

**EMPLOYMENT FLEXIBILITY IN SPAIN
AND ITS IMPACT ON TRANSITIONS
TO ADULTHOOD**

Katrin Golsch

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Resum.- La flexibilització dels mercats laborals han conduït a una proporció cada vegada major de treballadors amb relacions atípiques amb el treball. En aquest sentit, Espanya es caracteritza, respecte a altres països europeus, per haver experimentat un canvi ràpid i intens, passant d'un sistema molt protector, a un de gran flexibilització. En aquest article s'analitza l'impacte de l'augment de la flexibilització laboral a Espanya sobre les transicions cap a l'etapa adulta, en concret front a l'entrada en el mercat de treball, respecte a la primera unió i a la primera paternitat.

Paraules clau.- Mercat de treball, Adult, Primera Unió, Primera paternitat, Espanya.

Resumen.- La flexibilización de los mercados de trabajo ha conducido a una proporción cada vez mayor de trabajadores con relaciones atípicas con el trabajo. En este sentido, España se caracteriza, frente a otros países europeos, por haber experimentado un cambio rápido e intenso, pasando de un sistema altamente protector de los trabajadores a una gran flexibilización de los mercados laborales. En este artículo se pretende analizar el impacto del aumento de la flexibilización laboral en España, sobre las transiciones hacia la adultez, en especial frente a la entrada en el mercado de trabajo, a la primera unión y a la primera paternidad.

Palabras clave.- Mercado de trabajo, Adulto, Primera Unión, Primera paternidad, España.

Abstract.- In contemporary countries, the growing need for flexibility and its impact on labour markets are highly debated issues. The flexibilisation of labour markets has led to a growing proportion of workers in various atypical employment relationships such as temporary jobs. In this respect Spain stands out from a European perspective as a country that experienced a fast and intense shift from one of the most rigid employment protection systems to a highly flexible labour market with an extraordinarily high proportion of temporary employees. The Spanish labour market is highly segmented in insiders on permanent positions, outsiders (unemployed and inactive) and work-insecure employees on temporary posts, particularly among youth. This paper attempts to gauge the impact of increasing flexibilisation on transitions to adulthood in Spain. We concentrate on three interrelated transitions, labour market entry, first marriage and first parenthood. Previous contributions have well elaborated the repercussions of non-employment on transitions to adulthood. What makes this paper distinct is the particular focus on precarious employment relationships and individuals' perception of job security. We find some first indication that the type of employment relationship and the perception of job security seem to matter in the studied transition processes.

Key words.- Labour market, Adulthood, First marriage, First parenthood, Spain.

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EMPLOYMENT FLEXIBILITY IN SPAIN AND ITS IMPACT ON TRANSITIONS TO ADULthood

1.- Introduction

Since the end of the dictatorship in 1975 the Spanish economy has undergone a complete transformation. Under the Francoist model high trade barriers and a restricted access to foreign markets protected domestic firms against foreign competition. With the opening-up of the Spanish economy, Spain experienced a profound structural change and intensive economic crisis between 1975 and 1985, leading to employment deterioration (Jimeno and Toharia 1994). The unemployment rate grew tremendously and unevenly. It was mainly women and youth who were affected by the economic crisis in Spain (Jurado Guerrero 1995). As a reaction to the economic development during this period and the enhancing pressure of companies asking for more flexibility, from the early 1980s onwards the government put forward various labour policies, systematically deregulating the employment protection system and work relations as such. The trade unions, which at that point were still rather weak and just building up, accepted the reforms reluctantly (Burgess 2000). It followed a economic recovery, characterised by an unprecedented growth in aggregate employment (Jimeno and Toharia 1994). However, this was at the expense of growing employment flexibility. The distribution of fixed-term contracts in Spain increased markedly during this period to more than 30% of all dependent employees, which is extraordinarily high compared to all other European countries (Schömann *et al.* 1998). Fixed-term contracts became the most common labour market entry pattern in the late 1980s. At the same time, high unemployment rates, and particularly long-term unemployment, persisted. This is due to the fact that labour policies of Socialist governments have deepened the so-called 'insider-outsider divide' in Spain: the flexibilisation of employment relationships has been directed at individuals outside the labour market trying to (re-)enter, while those in employment have not been affected (Toharia and Malo 2000). In the late 1980s and early 1990s the government abrogated one or the other enactment to some extent and launched new laws trying to reduce the usage of fixed-term contracts and ease the re-integration of the unemployed (Dolado *et al.* 2001; Toharia and Malo 2000). However, the economic recession of the 1990s led to a sharp

rise in unemployment, which stood above 20 per cent during the mid-1990s. It is only recently that an economic recovery is taking place (ILO 1999).

The Spanish labour market of the 1990s is still characterised by an extraordinarily high proportion of fixed-term contracts and a high concentration of this type of precarious employment among women and youth; high unemployment which is very often long-term; low rates of job mobility; low levels of part-time employment and low female labour force participation (Schömann *et al.* 1998; OECD 1998, 2001; ILO 1999). In these terms, Spain stands out from a European perspective as a country with a high degree of employment flexibility having far-reaching consequences on ‘outsiders’, that is, the inactive, unemployed and school leavers. Furthermore, the fast and intense shift from one of the most rigid employment protection systems in Europe to a highly flexible labour market makes Spain an interesting and challenging country for a case study.

During the last thirty years the transition to adulthood has changed profoundly in Spain (Baizán 2001; Delgado 1995; Delgado Pérez and Castro Martín 1999; Simó *et al.* 2001). Transitions to adulthood have been transformed in that parental home leaving, partnership and family formation are increasingly postponed in the life course. The profound changes in transition patterns are certainly also related to the rapid educational expansion, substantial labour market shifts due to higher female labour force participation as well as changes in values and attitudes. Furthermore, it has been well established that having a solid economic basis is a prerequisite for entering a partnership and also having a first child (Simó *et al.*, 2002a; Simó *et al.* 2001). But apart from economic insecurity, in terms of non-employment, low paid occupations or reduced working hours, is there evidence to suggest that the high incidence of fixed-term contracts has an impact on transitions to adulthood? We argue that fixed-term positions lead to less predictability of the employment relationship. Employees expect their contract to expire within a given time period and it is difficult to foresee their future labour market career and therefore also to plan ahead. Likewise, facing great difficulties in entering and settling in the labour market, individuals may perceive their job as comparatively insecure. The pivotal question is whether and to what extent precarious employment relationships and individual’s perception of job insecurity do have an impeding impact on transitions to adulthood in Spain during the 1990s. The paper is structured as follows. In the next section we locate transitions to adulthood in individuals’ life courses. This is followed by a theoretical discussion of the concept of employment flexibility. In section four we move on to the specifics of the Spanish institutional system. We summarise our hypotheses in section five and give a short overview of data, methods and variables used in section six. Section seven is devoted to a presentation of our main findings. We conclude the paper in section eight.

2.- Locating the Transition to Adulthood

What are the markers of the transition from youth to adulthood? Undoubtedly, in view of the various theoretical and empirical contributions in this research domain, there are several perspectives one can take on this issue and a straightforward answer seems to be difficult.

In the following we neither refer to a certain age range, for instance fixed by the age when individuals take on citizenship rights, nor do we take into account the emotional and psychological development of individuals. Rather we define the transition to adulthood as a step-wise process in which individuals take on responsibilities in various life domains and participate increasingly in adult activities. Various researchers focus on different interrelated life course transitions as proxies for obtaining the adult status, i.e., leaving parental home and founding one's own household, finishing educational and occupational qualification, entering the labour market, forming a first partnership and entering first parenthood (Blossfeld and Nuthmann 1988; Corijn and Klijzing 2001; Hogan and Astone 1986; Irwin 1995).

Unquestionably, this approach provides only an ideal type picture because there are much more diverse paths to adulthood. Some transitions appear to be repeatable, some are not necessarily exclusive and might therefore overlap. Furthermore, individuals might break off certain engagements and, apart from a considerable delay of transitions in the life course, even forgo one or the other transition. Empirical evidence from various studies points to changes in timing, sequencing, and prevalence of transitions to adulthood across birth cohorts (see for instance Corijn and Klijzing 2001). These trends lead to more variation in the trajectories and make the transition to adulthood less predictable.

But what are the determinants of the speed of the transition to adulthood? And further, how can we explain changes in the nature of this transition? There are several major contributions to the study of the transition to adulthood: cross-national comparative studies that present a description of the similarities and dissimilarities in timing, kind and determinants of the transition to adulthood in various countries (Blossfeld and Klijzing, under review; Corijn and Klijzing 2001), cross-country comparisons that investigate specific life course transitions (Blossfeld 1995; Mills 2000; Shavit and Müller 1998), as well as a huge amount of country-specific studies that contribute to our knowledge of various determinants of the diverse paths to adulthood (Blossfeld and Huinink 1991; Blossfeld *et al.* 1999; Liefbroer 2000; Manting 1994; Oppenheimer *et al.* 1997). These studies evaluate the age-relatedness and destandardisation, the impact of educational enrolment and educational attainment, the repercussion of non-employment, the impact of value change, and finally, the effect of religion on the transition to adulthood.

In the following we study three interrelated transitions, namely, entry into the labour market, partnership formation and birth of the first child. Within the transition process, entry into the labour market gains particular importance. This is so as a stable job position ensures a certain degree of economic security, a basis that is often seen as a prerequisite for other related life course transitions. With the diffusion of various forms of flexible employment individuals, and young adults in particular, are to a growing extent at risk of experiencing job precariousness at least for a short period in their life course, making it increasingly difficult to plan ahead and to make long-term commitments (Blossfeld and Klijzing, under review). In the next section we therefore move on to a discussion of the concept of employment flexibility and labour market outcomes.

3.- Labour Market Flexibility and Job Insecurity

In contemporary countries, the growing need for flexibility and its impact on labour markets are highly debated issues. Employers have been increasingly asking for more labour market flexibility. Facing high unemployment rates and the pressure of companies, governments attempted to introduce flexibility in work regulations, enhancing the diffusion of various types of atypical work in European countries (i.e., part-time, temporary, agency and other contingent work). But why is this the case? Current times are characterised by a large-scale shift towards a technology- and knowledge-based economy (Mills and Blossfeld, under review). The influx of new international information and communication technologies since the late 1970s has resulted in a growing demand for multi-skilled labour, in particular in terms of a flexible specialisation and organisation. At the same time, firms are increasingly confronted with global competition. While market demands change ever so faster, firms have to compete with a growing number of companies, increasingly in foreign countries that may be more favourable in terms of production settings. Firms are forced to keep pace with these developments and to adapt fast and efficiently to market opportunities and demands. The combination of both, increasing global competition and fast and intense technological advancement, lead to changes on the demand side. At the same time, the tremendous educational expansion that European countries have experienced has led to changes on the supply side. The educational expansion is not only leading to an extending involvement of both men and women in higher education, but also to growing female labour force participation rates and, relatedly, to a catching-up process of women (Blossfeld 1995; Blossfeld and Hakim 1997; Blossfeld and Drobni_ 2001; Shavit and Müller 1998). Lastly, we can also identify changes in the way job-seekers are ‘matched’ to open job positions. Increasing economic risks are being passed on to employees through demand for increased flexibility and an acceleration of the pace and flow of work. Taking into

account the above outlined changes on demand and supply side, we argue that the school-to-work transition is becoming increasingly uncertain in contemporary European countries. Educational certificates are becoming increasingly important, while, at the same time, specific educational degrees can no longer be seen as ensuring a direct school-to-work transition into a position that pays off. With the rise in demand for multi-skilled and experienced labour, first-employment seekers are not only to a growing extent competing with those already employed, thus lowering their chances to get an open position. They are also confronted with the need for constantly upgrading their skills (Blossfeld, 2001). At the same time, employers make use of flexible kinds of work arrangements, not only to screen the work potential of labour market entrants but also to adjust to labour market shifts (first come, first go), thereby lowering their costs of firing.

Yet, flexibility is a widely used and multi-dimensional term. Flexibility may have an impact on different areas of employment relationships, such as inter- and intra-firm mobility, assignment of tasks, adjustment of working-time and wage, as well as on different stages of labour market careers, e.g., labour market entry and exit. Following, Atkinson (1984; see also Regini 2000; Standing 1997) one can differentiate between four different types of labour market flexibility:

- *numerical flexibility*, in terms of the adaptation of the number of employees to labour demands by means of e.g., short-term contracts, layoffs;
- *functional flexibility*, that is the transferability between different job positions;
- *wage or financial flexibility*, in terms of wage adjustments;
- *temporal flexibility*, that is adjustments of the working time.

The outlined flexibility types lead to a growing proportion of workers in various atypical employment relationships such as temporary jobs or part-time positions. These employment relationships introduce *insecurity* in individuals' labour market careers. In the following, we conceptualise job insecurity as being determined by the likelihood of job or income loss and its consequences¹. The former is dependent on the property of jobs as well as on personal characteristics. That is, certain job positions may be *work-insecure* in economic respects. As a consequence of temporal or wage flexibility, employees face a high probability that real wages fall. They experience more *income insecurity* and, consequently, greater difficulties in establishing a solid economic basis. Furthermore, employees may be *work-insecure* due to numerical flexibility: Those who expect their contract to expire soon, those on casual posts

only, and those in certain industrial sectors with a high unemployment risk face more *contractual insecurity*. Above that certain personal characteristics increase the likelihood to experience job or income loss (see for instance; Simó *et al.* 2002b). However, insecurity is not only attached to the property of jobs but also to the environment in which jobs exist (Heery and Salmon, 2000). Consequences of job or income loss are dependent on *social security* provided (e.g., degree of protective regulations), *representation security* (strength of trade unions, coverage by collective bargaining) as well as *job match security* (e.g., policies that facilitate labour market (re-)entries). Additionally, individuals with certain characteristics have better chances of re-employment (Alba-Ramírez 1998).

Yet, the deregulation and flexibilisation process is likely to affect not only labour market careers but also young people's psychological wellbeing, perceptions and expectations about their labour market career and social life. Several recent empirical contributions provide an insight into individuals' perceptions of growing insecurity in a context of flexibilisation and intensifying international competition (Heery and Salmon 2000; Burchell *et al.* 2002). Independent of their actual labour market positions, individuals' evaluation of both the likelihood and consequences of a job or income loss may be quite different. Apart from the determinants outlined above, individuals' perception of job security is likely to be influenced by factors that are independent of the workplace and its environment. Rather, those carrying major responsibilities for other family members may feel more insecure than those living on their own.

The different types of labour market flexibility are not necessarily mutually exclusive. Rather, they may reinforce as well as cancel out one another (Regini 2000). Further, since requirements for labour market flexibility differ and its insertion strongly depends on a country's production system and industrial relations structure, the application of the various types and combinations of labour market flexibility does greatly vary among countries. Labour market policies may be directed at different target groups and enhance as well as hamper individual labour market chances. Also, countries not only differ with respect to the 'flexibility track' they have entered upon. Rather, various nation-specific institutions accentuate or moderate these processes. Country-specific studies have therefore to deal with four related theoretical questions. First, why is there a growing requirement for labour market flexibility and in which area of employment relationships? Which flexibility path has a country entered upon? What is the target group and the impact of enhanced flexibility on labour market careers? And lastly, what is the role of nation-specific institutions? In view of these theoretical questions, we now turn to a brief description of the Spanish case, with a particular focus on employment flexibility in Spain.

4.- Employment Flexibility and the Role of Institutional Filters

4.1.- The Spanish flexibility track

The Franco era was characterised by guaranteed lifetime jobs and, at the same time, a suppression of unions and international competition. After Franco's death, the large-scale labour shifts due to the unprecedented educational expansion and increasing female labour force participation, the opening-up of the economy for international competition, and industrial restructuring and modernisation led to extraordinarily high unemployment rates in Spain. Companies asked for more flexibility in work relations. Since the economy as a whole was profoundly changing and employers were risk-adverse, companies argued that firing regulations were too restrictive and would work as a disincentive to give job-seekers open positions. In response to this Spanish governments launched new laws trying to make the heretofore rigid employment system more flexible. Temporary contracts were regulated through the '*Pactos de la Moncloa*' and later the Workers' Statute of 1980 (*Ley del Estatuto de los Trabajadores*). At first, temporary contracts for young people aged 16-26 (in 1980 the age limit was expanded to 28) searching for employment were implemented. These short-term contracts could last between sixteen months and two years and a 75-percent subsidy of employers' social security contributions was granted as an incentive for employers. This program ended in 1981. Yet, over the 80s, new reforms were launched, expanding the possibilities to use short-term contracts. The key year of the succeeding labour market reforms was 1984. Heretofore the 'principle of causality' was in force. With its abrogation short-term contracts could be concluded with any employee. Also, special employment contracts were introduced aimed to ease the integration of young people into employment: contracts for practical training (*contrato en prácticas*, decree of 1984) for the 16-28 years old; contracts for qualification (*contrato para la formación*, decree of 1984) for young people aged 16 to 19; programs for workshop schools and training houses (*programas de Escuelas-Taller y casas de Oficio*, since 1985/88); long-term contracts for young people under 26 years and young people with short-term contracts (*contratos por tiempo indefinido de trabajadores jóvenes y de otros colectivos*, since 1985 until 1988, from 1992 onwards)ⁱⁱ.

All in all, over the 80s, the government opted for an increase in employment flexibility. With the intention to create more job vacancies to combat the high unemployment rates in particular among youth, the government gave firms a free hand in the recruitment of employees through facilitating the usage of short-term contracts. In this respect, two important implications have to be kept in mind. *First*, the flexibilisation of employment relations was peculiar in that it was mainly directed at labour market entrants, while job security of those already employed

under permanent full-time contracts persisted. As to the employers side, temporary employment is cost-saving compared to the recruitment of permanent workers, in particular in the Spanish context where prevailing strong legal obligations protect permanent employees from dismissal. Through employing on the basis of short-term contracts only, employers lower their labour costs and can more easily (less costly) and faster adjust to economic conditions. As a result, an insider-outsider labour market evolved (Sørensen and Kalleberg 1981; Lindbeck and Snower 1987) that was based on, first, a strong segmentation between permanent and fixed-term employment, and, second, a strong segmentation between employees and the inactive/unemployed. Compared to 'insiders', those trying to enter the labour market for the first time are most likely to start their labour market career on a fixed-term contract (OECD 1998). *Second* and relatedly, not only the proportion of school-leavers starting their labour market career on a temporary post is extraordinarily high. Rather, in the majority of cases labour market entrants take these work-insecure positions involuntarily. While in other countries such as Germany or Austria temporary contracts among labour market entrants are mostly training contracts, Spanish youth mostly 'profited' from short-term contracts without any qualification content and to a lesser extent from special youth-oriented contracts (OECD, 1998). Empirical investigations show that only few of them manage to escape from temporary employment during the first years of their labour market career while a large pool of workers remain on fixed-term contracts for quite a long time, churning between jobs and unemployment spellsⁱⁱⁱ. Consequently, turnover rates have increased substantially and precarious employment is highly concentrated among women and youth (Bentolila and Dolado 1994). In the 1990s, the employment protection system was at the debate and the government launched reforms trying to revive permanent employment (Toharia and Malo 2000). In 1992, the minimum length of fixed-term positions was increased. In 1994, the 1984 law was abrogated to a great extent since the new regulation eliminated the fixed-term contract as a 'general case'. Furthermore, firing costs for permanent workers were lowered. In 1997, new permanent contracts with lower dismissal costs were introduced and incentives for these types of contracts were granted. Yet, despite these changes in employment legislation, the strong segmentation of the labour market persists.

As for other areas of employment relationships, the described segmentation of the labour market caused by the tremendous spread of fixed-term employment has important implications for the dynamics of wage setting, particularly when wages are mainly determined by collective bargaining. During the 1980s, the Spanish bargaining system was still strongly centralised (Toharia and Malo 2000). Overall, collective bargaining adhered to uniform wage

increases throughout the economy and it is only since the end of the 1980s that we observe an increase in collectively bargained wage dispersion. However, the collective bargaining system is characterised by a low degree of co-ordination among bargaining units, and among employers in particular, and a low level of synchronisation. As a result, the degree of centralisation of collective bargaining in Spain has been described as ‘moderately decentralised’ (Toharia and Malo 2000). Furthermore, the effectiveness of collective bargaining agreements reached at the industry level can be questioned due to the high incidence of employment in small firms which have no union protection and often insufficient information on collective bargaining agreements. Above that, the strong insider-outsider division is likely to lead to a self-reinforcing process: permanent workers have a much stronger bargaining power and will exert more pressure on collective bargaining than non-permanent workers who enjoy less legal protection and would be fired first (Bentolila and Dolado 1994). Therefore the Spanish industrial relation system provides little representation security for new labour market entrants.

As to temporal flexibility, it can be stressed that part-time contracts are still seldom used in Spain (ILO 1999). In 1994, a reform has been launched aiming to introduce more flexibility in working-time arrangements. However, it was mainly directed to overtime hours (Toharia and Malo 2000). Some authors argue that part-time contracts are seldom used since these employment contracts are regulated on a proportional basis to typical full-time permanent contracts, meaning that they impose similar obligations (collective bargaining rights, social security rights) and important non-wage labour costs on employers.

To sum up, career entry processes in Spain are characterised by a lack of contractual security. But how does this impact on transitions to adulthood? Various empirical studies evaluate the impact of occupational careers on transitions to adulthood (Baizán 2001; Simó *et al.* 2001). The most important result of these studies is that holding a job is an important predictor for union formation and parenthood among men. Through long-term and full-time employment men create and consolidate an economic basis that is regarded as a necessary prerequisite for these transitions. In contrast, employed women do not seem to be more likely to enter a union or to become a mother. While employment may keep women from forming a union and becoming a mother through increased economic independence and strong disincentives to quit working, it may also have positive effects: The economic basis of dual-earner households provides much more resources to set up one’s own household and de-couples the long-run economic prospects of a household and the stability of male job careers (Oppenheimer 1994). Yet, young Spaniards face great difficulties in entering and settling in the labour market and this is assumed to render transitions to adulthood less straightforward and less

predictable. However, the impact of time-limited contracts on transitions to adulthood has not yet been well elaborated. In the following, we discuss nation-specific institutions that accentuate the described processes, namely the Spanish educational system, the housing market and the welfare state support.

4.2.- The Educational System

Labour market entries are not only regulated by the State through active employment policy, but also through the educational system (Allmendinger 1989; Shavit and Müller 1998; Regini 1997). Educational systems differ greatly among European countries and this has an impact on the timing of labour market entries as well as the matching process itself. According to Allmendinger's (1989) two-dimensional typology, the efficiency of an educational system may be expressed by the level of 'standardisation' (i.e., the degree to which the quality of education meets the same standards nation-wide) and the level of 'stratification' (i.e., the proportion of a cohort that attains the maximum number of school years in a specific educational system). In these terms, the Spanish system can be classified as one with a high degree of standardisation and medium degree of stratification (Simó *et al.* 2001). The Spanish vocational training system is organised as a dual system that combines theoretical learning and job experience. Despite this organisation of vocational training and in contrast to other countries with a dual system like Germany, school-to-work transitions are more often indirect through unemployment. Consequently, the youth unemployment rate in Spain is extraordinarily high (ILO 1999). This implies what we want to call less job match security. A distinct result of various empirical studies is that the school leaving age has increased substantially across birth cohorts and that this extended educational enrolment delays the other transitions to adulthood, such as entering the labour market, leaving the parental home and entering a first union (Baizán 2001). Yet, as outlined above, the increasing postponement of labour market entry may not only be due to a higher school leaving age but also to difficulties in finding a first job.

4.3.- The Role of the Housing Market

Parental home-leaving is probably the most important transition in Spain. This is so as there is a strong link between this transition, first union formation and entry into first parenthood (Baizán 2001; Holdsworth 2000; Holdsworth and Irazoqui Solda 2002). Spaniards tend to stay in the parental home until they have established a solid economic basis and intend to form a first union. Therefore, nest-leaving, founding one's own household and entry into first union

are in the majority of cases simultaneous transitions that are generally made at much later ages than finishing educational and occupational qualification and entering the labour market. Furthermore, and contrary to most other European countries, first union formation is still in most of the cases equivalent to entry into marriage, with only modest and slowly increasing rates of non-marital cohabitation (Baizán 2001; Delgado Pérez and Castro Martín 1999).

The strong linkage between home-leaving and first union formation is most likely due to the Spanish housing market. With almost 80% home-owners, Spain is one of the European countries with the lowest rate of rented dwellings (Holdsworth and Irazoqui Solda 2002). Therefore, founding one's own household is in most of the cases equivalent to becoming a home-owner, thus implying a long-term economic commitment. To become a homeowner, one has not only to have a solid economic basis but also a solid job profile since it is questionable whether banks will give a loan to non-permanent workers. There is some empirical evidence that points to an increasing postponement of the parental home leaving process due to growing difficulties of school-leavers in entering and settling in the labour market. As Guerrero (1999) shows, a stable market income is an important predictor of men's nest leaving. Yet, once having left the educational system, Spanish men confront lots of barriers for leaving home because of various difficulties in finding a job, particularly a permanent one. The combination of both, housing market and precarious labour market entry patterns, lead to a postponement of parental home-leaving and, thereby, to a postponement of first union formation and entry into first parenthood (Baizán 2001; Guerrero 1999).

4.4.- Welfare State Support and Gender Division of Work

Spain has been called a 'family-oriented' welfare state (Jurado Guerrero 1995; Reher 1998). It are mainly the family and kinship networks that give support to their members, with a conspicuous absence of help from the welfare state compared to other countries. In the following, we focus on two of the most important issues, the lack of support for first-employment seekers and for employed women.

As already described above, governments tried to combat high youth unemployment mainly through a systematic flexibilisation of work relations that had far-reaching consequences for the labour market entry patterns of youth. They are mostly 'outsiders' churning between short employment spells and unemployment. At the same time, welfare state support is largely lacking for first-employment seekers who do not manage a direct school-to-work transition^{iv}. Given this relatively weak state support and the increasing difficulties of youth to

settle in the labour market, youth is lacking social security and, therefore, to a great extent dependent on any help coming from their parents.

Over the past decades one of the major shifts in European labour markets has been the growing female labour force participation. Taking into account that women take major responsibility in child-rearing, the pivotal question is how couples divide work. Women's employment strategies can be threefold. As González-López (2001) puts it, women can opt for a linear pattern (i.e., continuous labour force participation), an interrupted pattern (quitting and returning), and a curtailed pattern (permanent withdrawal). This decision does not only depend on values, attitudes, and labour market chances, but also to a great extent on the labour market structure and the employment regulation, as well as on welfare state support. For instance, an extended part-time labour market offers women the opportunity to combine job career and motherhood more easily. Furthermore, maternity leave regulations, availability of child-care facilities and job security are important determinants. The traditional model of work and family identity in Spain remains the male breadwinner model (González-López 2001; OECD 2001). According to this type of gender division of work, the man provides the solid economic basis through his labour force participation, while the woman takes major responsibility in domestic work and child-rearing. There are some signs that this is slowly changing in Spain. Increasing female labour force participation and the growing hesitance of women to quit their labour market career force couples to rethink their gender division of work. However, compared to other European countries, the proportion of employed women is still quite low (OECD 2001; ILO 1999). With respect to their gender division of work, the modified model (i.e., women employed on a part-time basis) as well as the dual model (both partners are working on a full-time basis) are rather seldom (Blossfeld and Drobni_ 2001; González-López 1998, 2001). This is partly due to the fact that the part-time labour market is still rather under-developed, which renders the combination of employment and housework difficult for women in Spain^v. Above that, due to the absence of social policies concerning maternity leave, family allowances and an under-developed child-caring system (free nurseries; child-care facilities for under-three-year-olds), working women have to rely on informal networks for child-care. Furthermore, employed women are most often atypical workers that are rarely entitled to maternity rights.

5.- Research Questions and Hypotheses

The Spanish labour market is characterised by a strong insider-outsider divide into, on the one hand, permanent full-time employees who can rely on high contractual security, high representation security, and high social security, and, on the other hand, outsiders who face

great difficulties in (re-)entering and settling in the labour market. Yet, in-between the permanent full-time employees and the outsiders there is a large pool of work-insecure workers. Compared to insiders, these employees in short-term positions face much lower degrees of contractual, representation, job match and social security and the risk of falling back to the group of outsiders is comparatively high. The type of employment contract counts most when it comes to the question who is work-insecure in Spain, while part-time work plays a minor role. It is in particular young labour market entrants who are forced to take these work-insecure positions. The key research question addressed in this paper is therefore to what extent young adults are confronted with job insecurity and whether we can find empirical evidence for an impeding impact of short-term contracts on transitions to adulthood. More specifically we ask:

(1) Are some Spaniards more likely than others to enter directly the labour market and find a stable position?

(2) Is job precariousness and perceived job insecurity related to men's and women's partnership formation?

(3) How does job precariousness and perceived job insecurity affect young people's decision to become parents?

Based on our theoretical considerations we outline three main hypotheses.

Insecurity hypothesis

Since the early 1980s, Spanish governments introduced employment flexibility in work relations. Yet, these were mainly targeted at labour market entrants. As a consequence, first-employment seekers are churning between short employment and unemployment spells and once they manage to enter the labour market this is most likely to be on a temporary post. While young Spaniards are increasingly confronted with job precariousness, 'insiders', that is workers employed on a permanent contract, are in comparatively secure positions and to a great extent sheltered against market risks. The crucial question is therefore when labour market entrants manage to take a permanent position. Those on fixed-term positions expect their contract to expire within a certain time period. This type of precarious job is therefore likely to impede an individual's future predictions, and today's uncertainty may lead to a postponement

of life course decisions that are usually made on the basis of economic security and rather stable career prospects.

We hypothesise that individuals on short-term contracts will experience job insecurity, which will in turn make a postponement of transitions to adulthood more likely.

We therefore investigate, firstly, whether and to what extent labour market entries in Spain are affected by employment flexibility. Our main focus is on the incidence of short-term contracts as a proxy for job insecurity. Secondly, we study the impact of this type of precarious job on the decision to form a partnership and to become a parent. Yet, we also take into account the individual perception of job security which is assumed to be strongly related to the flexibilisation and precarisation of employment relationships and, therefore, to have an impact on transitions to adulthood.

Gender-specific hypothesis

From the large set of empirical findings on transitions to adulthood, we know that transition patterns tend to be gender-specific. This is partly due to provisions of welfare through state, family and market that shape women's life courses in a particular manner (Orloff 1993). Here we argue that men and women are to varying degrees affected by increasing labour market flexibility and, furthermore, that labour market flexibility may also have different impacts on men and women. While for men we expect an increase in job insecurity, for women it rather offers job opportunities that ease their (re)entry into the labour market and, in particular, the combination of a household and labour market career. At the same time, as Oppenheimer (1994) argues, a less gender-specific division of work may be seen as a flexible way to adapt to increasingly insecure male job careers, thereby lowering social risks. Yet, in Spain, women face great obstacles in combining work and family responsibilities due to a lack in part-time positions and welfare provision. Since the male breadwinner model is still dominant in Spain, we expect that for men a stable career is an important prerequisite for entering first partnership or first parenthood. It remains to be seen to what extent this holds also for women on permanent posts and wishing to enter a partnership or to become a mother. A double income will raise a couple's chances to get a foot into the housing market, which will most likely also increase their likelihood to get married. With respect to the latter transition, permanent posts offer more security in terms of maternity leave and re-entry after employment disruption.

Assuming that the male breadwinner model is still dominant in Spain, we expect stronger effects of work-insecure positions for men than for women.

We therefore investigate to what extent men and women are employed on a fixed-term basis and in what kind of occupations etc.. In the following step, we run our analyses of entry into first partnership and entry into first parenthood for men and women separately and discuss the impact of short-term contracts on men's and women's transitions to adulthood respectively.

Transition-specific hypothesis

Comparing partnership formation and entry into first parenthood, it is hypothesised that a solid economic basis and stable career prospects are even more important for the latter transition. Since the decision to have a child involves a strong commitment to a new dependent person and, in most of the cases, does lead to an interruption of women's labour force participation if not withdrawal, men's stable employment career becomes a necessary prerequisite for this transition. However, since entry into first partnership and founding one's own household are in most of the cases simultaneous transitions, and, furthermore, founding one's household means in most of the cases becoming a home-owner, we can have some doubts about the above sketched hypothesis.

6.- Data, Methods and Variables

For the following analyses we apply longitudinal data from the European Community Household Panel (ECHP 1994-1997)^{vi}. To investigate the impact of precarious jobs on transitions to adulthood we look at different aspects of the employment profile of individuals. First, we take into account the *activity status*, that is, we distinguish between being employed, being enrolled in education, being unemployed and any other type of inactivity. Second, among the employed different *employment statuses* have to be taken into account^{vii}. In the following we distinguish between own-account, employer, apprentice and employee. Third, we describe the *employment relationship* of employees through their employment contract and working hours. We separate part-time (with all jobs of 15 to less than 30 hours per week being defined as part-time)^{viii} from full-time positions; within the latter we distinguish between permanent, fixed-term contracts and casual jobs. Apart from this 'objective' definition of work-insecure positions, we also use one item measuring the degree of satisfaction with job security on a scale from 1 to 6^{ix}. Lastly, we control for some personal characteristics, namely educational attainment as a proxy for the earnings capacity, age, birth cohort and marital status.

The following analyses are based on a sub-sample of men and women aged 16 to 38 between 1995 and 1997^x. We furthermore limit our analyses to original sample members with a full

interview and no disabilities. We apply various bivariate and multivariate methods. In the first step, we investigate whether and to what extent young Spaniards are in fixed-term positions. We cross-tabulate the type of contract with various other job characteristics to give a good description of these kinds of precarious jobs. In the next step we run discrete-time, competing-risk transition models (entry into first partnership) and discrete-time transition models (entry into first parenthood) for men and women separately (Yamaguchi 1991). Entry into first marriage or cohabitation, respectively, is defined as a move from never married at wave $t-1$ to being married or living in a consensual union at wave t^{xi} . With respect to entry into first parenthood we study moves from being childless at wave $t-1$ to having a child at wave t^{xii} . The outcome-specific rate for each of the transitions of interest in year t for the j th individual, P_{ijt} , is assumed to take the form

$$\ln\left(\frac{P_{ijt}}{1-P_{ijt}}\right) = \alpha_i \ln(\text{dur}_{jt-1}) + \beta_i X_{jt-1} + \gamma_j Y_{jt-1} \equiv Z_{ijt} \quad , \quad i = 1, 2,$$

where dur_{jt-1} is the length of time in which the individual has been unpartnered or childless^{xiii} at year $t-1$; X_{jt-1} is the vector of the variables proxying job precariousness at year $t-1$; and Y_{jt-1} is the vector containing all the other variables.

7.- Results

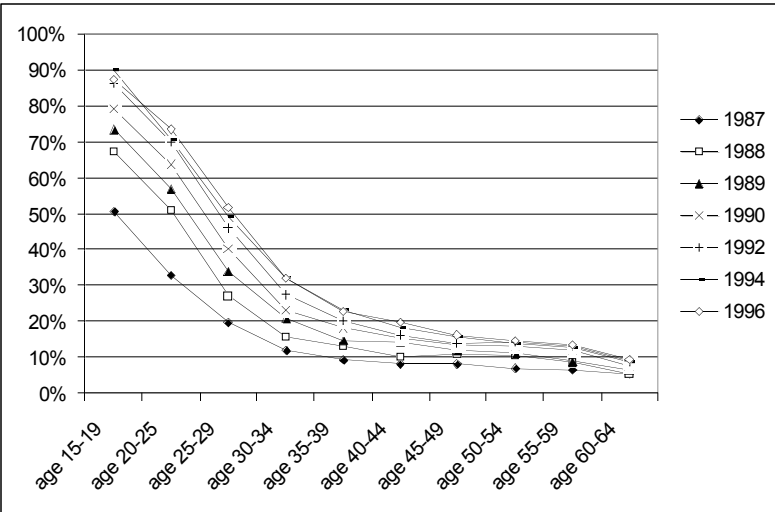
7.1.- Who are the temporary employees in Spain?

Figure 1 shows the percentage of employees with temporary contracts by age and year. From this figure we can draw two main conclusions. First, it reveals a clear age pattern. The younger the age group one looks at, the higher the proportion of temporary employees. At later ages the proportion of temporary employees is rather low and remains fairly stable. For women this pattern is less clear-cut since there is a small increase in temporary employment for those aged 35 to 50. Most likely these are mothers who do not manage to combine child-rearing with full-time permanent employment but only temporary employment. Second, Figure 1 shows a clear cohort trend. From the mid 1980s to the early 90s, young Spaniards are more and more often in

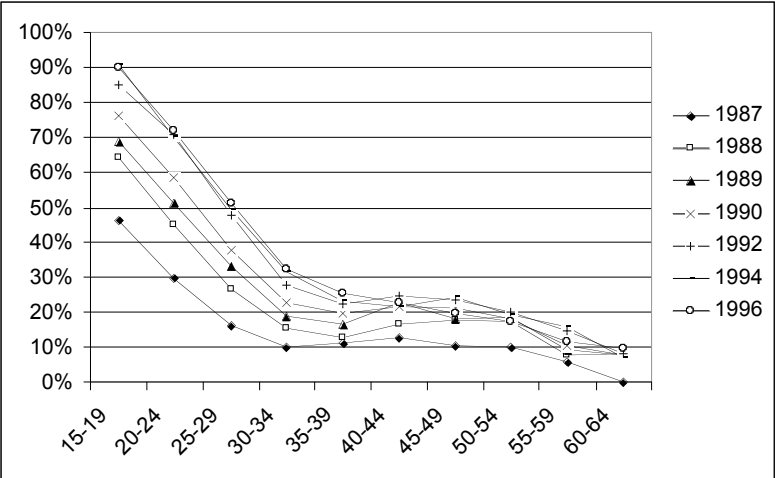
temporary employment. For instance, in the age group 15 to 19 the proportion of temporary employees grows from 50% to 87% for men, and from 46% to 90% for women. The proportion of temporary contracts among those aged 40 and older also seems to have increased, however, this was much less distinctive. But who are the temporary employees?

Figure 1: Percentage of employees with temporary contract by age and year

Males



Females.

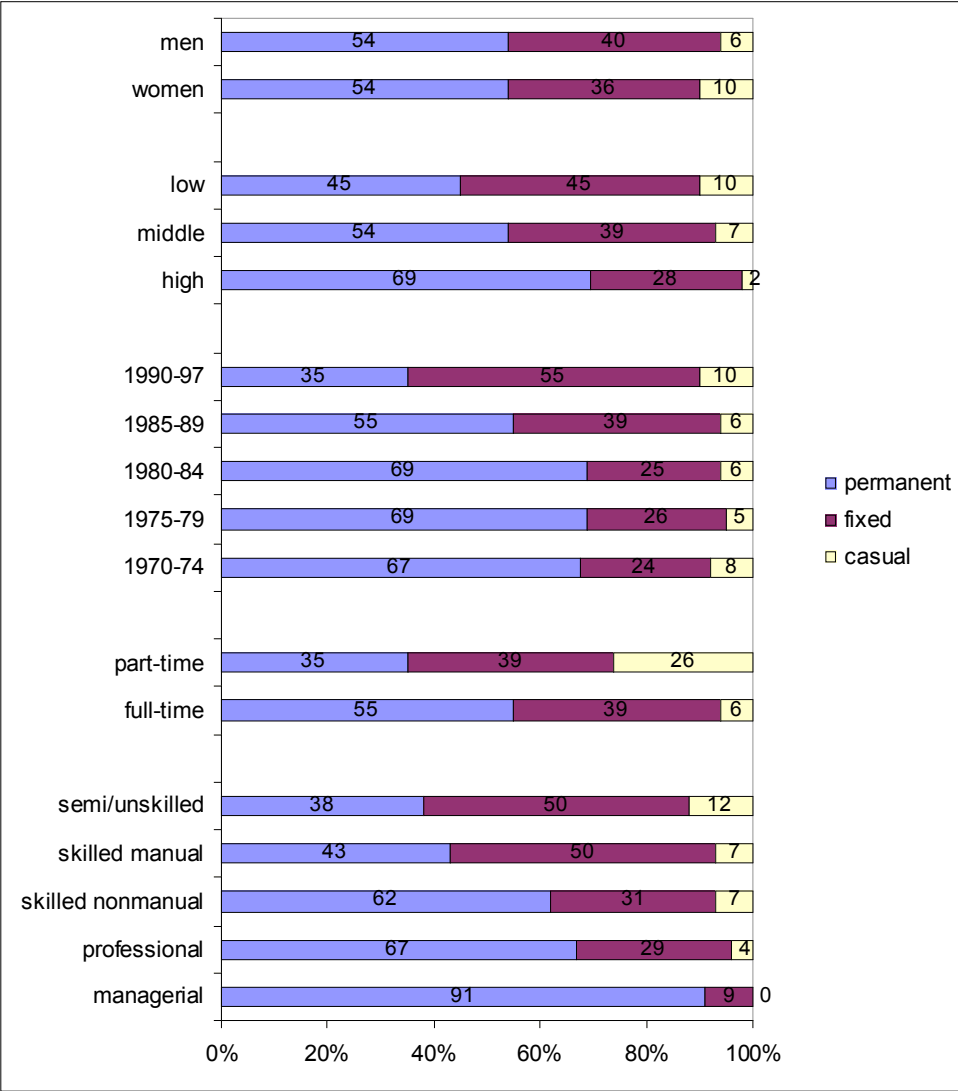


Source: Spanish Survey of Active Population (EPA), Madrid, National Institute for Statistics (INE).

Figure 2 shows the proportion of men and women having a permanent, fixed-term or casual contract in 1997 by gender, educational level, labour market entry cohort, working hours and

occupational class. While women seem to be as likely as men to be on a permanent post, they appear to be more often casual workers (10% as compared to 6% of men).

Figure 2: Type of contract by other individual characteristics in 1997 (in percent)



Source: ECHP, 1997, men and women aged 16-38, employees only, weighted data.

Yet, further investigations (not shown here) did not bring to light big differences between men and women when looking at education levels, labour market entry cohorts, working hours, and occupational class. As can be seen in Figure 2, our results reveal a clear pattern with respect to educational qualification: with every higher educational level the proportion of permanent workers increases substantially. As compared to those with a low educational level (45%), 54%

of men and women with middle and 69% of those with high educational qualification are permanent employees. The same pattern appears for occupational class. The higher the occupational class, the higher the proportion of permanent employees. While only 38% of all semi- and unskilled employees have a permanent contract, this is the case for 91% of all managerial and 67% of all professional workers. As expected, in the youngest labour market entry cohort (1990-97), there is a high proportion of fixed-term contracts (55%). This declines to 39% in the cohort 1985-89. In all the earlier labour market entry cohorts there is only around one-quarter of all employees in this type of employment relationship. Lastly, we look at working hours. As one would expect, fixed-term and casual posts are first and foremost part-time positions.

Next we study longitudinal employment profiles. Table 1 summarises information on the type of contract achieved at labour market entry (school-to-work transition) and re-entry (from inactivity to work, from unemployment to work).

Table 1: Type of contract at labour market (re-)entry by sex (in percent)

	From ... to job		OLF		unemployment	
	school women	school men	Women	men	women	men
permanent	11.2	8.0	12.0	16.4	15.3	15.0
fixed-term	68.5	67.3	42.7	61.5	57.2	61.4
casual & other	14.7	8.7	22.7	7.77	19.9	11.1
self-employed	5.6	16.0	22.7	14.4	7.6	12.4
Total	100%	100%	100%	100%	100%	100%
	(143)	(150)	(75)	(104)	(236)	(306)

Source: ECHP (1995-97), men and women aged 16-38.

Note: Column percentages for type of contract achieved after labour market entry by gender. Dependent employees only. Number of wave-to-wave transitions in parentheses. Apprentice and those working less than 15 hours have been excluded.

Independent from the transition made, the proportion of those contracted on a fixed-term basis is extremely high. This is particularly so for school-to-work transitions, with 69% of women and 67% of men having a fixed-term contract. Also, it becomes evident that women are much

more often in casual jobs than men. This is even more accentuated after unemployment-to-job shifts and inactivity-to-job shifts. In contrast, with the exemption of previously inactive women, men are more often self-employed. Labour market re-entries result more often in casual and self-employment as compared to direct school-to-work transitions.

Table 2 presents row percentages for type of contract in 1996 by type of contract one year later. About 92% of all permanent employees at t-1 remain in this position. Yet there is much more annual change with respect to temporary employees. 67% of all employees on fixed-term posts at t-1 are still in this position one year later, while about 28% manage to enter a permanent position. There is even more movement for casual employees. 32% start a permanent, 29% a fixed-term job.

Table 2: Transitions between different employment contracts between 1996 and 1997 (in percent)

		<i>At time t</i>		
1.		permanent	Fixed-term	casual
<hr/>				
2. AT TIME T-1				
Permanent		92.2	6.0	1.9
Fixed-term		28.4	67.3	4.3
Casual		31.6	29.0	39.5

Source: ECHP (1997), men and women aged 16-38, weighted.
 Note: Row percentages for type of contract. Dependent employees only

To sum up, the presented findings highlight a high proportion of temporary employment among youth. Age and labour market entry appear to be the main determinants. Yet, we observe substantial differences among young employees in that education and occupation seem to function as a buffer for increased labour market flexibility. There is also a clear indication of a linkage between temporary employment and part-time employment, even though part-time labour is still not wide spread in Spain. To put it differently, a lack in contractual security seems to go hand in hand with lower incomes in either part-time positions or low occupational classes.

7.2.- Entry into first marriage and first parenthood in Spain

Table 3 shows the obtained results of a discrete-time, competing-risk transition model for entry into first marriage. We report results from logit regressions controlling for activity status, employment status, educational level, age and birth cohort. Compared to employed men, those in education, inactive or unemployed are much less likely to marry. The most important predictor appears to be age. As to employment status, educational level and birth cohort, we do not find any significant effects. Women enrolled in the educational system or unemployed are also much less likely to marry. Yet, inactive women seem to be more likely to enter first marriage, though the coefficient is not statistically significant. Also, we detect a strong age effect. Apart from that, all other predictors are statistically insignificant.

Next we look at the probability to have a first child (Table 4). We control for the same subset of covariates as for entry into first marriage. Yet, we report two different specifications, one excluding marital status (Specification 1) and one including this predictor (Specification 2). Since earlier studies indicate that entry into parenthood and marital status are highly correlated, we expect a strong impact of the latter. As to men, we again find a strong negative impact of being in education and being unemployed (Specification 1). Yet, inactivity does not quite reach the 10% significance level. Interestingly, once controlling for marital status (Specification 2), also educational enrolment and unemployment lose their significance. It can be assumed that this is due to a strong selection process. As shown in Table 3, non-employment appears to be a significant hurdle for entry into first marriage, which is most likely due to a lacking economic basis. At the same time, entry into first parenthood is coupled to marriage. In both specifications, employment status and educational level have no significant impact on entry into first fatherhood. Those belonging to the oldest birth cohort appear to be less likely to become fathers. Again, we may observe a selection effect in that men after a certain age are increasingly hesitant to form a family. Lastly, we find that single, divorced and separated men are much less likely to become fathers. The picture for women is quite different. In both specifications women enrolled in the educational system are much less likely to become mothers than their employed counterparts. Also, being unemployed appears to be largely incompatible with having a first child (insignificant in Specification 1, significant in Specification 2). These women intend to work and compared to those employed, they are in a much less favourable position since they can not rely on any support in case of pregnancy. Surprisingly, those inactive do not seem to be more likely to become mothers as compared to those employed. Women with high educational qualifications are about 2.5 times more likely to have their first child than women with low educational level. Since we control for the impact of educational enrolment this may give some

support to the career entry hypothesis (Oppenheimer and Lew 1995) suggesting that women with high educational qualifications are not simply less likely to enter a marriage and give birth to a first child. Rather, they are likely to catch up with their low-skilled counterparts once having left the educational system. Finally, those not married are much less likely to become mothers.

Table 3: Entry into first marriage in Spain – Logit regressions.

	Men		Women	
	Odds Ratio	P> z	Odds Ratio	P> z
Activity status				
In education	0.072	0.000	0.180	0.000
Inactive	0.252	0.021	1.393	0.271
Unemployed	0.437	0.005	0.534	0.008
Employed (base)				
Employment status				
Own-account Employer	0.758	0.499	1.077	0.881
Apprentice	0.833	0.678	1.953	0.241
Employee (base)	0.472	0.464	–	
Educational level				
High	0.706	0.164	0.860	0.508
Medium	0.820	0.405	0.810	0.349
Low (base)				
Age				
Age	5.129	0.001	3.716	0.001
Age square	0.971	0.001	0.977	0.002
Birth cohort				
1959-64	1.607	0.337	1.251	0.671
1965-74 (base)				
1975-80	0.703	0.603	1.563	0.300
Number of person wave observations	3741	-114	3050	-144
Log Likelihood	-433		-508	

Source: ECHP (1995-97), men and women aged 16-38. Note: Obtained from discrete-time, competing-risk transition model. The figures are odd ratios from logit regressions. All variables lagged by one period except birth cohort. Number of events in parentheses. _ not estimated due to too small case numbers.

Table 4: Entry into first parenthood – Logit regression

	Men		Specification 2		Women		Specification 2	
	Specification 1 Odds Ratio	P> z	Odds Ratio	P> z	Specification 1 Odds Ratio	P> z	Odds Ratio	P> z
Activity status								
In education	0.102	0.026	0.232	0.171	0.225	0.097	0.351	0.028
Inactive	0.322	0.117	0.695	0.624	1.709	0.368	0.982	0.932
Unemployed	0.510	0.031	0.678	0.224	0.434	0.132	0.405	0.004
<i>Employed (base)</i>								
Employment status								
Own-account	0.830	0.584	0.850	0.638	0.727	0.439	0.665	0.506
Employer	1.130	0.709	1.221	0.551	0.323	0.328	0.243	0.167
Apprentice	1.074	0.945	2.799	0.338	–	–	–	–
<i>Employee (base)</i>								
Educational level								
High	0.865	0.517	1.289	0.273	1.664	0.370	2.544	0.000
Medium	0.897	0.630	1.176	0.485	0.984	0.234	1.217	0.411
<i>Low (base)</i>								
Age								
Age	3.613	0.001	1.777	0.130	2.262	0.767	1.285	0.471
Age square	0.980	0.002	0.990	0.126	0.985	0.006	0.993	0.263
Birth cohort								
1959-64	0.506	0.053	0.489	0.044	0.740	0.287	0.886	0.754
<i>1965-74 (base)</i>								
1975-80	0.634	0.695	0.388	0.430	1.344	0.736	1.188	0.770
Marital status								
Cohabiting			0.891	0.794			0.279	0.034
Other			0.058	0.000			0.059	0.000
<i>Married (base)</i>								
Number of person wave observations	5484	-131	5484	-131	5301	-136	5300	-136
Log Likelihood	-550		-494		-584		-533	

Source: ECHP (1995-97), men and women aged 16-38.

Note: Obtained from discrete-time transition model. The figures are odd ratios from logit regressions. All variables lagged by one period except birth cohort. Number of events in parentheses. _ not estimated due to too small case numbers.

In sum, our results are largely in line with the voluminous body of research contributions on the impact of activity status on partnership and family formation. For men labour force participation appears to be a prerequisite for both transitions. Yet, we also find that for women unemployment and educational enrolment lower the probability to marry and to become a mother. The employment status does not seem to play any significant role for both men and women. But once we focus on dependent employees only, is there evidence to suggest that the type of employment relationship and the perception of job security have an impact on the studied transitions?

Table 5: Stepwise maximum likelihood estimation for various model specifications

		Adding to empty model:	LR test
<i>1st marriage</i>			
Men			
	1	age + age square	0.000
	2	employment relationship	n.s.
	3	age * employment relationship	n.s.
	4	birth cohort	n.s.
	5	perception of job security	0.026
Women			
	1	age + age square	0.136
	2	employment relationship	n.s.
	3	age * employment relationship	n.s.
	4	birth cohort	n.s.
	5	perception of job security	n.s.
<i>1st birth</i>			
Men			
	1	age + age square	0.000
	2	employment relationship	0.180
	3	age * employment relationship	0.112
	4	birth cohort	0.113
	5	perception of job security	0.142
Women			
	1	age + age square	0.001
	2	employment relationship	n.s.
	3	age * employment relationship	n.s.
	4	birth cohort	0.032
	5	perception of job security	0.040

Source: ECHP (1995-97), men and women aged 16-38, employees only.

Note: Results from likelihood-ratio test. Figures reported in column 3 specify the significance level for addition to the model.

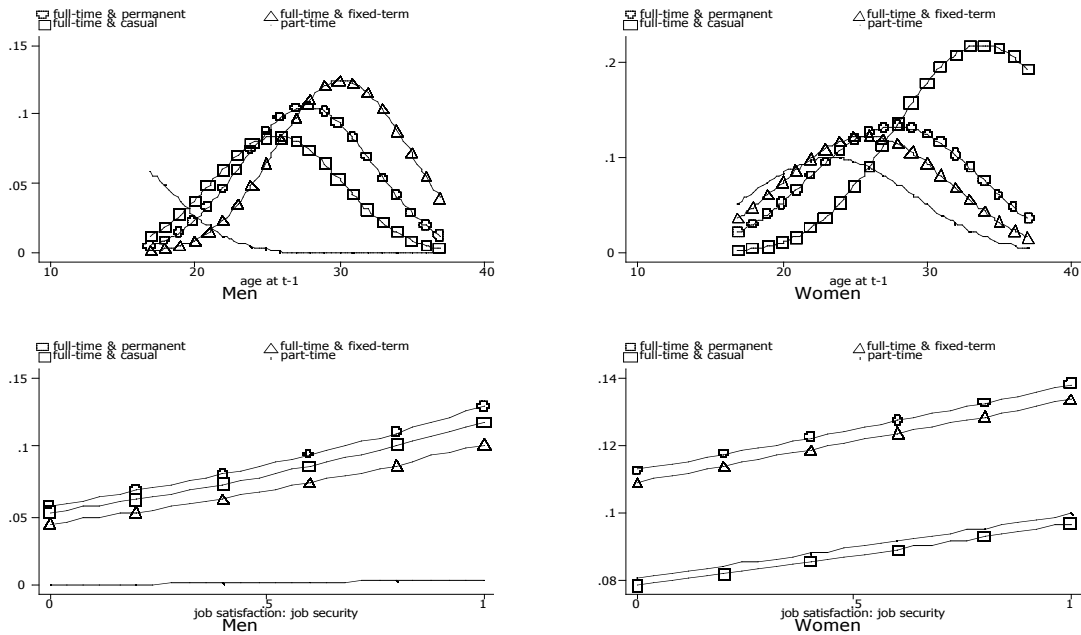
In the following we estimate discrete-time, competing-risk models for entry into marriage and transition models for entry into first parenthood based on a sub-sample of employees. Table 5 reports the results of a stepwise maximum-likelihood estimation controlling for (1) age; (2) employment relationship defined as working full-time and permanent, full-time and fixed-term, full-time and casual, and working part-time; (3) interaction effects between employment relationship and age; (4) birth cohort and (5) perception of job security^{xiv}. With the exemption of women's entry into first marriage, age is a significant predictor for all studied transitions. Yet, the null hypothesis that the inclusion of information on the employment relationship does not significantly improve the model fit can not be rejected for the transitions studied. Also, the inclusion of the interaction effects between employment relationship and age does not seem to improve the model fit apart from entries into first fatherhood. Adding birth cohort does not

improve the model fit for partnership formation. Yet, given a significance level of 0.05, the null hypothesis can be rejected for entry into first motherhood. As to first fatherhood, the given significance level is just under 0.10. Further, it becomes obvious that the satisfaction with job security is an important predictor of men's entry into first marriage and women's decision to have a child.

In the following, we want to focus in more detail on a specification controlling for age, employment relationship, interaction effects and perception of job security. To show differences in the probability to marry and to have a first child, respectively, we present conditional effects plots. The upper panel of Figure 3 shows the predicted probabilities for entry into first marriage by employment relationship and age. The lower panel refers to the respective probabilities by the degree of job satisfaction^{xv}. With respect to the former, there do not appear to exist big differences between different employment relationships for men up to age 27. Those having a fixed-term contract seem to marry later. Yet, there is some indication that they catch up after age 30 when their probability to marry is always higher than for those on permanent posts. Also, at later ages having a casual post implies a much lower probability to marry compared to permanent and fixed-term employees. Since there are only very few men working part-time, we will not interpret this curve. As to women, the most striking finding is the distinct increase in the probability to marry for those on casual posts. The curve reaches its maximum at much later ages. As already discussed for men, we also see much more distinct differences between permanent, fixed-term and part-time employees after age 27. It turns out that those having a permanent contract are more likely to marry, while those on fixed-term posts and, even more clearly, those working part-time have a much lower probability to marry.

As can be seen from the lower panel of Figure 3, the degree of job satisfaction plays an important role. For men, the more satisfied they are with the job security, the more likely they are to marry (again, we do not discuss the effect of part-time positions due to small case numbers). Yet, we do not observe big differences between different types of employment relationship at age 26 (mean age). For women the picture is slightly different. There is a linear relationship between satisfaction and the probability to enter marriage, as described for men. However, those having a permanent or a fixed-term contract appear to be much more likely to get married at age 25.

Figure 3: Entry into first marriage by type of employment relationship and degree of job satisfaction



Source: ECHP (1995-97), men and women aged 16-38.

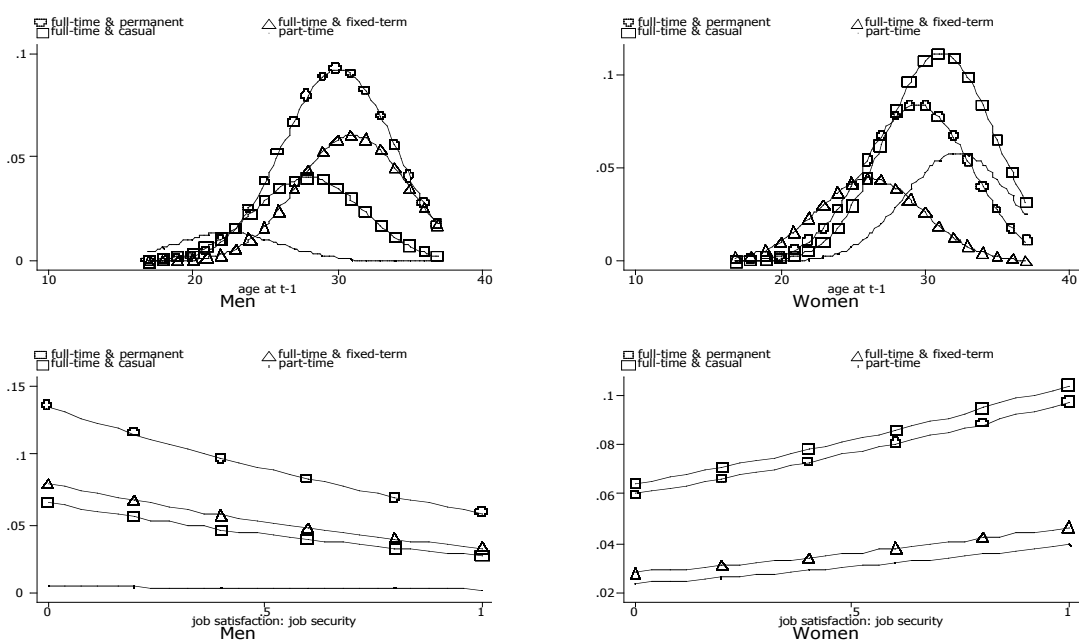
Note: Obtained from discrete-time, competing-risk transition model. The figures are predicted probabilities from logit regressions. All variables lagged by one period. In the upper panel the degree of satisfaction is fixed to the mean. In the bottom panel age is held constant using the mean age. 0 stands for 'not satisfied at all', 1 for 'completely satisfied'.

We now turn to the transition to first parenthood. Figure 4 shows the corresponding plots. For men we see that those working full-time and permanent have the highest probability to become fathers. In contrast, those on fixed-term posts have children less often and at later ages. Compared to both permanent and fixed-term employees, casual workers have a much lower probability to enter first fatherhood. Again we get a different picture for women. The highest probability to become a mother is for women working casually at age 30. This is followed by women having a permanent contract. Those working part-time seem to become mothers at later ages but their curve never reaches such high probability levels as for casual and permanent employees. Fixed-term employees appear to have their first child earlier but this probability is again much lower than for permanent and casual employees.

Lastly, we want to focus on the bottom panel of Figure 4. Surprisingly, the higher the degree of satisfaction the lower the probability to become a father. Again it proves that permanent employees are much more likely to enter first fatherhood. The type of contract seems to matter

most for those not satisfied with their job security. As to those who are fully satisfied, the differences between permanent and non-permanent employees are no more as pronounced. For women we observe the opposite effect. The more they think that their job is secure, the more likely they are to become mothers. As also seen in the upper panel of Figure 4, those working on casual and permanent posts have a much higher probability to have their first child, no matter their degree of job satisfaction.

Figure 4: Entry into first parenthood by type of employment relationship and degree of job satisfaction



Source: ECHP (1995-97), men and women aged 16-38.

Note: Obtained from discrete-time transition model. The figures are predicted probabilities from logit regressions. All variables lagged by one period. In the upper panel the degree of satisfaction is fixed to the mean. In the bottom panel age is held constant using the mean age. 0 stands for 'not satisfied at all', 1 for 'completely satisfied'.

8.- Discussion

In this paper we tried to investigate the impact of increasing flexibilisation on transitions to adulthood in Spain. Over the last decades we can observe a growing flexibilisation of labour markets in Europe leading to an increase in various precarious employment relationships. Spain stands out from a European perspective as the country with the highest incidence of fixed-term

contracts and it is for this reason that we selected Spain for a case study. Using the Spanish ECHP we addressed three main research questions. First, we asked to what extent are labour market entrants confronted with job insecurity? Our findings show a clear age and cohort effect for temporary employment in Spain. It is the young and in particular the more recent labour market entry cohorts that are in this type of precarious employment. Temporary employment is the main route into the labour market, independently of whether this is a direct school-to-work transition or a transition from non-employment. Yet, our results also reveal that educational and occupational qualification matter in that highly qualified seem to be more protected.

In the second part of our results section we turned to the question whether job insecurity is related to (1) men's and women's partnership formation and (2) young people's decision to become parents. Here we proposed three hypotheses. According to the insecurity hypothesis we expect that individuals on short-term contracts will experience job precariousness, which will in turn make a postponement of transitions to adulthood more likely. Second, we hypothesised that according to the male breadwinner model the effects of work-insecure positions should be stronger for men than for women. Lastly, we expected that the impact of job insecurity would be stronger on transitions to first parenthood. On the whole, our findings give empirical strength to the well-known effect of non-employment on entry into marriage and first parenthood. Those being employed are more likely to make these transitions than those still enrolled in school, unemployed or inactive. In particular, we find a clear hint that the male breadwinner model in Spain is still prevailing. Yet, what makes this study distinct is its particular focus on the type of employment relationship among employees. Here our results are not so clear and require further discussion. As to entry into first marriage, we can not confirm our insecurity hypothesis. Yet, the perception of job security seems to be an important predictor for men's partnership formation. Further, the proportion of temporary employment in the age group 16 to 25 is that high that there are only very few permanent employees. At later ages differences between the distinguished employment relationships come to light, since more and more manage to enter a permanent position.

With respect to the transition to first parenthood our results are in line with our insecurity and gender hypotheses. For men the findings point to a strong impact of precarious jobs, with those on permanent posts being most likely to become fathers. In contrast, it is women who are only weakly attached to the labour market who have the highest probability to become mothers. Interestingly, these women are followed by those working on a permanent post. This may indicate that for those who are more strongly attached to the labour market permanent contracts offer more security, for instance in terms of maternal leave legislation. This goes in line with our finding that women who rate their job as comparatively secure are more likely to become

mothers than their counterparts who are less satisfied. Surprisingly, we find the opposite effects for satisfaction with job security for men. Undoubtedly, this result needs further investigation.

All in all, it can be concluded that work-insecurity plays a certain role in transition processes to adulthood. In addition to the voluminous body of research contributions on the effect of non-employment on partnership and family formation, we find some first hints that the type of employment relationship and the perception of job security seem to be further determinants. The results are more clear for the transition to first parenthood, indicating that the impact of flexibilisation is more important here than on partnership formation, thereby lending support to our transition hypothesis. Further, a stable employment relationship functions as an important prerequisite for men. Yet, further elaboration is needed to disentangle the effects of employment relationship and perceived job security. Also, since the proportion of temporary employees is extraordinarily high in Spain and correlated with age and labour market entry cohort, we may not observe a direct impact of work-insecure positions at younger ages. Rather, with more than 70% of employees in the age group 20 to 25, the majority of young Spaniards is in work-insecure positions waiting to enter a permanent job which generally occurs at later ages. We may be surprised to see a much stronger impact of job precariousness in other countries. Therefore future research should be devoted to comparative studies to investigate the country-specifics in labour market flexibilisation and their impact on transitions to adulthood.

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Notes

ⁱ This picture is by no means exclusive. A broader approach may take into account work-insecurity (dangerous working environment) or what has been called skill-reproduction security (training opportunities). Yet both are highly interrelated with those outlined above. Also, we do not study all aspects of working-time security (irregular hours etc.), but only part-time positions that are likely to lead to less income security. Finally, we do not focus on the effects of functional flexibility.

ⁱⁱ In 1992, the age range to get a practical training contract has been expanded up to 30. Before that year, employers offering practical training or qualification contracts were exempted to a great extent from social security contributions. In 1993, the use of practical training contracts was limited, the wage to be paid was lowered to the minimum wage, and qualification contracts were replaced by an apprenticeship contract (Flórez Saborido, 1994; Cachón Rodríguez, 1997).

ⁱⁱⁱ This is mainly due to temporal restrictions of fixed-term contracts within the same firm. After three years of temporary employment within the same firm fixed-term contracts have to be converted into permanent contracts.

^{iv} They are not entitled to unemployment benefits but only to an occupational training course for a limited time period. Also, those with a previous but informal job, or those who did not pay unemployment insurance contributions for more than six months during the four years preceding unemployment have no rights to unemployment benefits (with exception of those with family responsibilities).

^v Furthermore, women tend to declare themselves as not working though they are participating in the labour market. In particular older birth cohorts are likely to work in the informal economy.

^{vi} For more information see European Commission Eurostat (1996) or consult the following web site: <http://forum.europa.eu.int/irc/dsis/echpanel/info/data/information.html>.

^{vii} For the following analyses we use the ILO definition of employment status.

^{viii} Small case numbers and the questionnaire route do not permit an analysis of secondary part-time jobs.

^{ix} Clearly, this operationalisation may capture different aspects such as a fear of job loss or uncertainty about the continuation of employment contracts. Also, those obviously in work-secure positions may actually feel insecure.

^x Since information on the type of contract has only been collected from 1995 onwards, our analysis is confined to the time period 1995-1997 (wave 2-4).

^{xi} Though we specify a competing risk model, we do not report on the results on entry into consensual union, since there are too few transitions.

^{xii} The birth of the first child can only be identified if the child lives in the same household at the time of the interview. We focus on natural children only.

^{xiii} The entry into parenthood is modelled using simple binomial logit regressions. Notice also that, after having controlled for birth cohort in all regressions, we will be using age rather than duration.

^{xiv} The likelihood ratio test can be used to check whether the inclusion of additional covariates improves the model fit. The likelihood ratio test statistic (LR) can be calculated as follows: $LR = 2 (\text{LogLik}(\text{present model}) - \text{LogLik}(\text{reference model}))$. The test statistic follows approximately a χ^2 -distribution with m degrees of freedom, where m is the number of additionally included covariates.

^{xv} For the first plots we fix the satisfaction with job security using the mean of the respective sample. Accordingly, we fix age to the mean age and vary the degree of satisfaction in the latter plots.