
Summaries

Underemployment in the Netherlands 1977 - 1995: Who are the underemployed?

This article addresses the underemployment situation in the Netherlands (1977-1995). We show by different methods that the 'education-jobs gap has widened increasingly. Although the statistical association between the employees level of education and their jobs remained stable over time, the employees return to credentials has diminished for every educational category. Within the total labour population, an increasing share of the employees can be considered as underemployed and suffering from credential inflation. On the lower levels of education men have suffered from underemployment and credential inflation more than women. At the higher levels of education it is the reverse. It also appears that youngsters deal with a 'waiting room effect: they enter the labour market at relatively low skill levels, given their educational level and gender. A further breakdown of the return on credentials by educational specialisation shows that employees with an educational background in health care or technical studies have suffered relatively more from credential inflation than the commercially educated. We conclude by stating that in spite of much rhetoric about skill deficiencies of the current workforce, the lack of decent occupations has caused basic allocation problems on the Dutch labour market.

Overschooling and wages. The effect of different measurement methods

This paper investigates the criterium validity of two different methods to determine the required educational level of an occupation. The self report method consists of asking employees directly what the required level of education for the job is. In the job-analyst method the determining of the required level of education for a particular job takes place by experts. Both methods lead to different results when es-

timating the amount of overschooling among school leavers. Using the self report method, about one quarter of the school leavers have a job below their educational level. According to the job-analyst method however, two thirds of the school leavers have a job below their educational level. It could be argued that both methods lack some validity. In this paper we use wages as a criterium variable to determine which method is most valid. The analysis shows that the job-analyst method does systematically overestimate the level of overeducation. There are however no indications that the level of overeducation is underestimated in the self-report method. We conclude that the self report method yields a considerably more accurate estimate of the level of overschooling and that one should be very cautious when using the job-analyst method.

Educational qualifications or competencies: what matters for low educated people?

The debate about 'overschooling has been dominated by arguments as well as research data on formal educational qualifications. This article deals with an empirical investigation among a large number of employers within various branches into the question which competencies do really matter for the low educated part of the labour force. It offers empirical evidence that entry chances in the labour market for low educated people first of all are determined by so-called social normative competency and secondly by so-called social-communicative competency. Technical competencies are much less important for their entry chances, but its significance are growing according to chances of low educated people to maintain their position in the (internal and external) labour market. So far as formal educational qualifications do matter for low educated, this pertains namely its meaning as a screening desire. It concludes with some consequence for policies direct at strengthening the labour market posi-

tion of the low educated labour force, e.g. by emphasizing significant contents for the training both of unemployed and young people in initial training, the relevance of combinations of work and learning, and the development of valid systems for the assessment of prior learning.

Cyclical crowding out in the Netherlands

In the Netherlands and most other OECD countries, the unemployment rate for lower educated workers is both higher and more cyclical than for higher educated workers. One explanation is that an increasing number of higher educated workers occupies simple jobs (crowding out). This paper shows that in the presence of search frictions and incomplete information, crowding out can occur when higher educated workers temporarily accept simple jobs and do not produce sufficiently more than lower educated workers at those jobs (to compensate the employers for their higher quit probability). It is argued that it is extremely difficult to measure structural crowding out but that it is less difficult to study cyclical crowding out. Recent evidence suggests that cyclical crowding out was not an important phenomenon in the beginning of the nineties in the Netherlands. I also discuss whether workers with relatively many years of schooling earn more than their direct colleagues in the same firm at the same job level. This sheds some light on the relative productivity of higher educated workers at simple jobs. The evidence suggests that the returns to surplus schooling are close to zero when one corrects for fixed firm effects.

Students and the lower educated. Displacement at the bottom of the labour market

Labour market participation of students has increased substantially in recent years. The subject of this study is to what extent students

occupy jobs for which the low-educated unemployed are also qualified. By means of three separate empirical studies among: a) students in higher education, b) the low-educated unemployed and c) employers this question was evaluated. Occupation of jobs suitable for the low-educated unemployed by students is substantial and takes place especially in sectors such as: retail trade/shops, hotel and catering and industry. Motives of employers for recruiting students in stead of low-educated persons refer in particular to their perceived communication skills, flexibility and their by comparison less need for settle in work time.

Overschooling and the effect on expecting career opportunities of school leavers

In the Netherlands, the labour market position of new entrants in the labour market is far from stable. About 60 per cent of all school leavers of vocational education (KMBO, MBO and HBO) has occupied more than one paid job in a period of one-and-a-half year after leaving school. Furthermore, a lot of school leavers expect that in the near future important changes in their occupational career will take place. These expected career opportunities are especially interesting to answer the question whether someones labour market position at entry time is crucial for his or her further occupational career. Is a job mismatch at labour market entry just a temporary phase towards a more fitting labour market position or does it have more permanent negative effects? In this article we try to find an answer to this question. We investigate whether characteristics of the current job are related to the expected career opportunities of school leavers. To answer this question we make use of large scale Dutch school leavers surveys (approximately 12,000 respondents) held in the end of 1997 among school leavers of the school year 1995/1996.