first to “cook” and then to “electronics worker”.

*“After [elementary school] I switched to Gynasium for two years and then switched again because my grades were not good enough to become a veterinarian or another medical doctor. My parents told me with a 3 average and problems with language, well, one gave up then. After that I passed Realschule and started an apprenticeship as an electronics worker, and after my apprenticeship I switched to the firm where I still work... Electronics was a hobby- electronics and computers. And it also came about because there were not very many apprenticeships heres, not much industry... My father had, in the meantime, given up his job driving a bus and managing travel tours... and went to work in the factory where I got the apprenticeship... but I think I would have gotten the training placement anyhow, because I had one of the two best scores on the aptitude tests.”*

He finds it ironic that he later picked up English easily through contacts with clients.

After finishing the apprenticeship he received an offer to stay in the electromotors section of the firm. On his own initiative, he applied in other firms and accepted a position as an electromechanic in a tool-making firm, partly by sheer luck. In the Labor Exchange he was mistakenly given the job announcements with the addresses of the firms and applied directly without contacting the Labor Exchange advisor, who might not have encouraged him to apply. He took this job as an electromechanic although he was trained as an electronics worker. While in the first ten years mechanical and programming tasks were combined, a division of labor was introduced on his initiative, which allowed him to do programming assembly for machines only. After 10 years in the firm, he looked for alternatives and had a well-paying offer in his wife’s firm as an on-duty officer for firefighting. He declined the offer when his present firm offered to promote him to sales representative: “I insisted to my boss that the firm also send me on further training. These were evening classes almost for a full year for business administration.”

In his current job, “I am selling the machines which I helped to build in years past.” He also stresses the advantages that befall a former production worker who becomes a sales representative:

*“When you visit a firm for new projects and they have a problem with an old machine, I take the screwdriver and fix it again. And of course you don’t say I will return home and send a repair person, but just fix it, and maybe the client will order two machines next time.”*

Thus, Herr Haeberle experienced the classical upward mobility of the German industrial skilled worker. He showed initiative, but was also supported and promoted by his firm and immediate superiors. Looking back he is not unhappy that he left the Gymnasium because “until now I had a lot of luck in my work life and I have a position now which in other firms is occupied by technicians and university-trained engineers.” He sees himself as lucky, especially in comparison with co-workers in his training firm, which has been repeatedly sold and down-sized. His current firm has a niche in the world market for assembly tools for writing and drawing tools. The electronics worker apprenticeship obviously laid a crucial foundation with its polyvalent skill mix of mechanical/traditional electrician and IT-skills. It facilitated access to a specialized tool-making firm where Herr Haeberle first had a kind of mismatch with his trained skills, since he was hired as an electro-mechanic rather than the electronics work for which he was trained. However, the larger workplace also required electronic/computing skills and therefore an opportunity for Herr Haeberle to specialize in and develop his initial skill set. The further promotion to technical sales representative, equivalent to what in many

firms is done by Fachhochschul- or even university engineers, depended on the nature of the firm. Primarily, at this small specialized family firm, production and sales were highly integrated, and promotion from within was a tradition. It may also be due to the fact that the firm's owner made his own way up from an apprenticeship. It is noteworthy that in Herr Haerberle's first eleven years at this firm, no additional periods of training were reported- it is only upon promotion to sales representative that further training in business administration came into play, and then only upon the insistence of our respondent.

In four (manifest) instances Herr Haerberle showed initiative and pro-active behavior: in not accepting the offer to stay at his training firm, in his search in the outside labor market for other (better-paid) opportunities, in his pressuring his supervisor to let him specialize in programming assembly machines, and in bargaining for additional training paid by the employer. Thus the logic of his career is, on one hand one, of occupational identity and continuity based on the apprenticeship which Herr Haerberle reasserted after a temporary mismatch as an electromechanic. On the other hand, it is the logic of firm-specific skills and internal firm promotion.

**“When I was fired, a whole world broke down for me.”**

**Rainer Schirmer: Precarious career in a boom sector; Data bank administrator in an IT service firm; Gymnasium up to grade 12; Apprenticeship as IT-systems electronic; Military service; trade union member; Lives in his own apartment in the house of the parents together with his unemployed partner.**

8/78 – 4/82	elementary school
9/82 – 7/84	middle school (Orientierungsstufe)
8/84 – 7/89	Realschule; mittlere Reife
8/89- 7/91	Gymnasium until grade 12
8/91 – 1/95	apprenticeship: communication technology
2/95 – 3/ 95	electronic worker; fixed term
4/95 – 3/96	draftee military
4/96 – 7/97	unemployed
8/97 – 3/98	electronic sales employee; fixed term
4/98 – 4/99	customer support; fixed term
5/99 – 8/01	network administrator and customer support; fixed term
9/01 – 12/01	deputy head of dispatch; fixed term
3/02 – 2/04	unemployed and further training as network administrator
7/03 -	network administrator; permanent contract

Herr Schirmer's mother was trained as a clerical employee and worked in a publishing house, but later she worked as a self-employed beautician. His father was trained as a welder and master craftsman. He worked in a brewery and now after his retirement works in his wife's beauty saloon as a pedicurist.

Herr Schirmer attended Realschule and had to repeat tenth grade “because I was too lazy,” and in order to beef up his finishing exam, for which he received a 3.1 (satisfactory). His ideal was to work in an office. After Mittlere Reife he sent out 120 applications for an apprenticeship as a clerical employee (Buerokaufmann), but did not find one and continued in Gymnasium. He quit after two years without a finishing degree, because he envied his friends who were already earning money. Finding an apprenticeship at that point in time was a much easier:

*“I did not try again to get a clerical apprenticeship... but I just looked for vacancies. I sent three applications and got two offers... I saw the apprenticeship description of communications electronics worker and thought it might be fun...”*

After six weeks working in construction he started an apprenticeship as an IT-worker in a small crafts firm. The training conditions were dismal. The firm had no experience in training IT-workers and had only two apprentices. The trainer was let go soon and they were basically without supervision or a formal rating plan.

*“We were just cheap labor, which was usual in small craft firms.”*

Since the military insisted on his immediate draft he could not accept the offer of a 6-month fixed term contract with the option for permanent employment in that firm. He then worked for two months in his training occupation before he did one year of military service (and this did not guarantee him a return to his firm). After military service, which he prolonged for two months because he anticipated employment problems, he was unemployed for 14 months.

His next job he found by accident. In a pub he asked an acquaintance who worked in the firm where he bought his electronics parts whether they might have a job for him. He was accepted and worked for two years in this retail firm/postal distribution firm, and was responsible for the IT-network of a client. He then transferred into the internal IT services group. In these years, the firm changed ownership and name several times. His position became vacant and he ended up working as “stellvertretender Abteilungsleiter Distribution,” which implies dispatching goods of any kind. He worked and invested a lot, but was laid off after 4 years working in that firm.

*“I first was responsible for a client network and then for the internal network... but after a customer left, my task was redundant. They then kept me on in logistics until I was laid off. This was very tough. It was a real turning point in my life, because I had so much invested in this firm and job. Often I was the first to arrive in the morning and the last one to leave. When I was laid off, a world broke down for me. It is hard for me to talk about it even now...”*

Herr Schirmer used his unemployment as an opportunity for training and did additional training as a Microsoft network administrator. He acquired a certificate on the level of a technician but this was not publicly recognized. On his own initiative during this training, he found an internship in a service firm working within a large automobile firm. This internship provided the bridge to a job in a similar cooperating firm. In the meantime, he was second to the manager of a large-scale databank system. He continued his further training, for several evenings during the week and weekends for about 12 months. For the first time, he felt he had a secure footing in the labor market and a job with prospects.

Herr Schirmer’s education/training and occupational career was thrown off an orderly path very early. First, he had to repeat tenth grade which he partly did in order to get a better graduation grade from Realschule (which he did with 3.2). Then he failed to find an apprenticeship which partially might have to do with the fact that he exclusively wanted an office job. However, this situation was not just his experience- actually, his whole cohort had exceptional difficulties in finding apprenticeship trainee positions (Hillmert & Mayer 2004). Then he quit Gymnasium prematurely under the influence of his former peers with more spending money, and against the advice of his parents. Although finding an apprenticeship was easy at that point, he happened to pick a vocation with excellent future prospects, but an abysmal training firm. Obviously, the oversight had failed by not granting this firm a training license, and by not helping to transfer the apprentices once the trainer was fired. That probably led to subpar training, which for career prospects should have been compensated by achieving the apprenticeship certificate. At that stage, he could not accept a permanent offer from his training firm because the military was about to draft him. Despite two months voluntary prolongation of his military duties, he did not mention any benefit in his skills acquired there.

Upon leaving the military, Herr Schirmer could not find a job because he had no occupational experience. This is somewhat implausible given his vocation, and that he himself qualifies his training as pretty much just working experience. Whatever the circumstances, Herr Schirmer was totally thrown off the track by a 14 month spell of unemployment. He was then caught in the ups and downs of his firm, which changed owners and profiles several time. At the end, he again had to face two years of unemployment. However, financed re-training worked to his advantage and gave him a second chance which – at the time of the interview – seemed finally to work out.

Herr Schirmer’s skill formation and employment trajectory is a history of less-than-successful transitions and job until, it seems, the very end. He does not find the apprenticeship he wants, and he does not finish the Gymnasium. While he then finds an apprenticeship as attractive as a vocation, he lands in very bad training firm. The offered long term employment prospects in that firm after the apprenticeship are undermined by his military draft. After the military he barely gets out of unemployment and only by getting employment in

a very turbulent firm characterised by ownership and customer changes. Despite having been trained for a new a booming sector, only subsidized retraining allows him to gain a questionably strong employment track.

## 6.2. East German Qualification Processes and Work Trajectories

### “The journey is the destination”

**Ronny Luborg: Tumblerdoll; Double career loss due to the transformation;**

**EOS combined with military pilot training and control technology apprenticeship (Regelungstechnikerlehre); Civil service in the fire department; City councilor; Software-manager.; EU 2100 net; Not married or cohabiting; No children; New partner has a child from from marriage.**

77 - 88	POS
88 - 91	Vocational training (control engineering), military pilot training, Abitur
7/91 - 3/92	ABM factory worker in father's firm
4/92 - 8/93	civil service, Fire Department
9/92 - 8/93	skilled assembly worker in father's firm
9/93 - 4/97	clerk in father's firm
5/97 - 1/98	unemployed/retraining as network supporter
2/98-	IT-Service Software Support, EU 2100 net

Herr Luborg was born and raised in a small city in the State of Brandenburg. His mother worked as a clerical worker, and his father worked until retirement as manager of his own privatized manufacturing firm. His younger brother is a welder.

During his early school years he was a member of the young pioneers and the FDJ, and was second secretary of the FDJ group (GOL), but at the same he was active in the Protestant parish. In seventh grade he was recruited for a military career as pilot, and by then was already involved in paramilitary training. After tenth grade, he entered a special school which combined upper secondary education with vocational training in control technology and pilot training. However, he had to give up the pilot training program due to his poor eyesight, and after unification the new (West) German military did not offer to let him continue his military career. He could finish his Abitur, however.

*“For my grandparents it was important that I joined the church, and I went to Sunday School and joined the “Young Parish”. I was also baptized and confirmed and all that. So, I always could see both sides of the coin... My vocational training was in control technology, i.e. steering panels for power stations, measuring and regulating water, air and electricity. These laid the foundations for my qualifications. And electronics and that stuff always interested me...”*

*“First I dropped out of the pilot training program because of my eye glasses, and then came the unification and the Bundeswehr did not need so many fighter pilots. They just dropped us, but we could still finish the Abitur in this military training camp, and then it was over. After that I became unemployed because the army still wanted to draft me and before that one could not get a job anyhow...”*

Still, during the GDR, Herr Luborg became a member of the East Christian Democratic Party (where his grandfather was a long-term functionary) and at age 19 he became for more than 3 years deputy in the city parliament, a member of the Finance Committee, and Chair of the Social Affairs Committee. He left his party disillusioned and shifted politically towards the former Communists. (PDS)

He could avoid the draft because his political connections got him a Civil Service slot with the Fire Department. His father succeeded to re-privatize the firm which his grandfather had founded and there he first got a job as a factory hand, subsidized by the Labor Exchange. After a short period of unemployment, he re-entered his father's firm and worked for a year as an assembly worker. After that he worked as a clerical

worker and expected to succeed his father as owner and manager of the firm. But the firm, which previously had turbulent times, had to declare bankruptcy after conflicts between his father and another manager. As a consequence, Herr Luborg lost his job. He became un-employed and the Labor Office offered him a retraining opportunity as a tile worker (Fliessenleger). But he insisted on something with more of a future and entered a 7 month training program in an IT firm which, however, did not take him on as an employee. After many job applications, he found a job in the southwest region of East Germany. His new firm sends him to several different East and West German cities as a software developer and supporter. Among else, he has developed software for online brokering, graphics for advertising agencies, and often acts simultaneously as head of the local office.

He likes his job but wants to move back to his East German home region. He would like his firm to station him closer to his hometown, which always stayed at the center of his life. In retrospect, he would like to have studied, but is unsure whether this would have gained him any financial advantage.

Herr Luborg's skill basis is his computing hobby and his combined apprenticeship and Abitur- a GDR specialty. . He bought himself a PC in 1992 but got in big trouble with his father, who thought it was a total waste of money. His career was twice derailed. First, he was selected as one of 26 (out of 230) in the final screening into an elite group for a military pilot career. His pilot and military careers were disrupted when his eyesight failed to meet the standard, and the West German army was not interested in hiring him as a career officer. After an interruption in Civil Service, he worked from the bottom up in his father's firm which, however, was restructured several times and finally went bankrupt. Instead of being the owner/manager-in-waiting, he found himself unemployed. A seven month software applications training program led to his current job, where he provides IT customer support all over Germany. The firm is rapidly expanding and contracting. In his current job he commutes one hour to work.

Ronny Luborg's qualification process and early career are deeply affected by the transformation both as a personal history and an institutional disruption. His plans to become a military pilot comes to naught due to worsening eyesight, but also the career as a GDR military officer (which allowed him to make the Abitur in the first place) comes to an end with unification. The alternative draft into civil service came at a crucial time when he should have requalified himself. He had a difficult start after civil service working as an unskilled worker in a subsidized employment measure. The fact that he worked in his father's (and grandfather's) firm seemed to open an excellent career to becoming owner/manager, but the firm failed to survive. On the basis of his technical training, he made use of subsidized re-training, but got into a more highly qualified track only after taking personal initiative against institutional advice. There is continuity in the technical aspects of his job and training, and, as is demonstrated by his political career, he also has a lot of social competency. Besides his personal history, there is also a family history descending from the self-employed and politically active grandfather. Against all odds, Herr Luborg made his way. But unification forced him to move from a highly selective, politically privileged career to survival in the market. Total job flexibility is expected in terms places of work and working hours. But we cannot see any trace of what Richard Sennet calls the consequent "corrosion of personality", most probably due to his strong local and family integration. Thus, what is the logic of this career? There were several logics: the one of a military career, the one of the family firm, and finally the one of the turbulence of the IT sector after retraining. What keeps it all together is Ronny Luborg's personality and strong social integration.

**“That is even worse than in socialism, only that they do not call it now the Politbureau, but the corporate executive board... and there is in both systems lying from the people at the bottom to the people higher up ...but, still, I would not want to be back in the GDR, because I now have so many opportunities, drive an AUDI and not a Trabbi....”**

**Karsten Meckel: From Socialist functionary to capitalist banker; banker; EOS; Separated; 1 child; Works in West Germany.**

7/77 - 6/87	POS
7/87 - 6/89	EOS
9/89 - 3/90	unskilled work in a supermarket
3/90 - 9/90	internship, public prosecutor's office
10/90 - 12/92	banking apprenticeship

2/91	birth of son
1/93 - 5/96	bank clerk
7/96 – 4/97	promotion to head of local bank
5/97- 10/02	head of another local bank
11/02 – 4/06	head of another local bank
5/06	quality expert, office in West German city, weekend commuter
06	separated from his wife

Herr Meckel grew up in a small village in the northern region of East Germany. As a child he was often sickly and often stayed at home. He was admitted to the very selective upper secondary track due to his good grades and because his political and class background were the right ones. He was very actively engaged in the Communist Youth organizations. He completed the Abitur with the very best grades.

*“There were 25 pupils in our school class and just three of us went to the EOS. Two of them were accepted because of their good grades, and one made it because he committed himself to a military officer career. His grades were not very good, but there was also a political element in these selections, like you commit yourself to 25 years army, want to become an officer, then you need to complete the Abitur and we will make sure you will get it.”*

When Herr Meckel was about 14 years old, he decided he wanted to become a public prosecutor and worked hard to get the necessary support from the local prosecutor’s office.

*“In the GDR one could not simply apply to study law, but one had to get the support from the county prosecutor, the regional prosecutor and the national prosecutor who in the end decided about the university slots. One could study this only in Berlin and Jena. Those who studied law in Berlin went on to become lawyers, and those who studied law in Jena became prosecutors and judges. And I wanted to become a prosecutor. I tried to get the support early, and of course they also checked whether one was politically loyal and carried the banner of socialism. So in grade 11 my entire career was fixed, I had my place of study and knew when I would start. Such a career also required that one would serve 3 years in the army. It was clear that I would complete my Abitur in 1989 and would start to study in 1992.”*

Herr Meckel completed his Abitur in 1989 and went to his medical examination for the military. Since he suffered from asthma and allergies, he was not drafted. He was allowed to start at university 2 years earlier than expected, in 1990. To bridge the time until the beginning of law school, he worked as handyman in a local supermarket.

He worked in a grocery market dealing with the empty bottles, stocking goods and was also a cashier. There, he got to know his future wife, who was also age 18, and they decided marry and have a child. After the birth of his son, he gave up his plans to study at a university in order to earn money more quickly for his family. On advice by his wife, he applied for an apprenticeship with two big West German banks, one of which accepted him. He started his apprenticeship in October 1990, i.e. immediately after economic unification. He, like others, was wary of the new uncertainties, but easily adapted to the new situation.

After finishing his apprenticeship in 1993, he was taken on as a permanent employee and worked for a year in a local branch. After that, in 1997, he was promoted to local branch manager. After this branch was closed down, he managed a local branch in another city. In the meantime, he separated from his wife and has a new partner. In 2006 he was promoted to the central office in West Germany and he commutes weekends to see his son and new partner.

Karsten Meckel had, by being both a pupil with very good grades and politically active and loyal, a political and materially privileged career all set for to himself: to study law and to become a public prosecutor. Unification put an end to this career track and following the East German family regime of early marriage and parenthood prevented him from switching to study law or another university subject under the new conditions (while early marriage was no hinderance to study in the GDR). But then he made an extraordinary career in the banking sector with just Abitur and an apprenticeship and this is due to the new market opportunities when West German banks and insurance companies “conquered” the East just after unification. Now

the logic of his career is that of a firm internal advancement under especially favorable circumstances in the early transition phase.

**Mario Krenz: Two setbacks by unification and delayed (partial) career take-off;**

**Car-technician; 2300 EU; Cohabiting; 1 child.**

77 - 87	POS
87 - 89	EOS
89 - 90	Navy Officer's Training
90-9/93	car- mechanic apprenticeship;
10/93-3/02	car mechanic in training firm; fixed term contract
96-01	further (evening) education for technician
3/02 – 3/03	firm change; car technician in construction and development; fixed term contract
4/03-	same firm; technician; permanent contract
1/04	birth of a son

Herr Krenz's father was trained as an industrial blacksmith mechanic, and worked in a metal forge where he lost his job in the transformation. His father still works laying tracks. Herr Krenz's mother was trained as a gardener, and worked as a clerical worker. She lost her job in the transformation, retrained as a nurse assistant, and is now working part-time (ABM). He has one sister, four years younger, who trained as dental nurse and now works in a medical retail firm. Herr Krenz grew up in a small city in East Germany (where he still lives) and attended the compulsory polytechnic school up to grade 10, followed by the Abitur track EOS. He had good grades in school- not so much in languages, but in the sciences, math and sports. In his spare time he did more sports (sport fishing and track and field) and was a sports functionary in the FDJ. He was admitted to the EOS by committing to 25 years duty in the military. After his Abitur he started military training in the navy. His primary motivation for joining the military was his love for the sea, but it turned out that he easily got seasick and wanted to get out of military training, despite pressures to stay on.

After one year, in the summer of 1990, he asked to be released and started an apprenticeship as a car mechanic in the Western part of Berlin. The choice of occupation was heavily influenced by advice from the Federal Labor Office (Berufsberatung fuer Abiturienten).

Together with ten other apprentices, he trained for 3 years in this program. He felt that the training demands were too low for him in comparison with the university courses in the officer school, but he finished and was kept on in this firm. He stayed on for another ten years, but was less than happy and did not feel challenged. After 2.5 years he started a privately-paid correspondence college course which he finished 5 years later as a technician. He realized that he would have to move geographically to where the larger firms were, and only had one offer after submitting several applications in 2001. He learnt of a job opening in his hometown through an acquaintance in a firm where he was previously rejected.

He then worked in the construction design department of the automotive firm.

The firm was small, with about 50 employees, and produced special automobiles. As a generalist, his tasks comprised of production processes, processes simplification, and development. 70-80 % of his skills were acquired in his technical training, especially CAD. Since development and production are closely intertwined in such a small firm, he found his technical training adequate and useful, while in a larger firm his tasks would be done by highly qualified engineers. All in all, he is quite satisfied with his present job, although he would like to have a higher salary. Since the firm almost went bankrupt some years ago, he is somewhat worried about the future, but still confident. For further qualification, he would like to train in 3-D design programs and engineering calculation, e.g. for assessing effects of certain car parts in case of accidents.

Herr Krenz does not regret his career choices in the past. But he sometimes wonders whether, after unification, he should have spent more time looking around on the labor market instead of starting an apprenticeship so quickly. His partner and mother of his son trained as a hairdresser. He got to know her in his former

firm where she worked as a clerical worker. She also grew up in East Germany and moved to the West after the fall of the wall.

Herr Krenz' career is likewise disrupted by the transformation. He could finish the Abitur by committing to a 25 years of duty in the Navy. His officer training is cut off and he slips down on the qualification ladder by obtaining an apprenticeship as a car mechanic, which he does not find especially challenging. It is after a number of years and privately paid correspondence courses that a new career opportunity opens up as a car construction technician. It is only by personal contacts that he secures himself a highly qualified position with a special car maker. It is unclear whether alternatively he would have found adequate employment in one of the big automobile firms by long distance residential mobility. He now is in a classical manufacturing career where his work trajectory is highly dependent on the market situation of his firm.

## **7. CAPABILITIES, RIGHTS, ASSET SPECIFICITY AND RE-TRAINING OPPORTUNITIES**

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The cases presented here represent a wide range of different career logics in all or parts of the described working lives:

- a) traditional manufacturing (Haeberle, Krenz)
- b) privileged GDR system defense (Krenz, Luborg, Meckel)
- c) internal firm promotion (Meckel, Haeberle)
- d) firm market turbulences (Luborg, Berghuber, Schirmer)
- e) occupational identity and continuity (Haeberle, Schirmer)
- f) system disruption ( Meckel, Luborg, Krenz)
- g) "new flexibility" ( Krenz, Schirmer)
- h) private and public human capital (retraining) investments (Berghuber, Haeberle, Schirmer, Krenz, Luborg).

The conventional theories of working lives which fit many of these work histories are:

- education-occupation reward matching processes ( Sorensen/Tuma; Carroll/ Mayer)
- human capital theories (Gary Becker)
- occupational identity theories
- labor market asset specificity theories ( Iversen.)

The question to be raised then is whether the capabilities/rights theories of Amartya Sen can add analytical surplus value and which?

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