BECOMING AN ADULT IN UNCERTAIN TIMES: A 14-country comparison of the Losers of Globalization*

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ABSTRACT. Increasing uncertainty about economic and social developments is a definitive feature of globalization in advanced economies. However, the degree to which youth are impacted by rising uncertainty is filtered by historically grown and country-specific institutional settings. This paper summarizes the main empirical results of the impact of increased uncertainty on the transition to adulthood (entry into labor market, partnership, parenthood) in a 14 country comparative study. Results show that generally all youth are exposed to more uncertainty at labor market entry, yet that it is unequal, with risk accumulating in certain groups. Job uncertainty translates into a higher likelihood to postpone or forgo partnership and parenthood. Youth also develop rational responses, which we identified in the form of diverse behavioral strategies: postponement, multiple roles, flexible partnerships and gender-specific strategies, particularly in the male-breadwinner societies. We illustrate how nation-specific institutions serve to shield or funnel uncertainty in unique ways and to particular groups of youth.

1 INTRODUCTION

Young people in industrialized nations have experienced significant changes in the transition to adulthood in past decades. Globalization, via (1) the internationalization and importance of markets, (2) intensified competition, (3) accelerated spread of networks and knowledge via new technologies and (4) the increasing dependence on random shocks, has transformed the transition to adulthood. The purpose of this article is to ask to which extent these changes have influenced young people’s ability to establish themselves as independent adults, to form partnerships, and to become parents. Has globalization produced a fundamental shift in youth behavior as they cope with increasing uncertainty about the future? How do different domestic institutions filter these transformations?

Our paper develops a multi-level conceptual framework of how globalization impacts the transition to adulthood and summarizes the main results from the first phase of the international research project GLOBALIFE (Life Courses in the Globalization Process). This study includes 14 country-specific studies, which are Canada (MILLS, forthcoming), the United States (KING, forthcoming), Great Britain (FRANCESCONI/GOLSCH, forthcoming), Germany (KURZ/STEINHAGE/GOLSCH, forthcoming), the Netherlands (LIEFBROER, forthcoming), France (KIEFFER et al., forthcoming), Sweden (BYGREN/DUVANDER/HULTIN, forthcoming), Italy (BERNARDI/NAZIO, forthcoming), Spain (SIMÓ NOGUERA/CASTRO MARTÍN/SOROBONMATÍ, forthcoming), Mexico (PARRADO, forthcoming), Ireland (LAYTE et al., forthcoming), Estonia (KATUS/PURR/SAKKEUS, forthcoming), and Hungary (RÓBERT/BUKODI, forthcoming).

For our purposes, we have defined the transition to adulthood as a stepwise process in which young people adopt specific roles and participate in certain activities. We particularly focus on the age-graded character of labor market entry, the transition to first partnership (cohabitation or marriage), and entry into parenthood. The study of the impact of globalization on this critical and turbulent phase of the early life course is important because outsiders of the labor market are expected to experience recent shifts towards globalization more directly. Youth entering the labor market, who are unprotected by seniority or experience, are such outsiders.

2 GLOBALIZATION AND INCREASING UNCERTAINTY

Globalization is an inherently complex concept. Yet in recent years, it has become a central point of reference for media, politicians, academics, and policy-makers to understand social change. Our concept of globalization can be summarized under four interrelated structural shifts, which are affecting the life courses in modern societies during the last two decades. These shifts, and the mechanisms that link globalization to the transition to adulthood, are summarized in Figure 1. A detailed explanation of the mechanisms is elaborated upon in relation to the various hypotheses that are developed and tested in the course of this paper.

- First, globalization refers to the internationalization of markets and subsequent decline of national borders. It is connected with changes in laws, institutions, or practices which make various transactions (in terms of commodities, labor, services and capital) easier or less expensive across national borders. We have
witnessed global formal agreements such as the International Labor Organization, World Health Organization, World Trade Organization, International Monetary Fund, United Nations as well as various non-governmental organizations which intensify the interaction among nation states or link social groups from various countries (VERDIER and BREEN, 1999). As Montantari (2001: 471) argues, many of these organizations: “operate as pressure groups on governments to enact policies which would enhance and improve the functioning of markets, through measures such as deregulation and privatization.” Tariffs on trade, for instance, have been greatly reduced under the General Agreement on Tariffs and Trade (GATT), and between member states in the European Union (EU) and via the North American Free Trade Agreement (NAFTA). The consequence is that capital flows are facilitated by these types of political agreements, which have also generally liberalized financial markets (FLIGSTEIN, 1998). Some have argued that this decline of national borders undermines the authority or even heralds the fall of the nation-state (OHMAE, 1990; BECK, 2000). Our position is that the nation-state, and in particular institutions that shape the lives of youth, do not lose their significance, but generate country-specific problems that call for country-specific solutions and transformations (see also SASSEN, 1996).

Internationalization of markets also means the integration of previously ‘isolated’ nations into the world economy. Several areas in our study experienced closure to outside global forces for varying reasons such as a dictatorship (Franco in Spain), communism (East Germany, Estonia, Hungary) or political conservatism tied to the Catholic church (Québec in Canada).

- Second, globalization relates to the intensification of competition, i.e., the notion that capital and labor is increasingly mobile and forces firms and national economies to continuously adjust. Within nation states, this is reflected in the increased importance of governments to make their national economies internationally competitive. These policy measures include the improvement of the functioning of markets through the removal or relaxation of government regulation of economic activities (deregulation). It also suggests a shift towards relying on the price mechanism to coordinate economic activities (liberalization), and a transfer to private ownership and control of assets or enterprises that were previously under public ownership (privatization). This neo-liberal shift demands efficiency, productivity and profitability, and often means a push to adjust prices, products, technologies and human resources more rapidly and extensively (REGINI, 2000a; MONTANARI, 2001).

- A third feature of globalization is the spread of global networks of people and firms linked by ICTs (information communication technologies) such as microcomputers and the Internet. These ICTs, together with modern mass media, transmit messages and images instantaneously from the largest city to the smallest village on every continent and allow a faster diffusion of information and knowledge over long distances. They increasingly allow people to share information, in order to connect and create an instant common worldwide standard of comparison. Modern ICTs influence communications between individuals, organizations and communities by effectively rendering physical space and distance irrelevant. Thus, although the introduction of
technology is not unique in itself, recent ICTs have fundamentally altered the scope (widening reach of networks of social activity and power), intensity (regularized connections), velocity (speeding up of interactions and processes), and impact (local impacts global) of transformations (HELD et al., 1999).

- Finally, globalization is inherently related to the rise in the importance of markets. Globalization not only speeds up the process of exchange and communication across national borders, but due to the intensification of global competition, also increases the relevance of markets in the coordination of decisions in all modern societies. These developments inherently strengthen the worldwide interdependence of decision-making. As a consequence of these structural developments, market prices and their changes increasingly convey information about the global demand for various goods, services and assets, and the worldwide relative costs of producing and offering them. In a globalizing market, individual suppliers and consumers are increasingly exposed to a rising number of traders on each side of the market and become ‘price-takers’, able to buy and sell any quantity at a price which they in essence cannot influence. Thus, prices produced by globalizing markets increasingly set the standards to which individuals, firms and nation states then try to comply.

However, globalization does not only mean that actors are increasingly in the hands of anonymous global markets. What is equally important is that the changes within these markets are becoming more dynamic and less predictable. First, the globalization of markets endogenously intensifies competition between firms, forcing them to be innovative, to use new technological developments or to invent new products. This in turn increases the instability of markets (STREECK, 1987). Second, modern ICTs and deregulation and liberalization measures allow individuals, firms and governments to react faster to observed market changes and simultaneously accelerate market transactions (CASTELLS, 1996). This in turn makes long-term developments of globalizing markets inherently harder to predict. Third, global prices tend to become exogenously more liable to fluctuations because worldwide supply, demand, or both are becoming increasingly susceptible to random shocks caused somewhere on the globe (e.g., major scientific discoveries, technical inventions, new consumer fashions, major political upsets such as wars and revolutions, economic upsets, etc.).

The accelerated market dynamics and the rising dependence of prices on random events happening somewhere on the globe produce a higher frequency of surprises and lead to market prices which are different to an important extent from what people reasonably could have expected given the restricted information available to them. In other words, the increasing dynamics and volatility of outcomes of globalizing markets makes it more difficult for individuals, firms and governments to predict the future and to make choices between different alternatives and strategies. Increasing uncertainty about economic and social developments is therefore a definitive feature of globalization in advanced economies.
Figure 1  Globalization and increasing uncertainty in the transition to adulthood

GLOBALIZATION

- Internationalization of markets
- Intensification of competition based on deregulation, privatization, liberalization
- Spread of global networks and knowledge via new ICTs
- Rising importance of markets and their dependence on random shocks

Endogenous intensification of innovation, increasing rate of economic and social change

Accelerating market transactions

Increasing volatility of market

Increasing uncertainty

INSTITUTIONAL FILTERS

- Employment systems
- Education systems
- Welfare regimes
- Family systems

Channel uncertainty to specific social groups such as youth to impact:

- Level of unemployment, employment stability or security, flexibility
- Timing and ease of labor market entry
- Safety net, active employment-sustaining policies, etc.
- Level of non-marital cohabitation, fertility postponement, etc.

MICRO-LEVEL

Rational decision-making under increasing uncertainty

- Employment decisions (type of job)
- Partnership decisions (type and timing)
- Parenthood decisions (timing)
3 GLOBALIZATION AND INSTITUTIONAL FILTERS

It is not essentially increasing uncertainty as such that is important if we analyze the consequences of globalization; rather, it is how rising uncertainty is ‘institutionally filtered’ and channeled towards specific social groups in various countries. Increasing uncertainty does not impact all regions, states, organizations or individuals in the same way. There are institutional settings and social structures, historically grown and country-specific, that determine the degree to which people are affected by rising uncertainty (DIPRETE et al., 1997). These institutions have a certain inertial tendency to persist (NELSON, 1995; ESPING-ANDERSEN, 1993) and act as a sort of intervening variable between global macro forces and the responses at the micro level (HURRELL and WOODS, 1995; REGINI, 2000a) (see Figure 1). Thus, we do not expect that increasing uncertainty leads to a rapid convergence of life courses in all modern societies, as claimed, for example, by neo-institutionalists (see e.g., MEYER/RAMIREZ/SOYSAL, 1992) or the proponents of the modernization hypothesis (see e.g., TREIMAN, 1970; TREIMAN/YIP, 1989). Rather we claim that there are path-dependent developments within countries (NELSON, 1995; MAYER, 2001). The institutions that most impact the life courses of youth are employment relations, educational systems, national welfare state regimes, and the family.

Employment relations systems

Given the specific phase of the life course, we expect that in all countries the global increase of uncertainty is experienced more directly by youth entering the labor market. Youth are unprotected by seniority and experience and they do not yet have strong ties to work organizations and in general all youth entering the labor are more exposed to global uncertainty. In contrast, we assume that people who are already established in their job career or have already gained several years of labor force experience should be less influenced by global forces.

However, countries also differ significantly with respect to the nature of their employment relations between employers and workers and make it therefore more or less easy for youth to establish themselves in the labor market. These country-specific differences surface in elements such as types of work councils, collective bargaining systems, strength of unions versus employer organizations, labor legislation or administrative regulations. They produce distinct national variations of occupational structures and industries, patterns of labor-capital negotiations, strike frequencies and collective agreements on wages, job security, labor conditions, and work hours (SOSKICE, 1993; STREECK, 1992). How these systems diverge has been characterized as ‘coordinated’ and ‘uncoordinated’ market economies (SOSKICE, 1998), ‘individualist’ or ‘collective’ regimes (DIPRETE et al., 1997), or ‘open’ and ‘closed’ employment relations (SØRENSEN, 1983). We first define these systems and position the 14 countries on a continuum according to the degree of open or closed employment relations, followed by a link to the type of labor market flexibility measures introduced within each nation.

The open employment relationship reigns in the United States, Canada, Ireland, and Britain (after Margaret Thatcher) and has a severe manifestation in Mexico. It is characterized as decentralized, dualistic and based on free market forces and competition. In short, it is a system where employment relations are open in the sense that protective factors such as labor unions, legislation related to job security and stability are weak. Shielding of workers is at a minimum, market mechanisms are
central and individuals’ labor market resources or human capital such as social origin, education, labor force experience are crucial (DIPRETE et al., 1997). Many European countries, on the other hand, such as Sweden, Norway, Germany, France, the Netherlands, Italy and Spain, are often classified as having labor markets with relatively closed employment relationships and centralized procedures for negotiating wages (REGINI, 2000a). Sweden and Germany are countries with particularly strong labor unions, while Southern European countries like Spain and Italy are taken as extreme cases of an ‘insider-outsider’ labor market.

A fascinating evolution of employment relation systems exists in countries that belonged to the eastern side of the Iron Curtain, which in our study includes Estonia (KATUS et al., forthcoming), Hungary (RÓBERT/BUKODI, forthcoming) and former East Germany (KURZ et al., forthcoming). These countries not only experienced a severe political and economic ‘shock’ from a socialist to a more market driven economy, but also incredible transformations from an agricultural to industrial society, coupled with sudden exposure to the accelerated and volatile global market at the beginning of the 1990s. This meant a rapid shift from closed to open employment systems. Older cohorts grew up in a system where employment was guaranteed, with extraordinarily high job security, even for women, youth and older workers (see KATUS et al., forthcoming). Younger cohorts entered the labor market after this ‘shock’ during a period of economic depression and tumultuous change.

Based on these systems, we propose an employment relationship hypothesis regarding the early labor market experiences of youth in various countries. We expect that the main consequences of the open employment relationship for young people will be: (1) comparatively low economic security (e.g., wages, benefits) for most jobs; (2) an environment that fosters precarious employment and labor market flexibility to the extent that it becomes more widespread among various social groups; (3) importance of individual human capital resources; (4) relatively easy entry into the labor market; (5) unemployment of a shorter duration; and, (6) a relatively high rate of job mobility (i.e., hire-and-fire principle). The central impact of a closed employment relationship is expected to be that: (1) precarious employment forms (e.g., fixed-term contracts, part-time work) are highly concentrated among specific groups seeking access to the labor market (youth, women, unemployed); (2) individual human capital resources are less important; (3) entry in the labor force is problematic, particularly under conditions of high general unemployment; (4) unemployment is usually of a longer duration; and, (5) the rate of job mobility is relatively low. Within these systems, most of the already employed workers, the so-called ‘insiders’, which in most cases are mid-career men, will be relatively shielded against the growing uncertainty and flexibility demands of the world market (see BLOSSFELD/MILLS, forthcoming). Globalization in these countries tends to create a new kind of underclass of the socially excluded, while the employed have high levels of job security with relatively high wages, reminiscent of dual and segmented labor market theories (PIORE, 1970; FINE, 1998).

The type of employment relation system also shapes the impact of the globalization process, which is witnessed in the level of unemployment, employment stability or security and labor market flexibility of young people (see Figure 1 and KLIJZING, forthcoming). A key discussion is the type and degree of labor market flexibility that each nation institutes (BERNARDI, 2000; REGINI, 2000b; STANDING, 1997). Labor market flexibility can be distinguished into five different types: internal numerical (ability to adjust number of employees), externalization (outsourcing, subcontracting), functional (insider employees moved between tasks),
wage (adjust labor costs, benefits), and temporal or internal numerical (adjust working time, cyclical or seasonal shifts) (ATKINSON, 1984; BRUNHES, 1989; REGINI, 2000b).

We propose a labor market flexibility hypothesis, which contends that firms implement different types of flexibility depending on the rigidity of the employment relation system. Not only the level or type of flexibility will differ, but also the meaning and function attributed to it. Our anticipation is that in rigid closed labor markets, functional flexibility for labor market insiders is often the primary option for employers (see BLOSSFELD/MILLS, forthcoming). However, for outsiders such as youth, one way to implement flexibility will be a combination of numerical/temporal flexibility in the form of fixed-term or temporary contracts. Furthermore, externalization – related to the growing number of self-employed youth not bound to a contract of employment – may also serve an increasingly important purpose (see BERNARDI/NAZIO, forthcoming). Whereas, in more deregulated open labor markets that are built on the premises of flexibility, market economic relations, and a non-interventionist state (MAYER, 2001), we expect flexibility to pervade in many forms. As new labor market entrants, youth are party to numerical flexibility as the last hired and first fired, a pattern likely accentuated during periods of economic recession.

Educational systems

In the globalized, knowledge-based society, education and labor force experience become the most important types of human capital. Since youth are generally lacking the latter they have to focus on the former, which is evident in educational expansion across most the industrialized world (see KLIJZING, forthcoming). We therefore propose a human capital hypothesis that gauges the significance of characteristics required in all knowledge-based economies. Educational attainment and occupational standing measure human capital, which may increase with labor force experience and age. The expectation is that those lacking human capital, such as youth with lower education, weak occupational standing or lacking experience, will feel the impact of globalization more immensely in all modern societies. In other words, they are at a higher risk to enter a more precarious, flexible and uncertain employment situation (e.g., fixed-term contract, part-time, irregular hours). Conversely, those with higher education or the ‘knowledge workers’ will conceivably have more favorable experiences.

However, we expect that white-collar workers are not entirely immune to changes such as the use of temporary short-term contracts. Thus there may be a change also for those in higher occupations or higher education. Yet the main difference is that for them, unstable or inadequate work may serve as a bridge whereas for lower skilled wage-workers, it may become a trap (see BERNARDI/NAZIO, forthcoming; LAYTE et al., forthcoming). Therefore, a second general expectation is that globalization accentuates or even cultivates inequality by offering better opportunities to the better educated youth and constraining the chances of the less educated.

There are, however, also great differences among nations in the way they (1) differentiate the maximum number of school years attended by all and tracking (stratification), (2) value certificates or ability-based learning (qualificational versus organizational), (3) standardize the quality of education (standardization), and (3) link education with entry into the labor market. Using Maurice and Sellier's (1979)
regimes of school-to-work transitions, we can think of differences in terms of ‘qualificational’ versus ‘organizational’ space and, following Allmendinger (1989), the degree of educational ‘standardization’ or ‘stratification’ (see also BLOSSFELD, 1992; SHAVIT/MÜLLER, 1998). In unstratified systems, all children have the opportunity to attend school, which may lead to post-secondary education until the age of 18, with the same range of options (theoretically) open to all students. In these countries, a larger proportion of a cohort attains the maximum number of school years provided by the general educational system. Countries with more unstratified systems include the United States, Canada, Great Britain, Sweden, post-1960s Italy, post-1970s Spain and post-1990s Estonia. Whereas in the ‘stratified’ systems that exist in Germany, the Netherlands, and Hungary, educational opportunities of youth are stratified as they are streamed into specific educational tracks at a younger age.

The manner that countries combine theoretical learning with practical work experience has direct implications for early labor market transitions (BLOSSFELD, 1992; BLOSSFELD/STOCKMANN, 1998/99). In a system of organizational space, education is academic or general in character with specific occupational skills learned on-the-job. These are often the unstandardized systems such as the United States. Whereas in qualificational space, education is closely tied to job requirements in the vocational system with more importance placed on diploma requirements and certificates. In these countries that value qualifications (e.g., Germany), nationwide standardized certificates are easily understood by employers. Here it is important to make a distinction between countries which organize training mainly through: (1) ‘theoretical’ training in vocational schools (France, the Netherlands, Hungary, Ireland, Estonia, Mexico), (2) ‘practical’ on-the-job training (United States, Great Britain, Canada, Italy, Spain, Sweden, Norway); or, (3) the so-called ‘dual’ system, a pragmatic combination of theoretical learning at school and job experience at the workplace (Germany).

Based on these differences, we propose an educational system hypothesis, which specifies the impact of the type of educational system on labor market entry in the following way. First, we expect that theoretical training in vocational schools promotes a broader understanding of occupational activities, but does not confront youth with real work situations. Since practical experience is shifted to the period after theoretical vocational training, our anticipation is that youth engaged in training from these systems will have a relatively more difficult transition from school to work (see unemployment figures in KLIJZING, forthcoming). Second, in the organizational system of practical on-the-job training, (often unstratified, unstandardized) we expect that young workers will be less restricted to narrowly defined occupational fields, have fewer structural barriers in terms of recognized certificates, and have a weaker link between the type of qualification they possess and the type of job they obtain. Due to the heterogeneous quality of on-the-job training, however, we foresee that this lack of shared definitions and standards with respect to skills, income and job requirements will increase the risk of workers to move between firms. Although the transition from school to work will be relatively easy in these systems, we predict intense mobility and a protracted duration for youth to find a suitable and permanent job match. In an analysis of entry into the labor force, OPPENHEIMER (1990) demonstrates that young Americans increasingly start their job career in relatively unskilled and temporary jobs but, after a short period, they are able to move to normal career-entry positions. Thus, these unskilled occupational activities at entry into the labor force or ‘stop-gap-jobs’ have the character of temporary bridges (Myles et al., 1993). The phenomenon and relative mismatch of stop-gap-jobs are particularly
important as our study examines entry into first job. Finally, in the dual-system, (often qualificational, highly standardized and stratified), we expect youth to have less turbulent early labor market experiences (see KLIJZING, forthcoming). This is due to the fact that the dual-system provides a smooth transition from the general educational school system to the employment system because the vocational training system feeds directly into the job system (BLOSSFELD/STOCKMANN, 1998-99). Young people are also effectively ‘screened’ during their education with exams and certificates expected to show their abilities. The disadvantage of such a system in a global era of rapidly shifting occupational structures is, however, that it leads to a close coupling of vocational certificates and educational opportunities, and thus to a high degree of rigidity and low level of job mobility (BLOSSFELD, 1992).

A related point is the degree of educational expansion in each country. When we examine the cohort-specific attendance rates across various levels of education for the 14 countries in this study, there has been a prolonged extension of school participation over time (see KLIJZING, forthcoming). A longer stay in school proxies the degree to which the transition to economic independence has been postponed across birth cohorts in different countries. This belated timing in reaching economic independence is particularly important for our study of partnership formation and the transition to parenthood. There is a link between educational expansion and increasing youth unemployment, or an alternative role hypothesis. This identifies a tendency among young adults to opt - if this is structurally possible in a given educational system - for the role as a student instead of becoming unemployed in the process of transition from youth to adulthood. The educational system then serves as a reservoir for otherwise unemployed youth, which is increasingly strong in Southern European countries like Italy and Spain. There is likely also a relation to the national support systems for young adults who prefer to stay in education. Some countries such as Germany, the Netherlands, Norway and Sweden have a more generous system of education grants or loans, which is limited (e.g., Canada, Great Britain, France, post-1990s Estonia, Ireland), highly insufficient (e.g., United States) or virtually non-existent in others such as Italy, Spain, Hungary and Mexico.

Welfare regimes

The impact of increasing uncertainty on social inequality among young people is strongly affected by the welfare state. Modern countries have created different welfare regimes implying diverse national ideologies about social solidarity (FLORA/ALBER, 1981) as well as gender and social equality (ESPING-ANDERSEN, 1999; ORLOFF, 1996). We first outline the main characteristics of the five welfare regime categorizations of liberal, social-democratic, conservative, family-oriented and post-socialistic. Differences between welfare regimes manifest themselves in the priority of: (1) active employment-sustaining labor market policies (i.e., the commitment to full employment); (2) welfare-sustaining employment exit policies (i.e., support for those who are outside of the labor market such as youth, unemployed, ill, poor, family care workers, pensioners); (3) the scope and generosity of family allowances and services (i.e., maternity/paternity leave, childcare) (GAUTHIER, 1996); and, (4) the share of the public sector in the labor force. Together, these differences form a welfare regime hypothesis. The expectations of the impact of each regime on the lives of youth are formulated following the description of each regime.
To varying degrees, the United States, United Kingdom, and Canada in this study are viewed as liberal welfare regimes characterized by passive labor market policies, moderate support for the underprivileged, and relatively small public sector employment. As outlined in the previous section, the comparatively high employment performance is likely related to the reduction of rigidities such as union power, restrictive labor legislation, and general flexibility of the labor market. Due to these factors, our expectation is that although there will be an overall higher employment level for youth, it will be at the expense of greater inequality and poverty. This is the result of an environment of passive employment policies, a marginal safety net, such as limited or highly conditional unemployment benefits, and mixed (i.e., generous child allowance and limited parental leave in Ireland) or means-tested family benefits (Canada, United States), and more exposure to the competitive private sector.

Norway and Sweden are in contrast considered as examples of the social-democratic welfare regime model. Active labor market and taxation policies in these countries are aimed at full employment, gender equality at the workplace as well as at home, and a ‘fair’ income distribution with a high degree of wage compression. Achieving full employment is mostly attempted by a combination of Keynesian demand policies and mobility stimulating measures such as retraining, mobility grants, and temporary jobs. The large participation of (married) women in full-time employment in these welfare regimes rests on both: (1) the rapid expansion of job opportunities in the service and public sector, engendered in particular by the demands of social services (kindergartens, schools, hospitals, day care centers and homes for the elderly); and, (2) the highly progressive individual income tax that makes a second household income necessary for most families if they want to enjoy the products of a technologically advanced service society (BLOSSFELD/DROBNIČ, 2001). In this welfare regime, the government tries to achieve full-employment through an expanding public service sector with relatively low wages for public employees and a high rate of female employment, in particular. Our expectation is that youth making the transition to adulthood can fall back on a relatively generous safety net, which combined with other factors such as gender equality and full-employment, better enables them to combine work with family formation (i.e., forming partnership, becoming a parent).

Germany and the Netherlands are often cited as examples of conservative welfare regimes. Social policies in these countries are not so much designed to promote employment opportunities, job mobility, and full employment by Keynesian demand policy measures but rather to ensure that those workers who leave employment because of job loss, disability, or in some cases as part of an early retirement program, are protected against serious declines in living standards. Of course, this is costly and leads to tax increases, particularly during periods of high unemployment. This type of welfare regime is therefore strongly transfer-oriented, with decommodifying effects for those who are economically inactive. It is also committed to the traditional division of labor in the family that makes wives economically dependent on their husbands, often referred to as the ‘male-breadwinner model’. In particular, it supports wives and mothers who give priority to family activities (taking care of children and the elderly) and seek to work part-time. Correspondingly, welfare state provisions (e.g., day care) are far less developed than in the social democratic model and female economic activity rates are considerably lower and mostly restricted to part-time jobs (BLOSSFELD/HAKIM, 1997). Our main prediction is that the increased economic uncertainty combined with the lack of public support will impact the decision to enter parenthood for certain groups of
youth, who, due to an inability to combine education or labor force participation with family careers, will increasingly postpone or even forgo parenthood (BLOSSFELD/DROBNIČ, 2001). France is hard to classify since it reflects features of various welfare regimes. We place it next to the conservative regimes, but expect that it will exhibit sharp contrasts due to pro-natalistic policies, combined with measures that promote female employment and the combination of work and family careers (see BLOSSFELD, 1995).

Southern European countries like Italy and Spain, and to some extent Mexico and Ireland, also share common features. They have developed a welfare regime model that might be called family-oriented (JURADO GUERRERO, 1995). In terms of labor market policy, support for the less privileged, and the importance of public sector employment, this welfare regime is very similar to the liberal one. Unlike the latter, however, it is characterized by a strong ideological and indeed practical involvement of family and kinship networks in protecting its members against economic and social risks. Due to the meager or non-existent safety net (e.g., family support, unemployment benefits), the state shifts the responsibility for the support of the unemployed and other vulnerable ‘outsider’ groups to families and kinship networks. This model is based on the deeply rooted cultural view that family and kinship represent an important institution of reciprocal help and that family members should thus support each other. JURADO GUERRERO (1995) has argued that the long stay of youth in the parental home in Southern Europe is ‘closely associated with the high labor market risks and the lukewarm protection that the state provides against them.’

In reality this family support is, however, mostly provided by women, with two important results: (1) their labor force participation (including part-time work) is, by international standards, extremely low (BLOSSFELD/HAKIM, 1997); and, (2) especially if young women want to make a career, there is a particularly severe conflict between family tasks and (mostly full-time) job requirements. This leads to exorbitantly low fertility levels in Spain or Italy, for example. Thus, a paradoxical result in the family-oriented Mediterranean welfare regime appears to be that the extended family is rapidly disappearing.

Finally, we add the post-socialistic welfare regime to include countries in the former socialist Eastern Europe, which in this study include Estonia and Hungary. Hungary is perhaps closer to the social democratic regime, characterized by both egalitarianism and de-familialization. There is relatively more generous support for the family, with the dual-earner family model favored by fiscal arrangements, but with a highly conditional to limited degree of support for unemployed youth (BUKODI/RÓBERT, forthcoming). Whereas Estonia has limited next to non-existent unemployment and family benefits for youth (KATUS/PURR/SAKKEUS, forthcoming). However, considering the rapid transformations after 1990, the trajectory of these welfare regimes is still in evolution.

**Family systems and interdependence of careers**

The family system and the interdependence between family, education and employment careers have direct consequences for the transition to adulthood, specifically the transition to first partnership and parenthood. Family systems regulate the degree of pluralization of private living arrangements. Pluralization refers to lifestyles beyond the traditional marital couple or nuclear family to include non-
marital cohabitation, remaining single, or postponement or forgoing of fertility (CORIJN/KLIJZING, 2001).

A north-south divide in the pluralization of private living arrangements emerges due to institutional, but also cultural differences (BLOSSFELD, 1995). Scandinavian countries like Sweden and Norway seem to have a pioneering role, while countries like Germany, France, the Netherlands, United Kingdom, United States and Canada appear to follow this trend. Familistic countries such as Italy, Spain, Ireland and Mexico are even less affected. The strong institutionalization of marriage in Southern Europe and Mexico, translates into small numbers of non-marital unions and one-person households among youth (NAZIO/BLOSSFELD, forthcoming), low divorce and extra-marital birth rates as well as into an asymmetrical relationship between the sexes within the family.

There is interdependence between educational and employment systems on the one hand, and the family system on the other. Our expectation is that educational expansion impacts entry into first union and parenthood in several ways. First, we anticipate that prolonged education requires that youth maintain the role of an economically dependent student for a longer period of time, which increases their level of economic uncertainty (see next section), and thus leads to postponement of partnership and parenthood across cohorts (BLOSSFELD, 1995). The growth of qualified women in particular means that women will have their first child later due to extended education, effective contraception and the competing demands of employment and childcare.

Second, we presume that highly educated individuals have different values and preferences such as independence, autonomy and a higher attachment to career building and the labor force (LIEFBROER, 1991; MILLS, 2000). Those with higher education are thus more willing and able to adopt flexible and innovative behavior that leads to the pluralization of living arrangements (e.g., cohabitation, voluntary childlessness). Others have argued that education has different function by equating cohabitation with less education due to the hypothesis that educational attainment increases earning capacity and thus the propensity to marry (e.g., RINDFUSS/VANDENHEUVEL, 1990; THORNTON et al., 1995). This is related to the theory that highly qualified women are more likely to postpone family formation (Becker, 1981). Yet postponement behavior is not only based on educational qualifications, but also on the compatibility of combining a family and a career. We expect that countries with poor maternity or parental leave and particularly child care arrangements, such as the conservative or familistic welfare regimes, reduce the opportunity for women to have interdependent careers.

Third, based on previous research, we anticipate that educational enrollment status will ‘compete’ with family formation and will thus reduce both the chances of entering a union (specifically marriage), and having a child (BLOSSFELD/HUININK, 1989; LIEFBROER, 1991; BLOSSFELD, 1995; MILLS, 2000; RINDFUSS/VANDENHEUVEL, 1990). Students are less likely to enter a union, especially marriage and enter into parenthood for several reasons (MILLS, 2000). First, students possess fewer material resources. Second, they often have less leisure time, and finally, “due to their transient and uncertain position they may be less inclined to commit themselves to a long-term binding decision such as partnership or marriage” (MILLS, 2000: 189). Conversely, being a student is more compatible with entering a cohabiting union due to the fact that it is less costly than a marriage, more flexible, has less legal restrictions, is easier to dissolve and has fewer normative expectations (MILLS, 2000).
We therefore propose a flexible partnership hypothesis, which maintains that consensual unions represent a ‘rational’ reply to growing uncertainty that surrounds the transition to adulthood in a globalizing world. To reduce uncertainty, youth are more likely to bind themselves to the more flexible union of cohabitation as it is largely independent of the future (MILLS, 2000; WU, 2000). These living arrangements permit the postponement of long-term commitments and self-binding decisions such as marriage at least for the time being. Reminiscent of EASTERLIN’S (1976) theory of economic deprivation, this applies in particular to historical periods of general economic uncertainty and rising unemployment, when the tendency to marry and have children appears to diminish. Our perspective also clearly relates to OPPENHEIMER’S (1988; OPPENHEIMER et al., 1997) work on the impact of uncertainty in social and economic roles on the timing of family transitions. As OPPENHEIMER (1988: 583) states: “Cohabitation gets young people out of high-cost search activities during a period of social immaturity but without incurring what are, for many, the penalties of either heterosexual isolation or promiscuity, and it often offers many of the benefits of marriage, including the pooling of resources and the economies of scale that living together provide.” In many ways, the flexibility of cohabitation matches the flexible labor market circumstances that many youth experience during the era of globalization.

4 MICRO-LEVEL RESPONSE TO INCREASING UNCERTAINTY

Many decisions in the early life course have long-term implications. People have to opt for educational and professional tracks, enter job careers or make long-term binding family and fertility decisions. However, higher levels of uncertainty for youth generate insecurity and potential conflict and make it increasingly difficult to make such choices. Young people respond and adapt to the complex structural shifts brought about by globalization. A central hypothesis of this study is that the uncertainty generated by globalization at the social-structural level reduces or delays the propensity of youth to enter long-term binding commitments such as partnerships and parenthood (see Figure 1). Our attention thus turns to changes in rational decision-making under conditions of increasing uncertainty and descriptions of the schema developed to measure uncertainty at the individual level.

Rational decision-making under increasing uncertainty

We propose the use of a dynamic rational choice model to understand individual decision-making under conditions of increasing uncertainty (BLOSSFELD/PREIN, 1998). We do not advocate a model of individual action as deterministic behavior, but rather as a tool to find regularities among a larger number of actors. A dynamic rational choice model assumes in particular that typical actors try to act rationally. Following ELSTER (1989), such rational decision makers are characterized by trying to achieve three optimizations: 1) finding the best action that fits with their given beliefs and desires, 2) developing the most appropriate belief given the evidence at hand; and, 3) collecting the correct amount of evidence while taking into account their given desires and prior beliefs. Yet due to the process of globalization described at the onset of this study, such as the accelerating pace of change, volatility and
unpredictability of social and economic developments, and deluge of information, youth now face three major decision problems.

First, there is rising uncertainty about the behavioral alternatives themselves. This issue becomes more important when young actors have to make rational choices among alternatives that become progressively more blurred. For instance, due to the increased uncertainty that has emerged at the macro level it becomes more difficult for young adults to compare and rank the various options for educational, professional or partnership careers, simply because they know less and less about future alternatives. The problem here is not only which alternative to choose but increasingly when to choose it. Second, there is growing uncertainty about the probability of behavioral outcomes. This problem is especially acute when actors are less and less able to assign in a reliable manner subjective probabilities to the various outcomes of their future courses of action. In the process of globalization, this uncertainty becomes particularly severe when a decision requires beliefs about choices to be made by other people in the future (e.g., partner, employer). Third, there is increasing uncertainty about the amount of information to be collected for a particular decision. Collecting information is necessary, but costly and time-consuming. With the accelerated spread of global networks and knowledge, the question of how much information one should optimally collect before one is ready to form an opinion becomes more serious because the marginal costs and benefits for further information searches are increasingly unclear. One has therefore to assume that actors – whether consciously or not – will set certain threshold limits, which, once satisfied, stop the search for additional information.

As described in the previous section on institutional filters, decision-making and risk calculations to cope with uncertainty are firmly embedded within the social context of the nations in which the perceptions of risk are maintained. As REGINI (2000a: 8) states: “The institutional context, in fact, provides actors with a set of resources and constraints that they must necessarily take into account when choosing among different alternatives and consequently shapes their actions.” LINDENBERG (1983) and ESSER (1991) use the terms ‘habits’ and ‘frames’ as nation- or class-specific ways to interpret decision situations. HEINER (1983) argues that cultural traditions, social institutions or norms serve as rule-mechanisms that restrict the flexibility to choose potential courses of actions, or which produce a selective alertness to information. For instance, a young person in Spain entering into a partnership has not only a restricted amount of choices that leads more likely to marriage than a consensual union, but also reflects cultural traditions that frame her/his decision in a very specific way. Rules and norms that stigmatize certain behavior also limit young people’s ability to see a consensual union as a viable partnership option. Country-specific institutions and national norms generate effective decision ‘heuristics’ (see also GIGERENZER et al., 1999), which are not thoughtlessly repeated (as in the ‘homo sociologicus’), but used as problem-solving tools.

Types of uncertainty in the transition to adulthood

Since a main premise of this study was to either find evidence or dispute the impact of globalization on the early life course, we required an empirical research design that offered tangible findings. We therefore devised a measurement design that captures our theoretical framework and is thus able to empirically gauge impact of uncertainty that arises from globalization factors on individual transitions in the early life course.
The schema consists of three types of uncertainty: economic, temporal, and employment relation.

First, economic uncertainty is defined as the caliber of economic precariousness of an individual’s employment and educational enrollment circumstances (BERNARDI, 2000). We anticipate that labor market positions with high degrees of economic uncertainty will inhibit youth to make long-term binding commitments such as partnerships, and particularly marriage, or parenthood that require a secure economic basis (OPPENHEIMER, 1988; OPPENHEIMER et al., 1997). Youth require a necessary minimum or what RINDFUSS/VANDENHEUVEL (1990) refer to as the ‘affordability clause’ to enter into a binding relationship or have a child. As OPPENHEIMER (1988), we expect that youth will avoid commitment such as marriage and parenthood, but still desire the rewards of having a relationship (i.e., consensual union).

In this study economic uncertainty is captured in four central ways. First, an activity status indicator of education and employment measures it. A second dimension is occupational class, using ERIKSON/GOLDTHORPE’S (1992) class schema. Our expectation is that compared to the higher level service or routine white collar classes, the lower classes such as unskilled manual workers are more likely to be in economically precarious situations. In other words, skilled occupations (and as we will argue shortly stable employment) can reduce uncertainties (OPPENHEIMER et al., 1997). Whether individuals receive extra benefits with their jobs (e.g., pension) is a third measure of economic uncertainty used in some of the country studies. A final measure included in some of the country studies (e.g., France, Hungary) is earnings. Thus, the comparative yardstick to measure uncertainty is against the relative ‘certainty’ of youth holding certain statuses such as not being enrolled in education, being employed, and if so, in a higher occupational class, or receiving benefits or higher earnings.

Second, according to BREEN (1997: 477) “Temporal uncertainty reduces the attractiveness of long-term commitment and increases that of ‘contingent asymmetric commitment.’” In other words, due to temporal uncertainty, youth are less able to make long-term binding commitments which may translate into, for example, opting for cohabitation instead of marriage or forgoing partnership and parenthood until they feel they have obtained adequate certainty for their future life path (see also KURZ et al., forthcoming). Contingent asymmetric commitment is a useful concept to understand the consequences of labor market flexibility experienced by youth. In relation to temporary contracts, for example, it refers to a relationship where one party of the agreement (employer) retains the option to withdraw from the relationship at any time, while the other party (youth) can only comply to what the first party requests.

Temporal uncertainty and the concept of ‘long-term commitment’ is reminiscent of ELSTER’S (1979) notion of ‘self-binding’. In order to reduce choice complexity of long-term courses of action under uncertainty, individuals tend to constrain or bind their own future actions (i.e., commit themselves to a specific action in the future). Self-binding is an effective technique to make one’s promises to significant others (e.g., partners, actors in industrial relations) more credible. This technique makes communication about what one is going to do under still unknown future conditions more reliable. According to ELSTER (1979), this credibility enhances the trust that actors will have in each other and enables them to interact and cooperate more effectively than without such self-binding commitments. Self-binding, however, is also paradoxical, particularly in a life phase in which the transition to
adulthood takes place. On the one hand, it is a prerequisite for creating certainty for young people as well as credibility and trust in one’s dealings with others. On the other hand, it diminishes the ability to react in a flexible manner during later stages of the life course, which clashes with the rapidly changing demands of a globalizing society.

Third, employment relationship uncertainty is characterized as whether youth are a) self-employed (with no employees), or, b) dependent workers (see Bernardi, 2000). We hypothesize that the lone self-employed worker will have a higher degree of uncertainty, due to lower protection measures. Depending on the labor market context, uncertainty for dependent workers is measured by whether workers are in: a) public or private sector employment, and, b) a less precarious relationship such as a permanent versus a temporary contract (in closed employment systems), or by measures such as a regular versus irregular work shift (in open employment systems). Whether an individual is employed in the public or private sector is a key factor in determining how they are sheltered from risk, with those employed in the public sector ‘relatively isolated from the operation of market forces’ (Esping-Andersen, 1993). Employment in the public sector is much farther removed from the impetus of productivity and profitability of global competition. Here we expect that those with lower levels of relationship security (i.e., self-employed, private sector, temporary contract, irregular shifts) will experience higher levels of uncertainty, which will in turn generate a similar response of postponement or forgoing binding life course commitments. Employment relation uncertainty is closely tied, yet distinct from temporal uncertainty. Although temporal uncertainty can include types of employment relation insecurity, it has a broader scope to capture how different kinds of uncertainty make it more difficult for youth to make long-term binding decisions.

We expect that the effects of uncertainty will, however, differ for men and women, particularly those from conservative welfare regimes. A gender hypothesis supposes that in countries where the male-breadwinner model is predominant, it will be more important for males to establish themselves in a more secure job as opposed to females (Oppenheimer et al., 1997). For this reason, we predict a stronger effect of uncertainty on men than women, which will be particularly evident in the male-breadwinner countries of the conservative and family-oriented welfare regimes.

5 DATA AND METHODS


For our purposes, event history methods were ideal as they allow for ‘causal-type’ analysis of events that represent changes from one discrete life course state to another. Since we also wanted to examine empirical consequences at the individual level, this general approach was the most desirable. The analyses examined the transition of entry into employment, first union formation, first child and in some cases where data was available or the question was particularly pertinent, entry into unemployment. The models examine the hazard of transition via the following statistical models: piecewise (constant) exponential, logistic, and Cox semi-parametric proportional hazard models. Since technical and mathematical aspects of the models and methods have been specified elsewhere (BLOSSFELD/ROHWER, 2002), we focus here only on substantive results instead of detailed explanations of the methods.

In order to ensure comparability, the analyses for each of the 14 country studies followed an explicit pre-determined template, where the models and broad predictors were set out in advance. This means that the dependent variable outcomes are almost completely comparable across all 14 countries. However, as with any secondary data analysis, comparability of analyses across such a wide-range of countries is subject to both data and contextual differences. Although all countries generally followed the template and thus examined the three main transitions (entry into labor market, partnership, parenthood), explanatory factors sometimes differed slightly due to data availability, but also for substantive reasons. In other words, all countries explored the transition to adulthood in a way befitting to their country-specific context. For example, non-marital cohabitation has taken over as the choice of first partnership in Sweden, necessitating a model of transition to first union that examines cohabitation only. Conversely, only the transition to marriage is included in the analysis of first partnerships in Italy due to the fact that there are too few individuals reporting a consensual union (BERNARDI/NAZIO, forthcoming; NAZIO/BLOSSFELD, 2003). Explanatory variables such as how economic, temporal and employment relation uncertainty were operationalized also differed slightly to reflect the importance of context within each country.

6 RESULTS

This section provides a short summary of the key empirical findings from the 14 countries included in this study in addition to confronting our expectations and theoretical assumptions outlined at the onset of this paper. The conclusions are made via a systematic comparison of the results produced for each of the countries that used a central template model for their analyses. Results are summarized in Table 1, which describes the direction and significance of the findings (see also endnote 1,2).
The emergence of uncertainty

The first central finding is that in a globalizing world, youth are increasingly vulnerable to uncertainty across all countries. This materializes in increasingly more precarious and lower quality employment such as fixed-term contracts, part-time or irregular work hours, or lower occupational standing (see Table 1). This in turn bestows the youngest labor market entrants with a more uncertain future. Youth, who have less labor market experience and who are not yet shielded by internal labor markets, are more greatly exposed to the forces of globalization, which makes them the ‘losers’ of globalization. This is in contrast to some groups, such as mid-career men, who generally surface as ‘winners’ in the globalization process (BLOSSFELD/MILLS, forthcoming). As insiders, mid-career men are to a large extent shielded by labor force experience, internal labor markets and existing power structures. The forces of globalization are therefore shifted to outsiders such as youth.

The 14 studies provide evidence for youth’s increased exposure to globalization in diverse ways. Young Spanish and Italian workers experienced fixed-term contracts and high unemployment, with British and Hungarian youth increasingly more likely to start their employment career in non-standard temporary jobs or as self-employed workers. In comparison to previous cohorts, the occupational prestige of the first job for Dutch youth plummeted for those born in the 1960s (LIEFBROER, forthcoming). The post-socialist cohorts entering the Hungarian labor market in the 1990s had difficulties not only finding a job, but when they did, it was much less likely to be on a fixed-term contract, particularly for men (RÓBERT/BUKODI, forthcoming). As Table 1 demonstrates, out of the 14 countries, there was only one exception. Ireland experienced an unprecedented economic boom in the 1990s that actually reduced uncertainty for youth. The increased certainty generated by the Irish ‘economic miracle’ and its relation to the globalization process, will be discussed in more detail shortly in relation to institutional filters.

Inequality of uncertainty

When we delve deeper into the results we see that uncertainty has not only intensified, but that a clear stratification process emerges among youth (BREEN, 1997). Certain groups of youth are disproportionately impacted, with the risks of globalization being accumulated at the bottom. In support of our employment relationship hypothesis, this insider/outsider split was even more evident in societies with a closed employment system where uncertainty was channeled to labor market outsiders much more intensively (see BERNARDI/NAZIO; SIMÓ et al., forthcoming). Our expectations regarding open employment systems were also confirmed. Here the relative shielding of workers was much less prevalent with risk spread over a wider base, leaving youth to rely much more on their own human capital. Yet even though uncertainty was more pervasive, inequality still accumulated disproportionately in certain groups such as blacks or visible minorities, women, and those with less human capital (see FRANCESCONEI/GOLSCH; KING; MILLS, forthcoming). These differences are apparent when we examine which types of youth experience economic, temporal and employment relation uncertainty.

With respect to occupational class, it was the manual, un- and semi-skilled workers that were the most impacted by the recent changes, particularly in the closed employment systems. For example, youth in lower occupational classes showed a higher risk of: being employed in temporary contracts (e.g., Spain, Germany, Italy,
Ireland, Britain) becoming or remaining unemployed (e.g., Spain, Italy), remaining entrapped in insecure positions (e.g., Italy, Ireland) or having no pension benefits (e.g., Canada).

Table 1 Summary of main results: Rising uncertainty in the labor market and impact on partnership and parenthood behavior

<table>
<thead>
<tr>
<th>Welfare regime and country</th>
<th>Rising uncertainty in early life course</th>
<th>Impact of employment uncertainty on hazard of: partnerships</th>
<th>parenthood</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>uncertain labor market position for younger cohorts</td>
<td>men</td>
<td>women</td>
</tr>
<tr>
<td><strong>Conservative</strong></td>
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<td></td>
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<td>Germany</td>
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<tr>
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<td>[France]</td>
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<tr>
<td><strong>Social-democratic</strong></td>
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<tr>
<td><strong>Post-socialistic</strong></td>
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<td>Hungary</td>
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<td>Estonia*</td>
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<td><strong>Liberal</strong></td>
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<td>Canada</td>
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<tr>
<td>United States♀</td>
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<tr>
<td><strong>Family-oriented</strong></td>
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<td>Mexico♀</td>
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<td>Italy</td>
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<td>Spain</td>
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<td>Ireland</td>
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</tbody>
</table>

NOTES: ↑ = increase in hazard, ↔ = no significantly observed effect, ↓ = decrease in hazard, - = not examined, ♀=only women examined, (m)=marriage, (c)=consensual union, *Analysis was not divided by gender.

Particularly in the closed employed systems, uncertainty took the form of employment relation or temporal uncertainty. In these countries, insiders are particularly protected. The only way to introduce flexibility into the system is by shifting it to outsiders who have not yet secured employment protection. The youngest and least qualified workers were increasingly in precarious, fixed-term contracts in Hungary, the Netherlands, Ireland, France, Germany, Spain, Italy and Britain. The use of fixed-term contracts has skyrocketed in many countries. Younger cohorts in
Estonia reported a lower level of control and lack of confidence for the future, thus also clear temporal uncertainty (KATUS/PUUR/SAKKEUS, forthcoming). One type of work that results in both lower economic and employment relation certainty is part-time employment. The move by many countries to cut the social benefits for part-time workers (e.g., in France, United States, Canada, Britain), made it advantageous for employers to use this labor market flexibility measure to hire more part-time workers instead of one full-time regular position. In these countries, part-time work is synonymous with job insecurity, non-standard working times, lower skilled jobs and lower earnings.

We also found support for our expectation that human capital would be an important asset to protect youth against uncertainty, particularly in the more liberal welfare regimes (see also DIPRETE et al., 1997). Empirical findings for Britain, for instance, show that education and labor market experience protected youth from falling into unemployment (see FRANCESCONI/GOLSCH; KING; MILLS, forthcoming).

Consequences of uncertainty for family formation

The educational and labor market activity status of youth also had clear consequences for family formation. The lowest rate of entry into fatherhood in Spain was for men in the most uncertain position of all – the unemployed (SIMÓ et al., forthcoming). As Table 1 illustrates, there were mixed findings of the impact of uncertainty for Sweden. Unemployment (after labor market entry) in Sweden had no effect on union formation and parenthood, which supports our hypothesis that welfare regimes with generous benefits can cushion economic uncertainty for youth (BYGREN et al., forthcoming).

The amount of security youth held in their employment relationship and degree of temporal uncertainty also had real consequences for family formation. The impact of having a fixed term contract was expected to result in higher temporal and employment relation uncertainty, a hypothesis which generally gained strong support, particularly for young men (see for e.g., BERNARDI/NAZIO; KIEFFER et al.; RÖBERT/BUKODI, forthcoming). As Table 1 illustrates, out of the 14 countries several patterns of the impact of uncertainty on family formation is apparent. First, there are clear gender-specific effects, which are discussed in detail shortly. Second, only Mexico and Ireland found either marginal impacts of labor market uncertainty on family formation, albeit for very different reasons. In these family-oriented regimes, partnership and fertility remained as bastions of security. Due to the relatively better economic situation brought about by globalization, young Irish youth actually opted to form unions and have children more so than before (LAYTE et al., forthcoming).

As a rational reply to uncertainty in the Mexican context, women often worked in order to diversify the source of income and spread uncertainty over a larger base in order to maintain support the family (PARRADO, forthcoming).

Rational responses to uncertainty – the development of strategies

We also find evidence to support our expectation that youth develop rational responses to uncertainty within their own institutional context. The first strategy is general postponement of the transition to adulthood, illustrated by behavior such as remaining in the education system, entering the labor market later and postponing family formation. For example, there was an extraordinary delay in the onset of childbearing in Spain and in Hungary, only 45 percent of younger females had
become parents by the age of 25 in comparison to 70 percent of women 10 years earlier (RÖBERT/BUKODI, forthcoming). An exception was in Mexico, where family formation remained at the same ages and in Sweden, and Estonia where there were trends towards earlier union formation (BYGREN et al.; KATUS/PUUR/SAKKEUS; PARRADO, forthcoming).

Remaining in school is another rational response to the growing uncertainty generated by globalization for two principal reasons. First, it confirms our alternative role hypothesis that in a worsening, ever-changing and uncertain and precarious labor market, youth seek shelter in the educational system. A second motivation is the growing importance of knowledge in the era of globalization and the subsequent need to obtain more qualifications. By seeking educational refuge, youth temporarily avoid unemployment or precarious work while upgrading their credentials and enhancing their chances in the future labor market. There are several consequences of postponement. One is that youth remain either economically dependent on their parents or other financial sources for a longer period of time. This subsequently delays entry into the labor market (see KLIJZING; LIEFBROER, forthcoming).

Another strategy is for youth to take on multiple roles such as combining school and work. Combining educational enrollment and part-time employment is a way for youth not only to finance their prolonged stay in educational institutions, but as a means to smoothen their entry into the labor market. This is particularly the case in the liberal welfare regimes, which lack a vocational system with practical training, where youth do not gain a foot in the door of the employer (see MILLS, forthcoming). In Mexico, a rational household strategy for Mexican families was to add more individuals to the labor market to spread the uncertainty from recurrent financial shocks (PARRADO, forthcoming).

A third strategy reflects the shift from more permanent marital unions to nonmarital cohabitation. In many of the countries, such as Sweden, Norway, the Netherlands, Britain, United States, Canada, and more recently in Hungary and Estonia, there has been a large shift among adults born in and after the 1960s to choose unmarried cohabitation as opposed to marriage. This supports our flexible-partnership hypothesis, which argued that when there is growing uncertainty about behavioral outcomes and the implications of long-term commitments, a rational reaction for youth is to choose a relationship that has less of a binding obligation. There appeared to be two general groups who have a higher propensity to cohabit across the countries for very different reasons. One was youth with high amounts of human capital and good labor market prospects, who likely saw it as a flexible and non-binding commitment that did not clash with their careers. The other group was disadvantaged youth who used it as a strategy and rational reaction to uncertainty as a flexible and non-binding way to combine resources in the face of uncertain future labor market success (see KATUS et al.; KING; RÖBERT/BUKODI, forthcoming).

The final striking finding was the development of gender-specific strategies in the male breadwinner societies. The first gender-specific finding is that uncertain men opted to postpone family formation (see Table 1). A precarious employment status or lack of human capital for men had a negative impact on entry into partnership and especially parenthood, a finding that was exaggerated in the male-breadwinner nations (see BERNARDI/NAZIO; KIEFFER et al.; LIEFBROER; SIMÓ et al., forthcoming). When we examine the findings for women, we can clearly identify two types of young women: family versus career-oriented. Particularly in male-breadwinner societies and conservative and family-oriented welfare regimes, certain types of women tended to enter into a marriage and have children faster (FRIEDMANN et al., 1994). Here
family formation and taking the domestic role of housewife and/or mother is one type of strategy for young women with less human capital in order to reduce uncertainty. Several studies found that women who were employed part-time (e.g., Spain, Germany, Netherlands, Britain), at a very low starting pay (e.g., France, Hungary), or were inactive or unemployed (e.g., Spain, Italy, Netherlands, France, Britain) were more likely to enter a union (often marriage) or have a child.

Three reasons underlie the above findings. First, worse types of jobs have very few prospects for career advancement. This prompts women to opt for motherhood to reduce their own insecurity or as way of giving meaning and structure to their lives. Second, these women may have already been less attached to the labor force and found domestic life more appealing in the first instance. Third, following the uncertainty reduction theory of FRIEDMANN et al. (1994), being married and having children could serve as one strategy to reduce uncertainty, particularly among those who have limited or blocked alternatives to reduce uncertainty in another way. According to this theory, a stable and successful career is an important source of certainty for some, and thus lowers their likelihood to form a family. Those with marginal career prospects opt for certainty in the family realm, a strategy that may be particularly relevant for women from male breadwinner societies.

The second group of women adopted a very different tactic and sought to obtain more individual human capital and invest in a career, which depending on the institutional context either enabled or constrained them to form a family. In support of our expectations, women with higher education were either less likely or experienced later entry into partnerships and parenthood in countries where interdependent careers were institutionally impeded (e.g., Germany, the Netherlands, Spain). This provides support for BECKER’s (1981) theory of increased economic autonomy, but only in countries where the interdependence between family and work careers is incompatible. This division in the gender-specific impact of uncertainty did not hold in liberal and social-democratic regimes where the dual-earner model prevails (see Table 1 and MILLS; BYGREN et al., forthcoming). In Sweden economic self-sufficiency has long been recognized as an important factor to increase union formation for both men and women (BRACHER/SANTOW, 1998). The high level of security afforded by the Swedish welfare state allows youth, particularly mothers, to combine work and fertility, resulting in both strong labor market attachment coupled with high fertility rates.

It is not the accumulation of human capital that is important for many women, but rather the incompatibility of employment or educational and domestic roles. In many countries entry into marriage and labor market participation does not appear to present a conflict anymore for many young women (BLOSSFELD, 1995). This is likely due to the fact that the domestic division of labor does not change after entry into marriage, but rather after the birth of the first child. Furthermore, highly educated women do not seem to have in general a lower rate of overall entry into motherhood. Rather, as BLOSSFELD/HUININK (1991) argue, they simply postpone it. In Sweden and Norway, for example, men and women with the highest levels of education also had the lowest propensity to enter a first union, yet still showed comparatively high first-birth rates after entry.
The last central finding is that the extent to which youth experience the consequences of globalization differs largely upon the nation-specific institutions that exist to shield, or conversely, funnel uncertainty to them.

The findings generally supported expectations regarding the impact of open and closed employment systems. When forced to restructure and meet the competitive demands of globalization, nations with closed systems actively target flexibility and restructuring measures at new labor market entrants. In the insider/outsider market in southern Europe, youth entering the labor market met not only high levels of unemployment, but also precarious jobs. Flexibility measures were targeted at labor market ‘outsiders’, which are youth and women (BLOSSFELD/HOFMEISTER, forthcoming).

Several of the countries in this study underwent extreme shifts during recent years, which directly impacted youth’s labor market experiences. Ireland, for instance, is a small open economy that has embraced and prospered from globalization (LAYTE et al., forthcoming). Since the 1950s, Ireland actively developed an open economy, encouraged foreign investment, and integrated into the global market to the extent that it was the fastest growing economy in Europe in the mid-1990s. The key to this success has been active state policies, which played a central role in Ireland’s industrial transformation. The state explicitly aimed to attract foreign investment and, in response to the failure of the protectionism policies of the 1950s, did not attempt to shield indigenous business from overseas competition. Ireland provides a patent example of a nation responding to intensifying competition, via low corporate tax incentives in order to create a comfortable environment for foreign direct investment. The state worked closely with managers of multinational subsidiaries in order to redefine the character of Irish industry without hampering the strategies of firms (LAYTE et al., forthcoming). Additional factors for Ireland’s success include the introduction of free education in the late 1960s, which meant that it also offered a large educated workforce. Finally, a social partnership deal between the government, unions and employers in the late 1980s, set the stage for the tremendous growth witnessed in the 1990s. For these reasons, Ireland is one nation in this study that shows how globalization impacts can actually reduce uncertainty in an economy. Due to this economic upswing, it has witnessed a resurgence of entry into marriage and fertility to unprecedented levels. This is in sharp contrast to Ireland’s economic depression, high unemployment and poverty in the recent past.

In contrast, since the early 1980s, Mexico became extremely vulnerable to the globalization process and felt the ‘random’ economic shocks via severe economic crises. It is a ruthless case of privatization of state firms, high labor market flexibility and orientation to exports and the outside markets (PARRADO, forthcoming). The absence of any unemployment insurance and the fact that around one million individuals lost their jobs after the economic crisis of 1994 led to high levels of poverty and extreme uncertainty. The internationalization of markets signaled the spread of the ‘maquiladora’ industry, which was a technique to attract foreign investment with cheap Mexican labor and lower costs. The target group for this industry is young single women, often contributing to the family household. The conclusion that we can draw from the Irish and Mexican case is that globalization can have positive or negative consequences depending on the specific historical path, and specifically, institutional responses of the nation.
Another finding that supports our expectations is that the vocational education training system alleviates the amount of uncertainty that youth experience in the transition from school to work. In Germany, for instance, the training system feeds into the labor market, with youth able to develop a network of contacts and have a foot in the labor market, which is reflected by the overall lower unemployment rates in Germany (KLIJZING, forthcoming).

The type of welfare regime, family system and related support that was provided for youth to combine family and work emerged as another fundamental element. Our study demonstrates that the youth who are the hardest hit by uncertainty are the ones living in nations that lack safety nets in terms of unemployment benefits, housing (e.g., for Italy), family-related policies that support parenthood. Clear examples of how a welfare regime can mitigate the transition to adulthood was shown for the Swedish and Norwegian cases. Another striking finding was that compared to the conservative welfare regimes (Germany, Netherlands), France’s recent public family policies set it apart and reduced the barriers for women to combine family life with a professional career. Finally, the strong view in many family-oriented regimes that the family is a vital source of security in the face of economic security was also important, particularly in Ireland and Mexico.

7 GENERAL CONCLUSIONS

This comparative study examined the impact of globalization on the early life course of youth in 14 countries. A central finding is that youth have experienced increasingly higher levels of uncertainty, which has a tangible impact on their transition to partnership and parenthood. We first sketched the mechanisms that connected the globalization process to rising uncertainty in the lives of youth. Globalization was characterized by (1) the internationalization of markets, (2) rapid intensification of competition based on deregulation, privatization and liberalization, (3) accelerated diffusion of knowledge and new ICTs and (4) the rising importance of markets and their dependence on random shocks. Together, these elements generated an unprecedented level of uncertainty that directly impacts the life course of youth. Rising uncertainty was institutionally filtered, with some groups more directly impacted than others. Institutions pertinent to transitions in the early life course include employment relations, educational, welfare regime and family systems. We then examined the micro-level or individual response to these developments and found that youth develop context-specific strategies via rational decision-making under conditions of uncertainty. Youth react by developing various strategies such as postponement of life events, remaining in school, engaging only in flexible relationships, or taking on multiple roles. In the male breadwinner societies, young men and women are not only impacted differently by the uncertainty that globalization brings, but develop different coping strategies. Youth have increased economic, temporal and employment relation uncertainty in their early labor market career, which enters into their decisions to form a family.

This comparative study contributes to both youth studies and globalization research. The majority of studies that examine the transition to adulthood focuses on either one or at most two careers and do not view the transition to adulthood in its entirety. This study synthesizes the entire transition to adulthood from entry into the labor market through to partnership formation and parenthood. By virtue of this approach we learn about the interdependence between early adulthood careers.
Our approach also deviates in several crucial ways from existing work in the field of globalization. First, it takes an empirical approach. Among the vast amount of globalization literature in sociology, there are few attempts at constructing testable hypotheses or systematic empirical examinations of how these overarching changes impact the life course of individuals. The principal enterprise of globalization theory has been based on conjectures rather than substantive evidence. The result is speculation that may in fact be an exaggeration of the empirical extent and novelty of globalization. Sociologists such as BECK (1997/2000) and GIDDENS (1990; 2000) ask us to merely believe that there is an effect of a ‘runaway world’ or ‘risk society’. For example, GIDDENS (1999: 12) argues: “Globalization isn’t only about what is ‘out there’, remote and far away from the individual. It is an ‘in here’ phenomenon too, influencing intimate and personal aspects of our lives.” Yet, we are provided with little empirical evidence or an attempt at generating hypotheses, mechanisms or causal paths as to how globalization impacts our lives. This study outlines mechanisms that connect globalization to the life course and generates clear hypotheses and empirical evidence about how it impacts the lives of youth.

A second difference is that we bring the individual back into globalization. A significant strand of the globalization literature is empirical work conducted by economists and political scientists. This work often remains at the macro-level (e.g., trade, foreign investment) focused on (dis)proving the existence of a converging global economy (FLIGSTEIN, 1998; HIRST/THOMPSON, 1996), an approach which echoes theories that paved the way for globalization, such as WALLERSTEIN’S (1974) World Systems Theory. An approach that examines economic convergence is clearly too limited for a sociological account of changes in the life courses of modern societies. This study shows that it is essential to combine individual-level models of action with institutional explanations (see also MAYER, 1997; 2001).

The third deviation is our placement of the nation-state in the form of nation-specific institutions as central to globalization. Previous theorists have proclaimed that globalization undermines the authority or heralds the fall of the nation-state. OHMAE (1990; 1993: 78) maintains that: “the nation state has become an unnatural, even dysfunctional, unit for organizing human activity and managing economic endeavors in a borderless world.” BECK (2000: 20) also attacks the idea “that we live and act in the self-enclosed spaces of national states and their respective national societies.” In our empirical analyses we found that nation states did not lose their significance, but are facing a more general transformation (SASSEN, 1996) and that the crucial aspect of how globalization is ‘experienced’ is rooted within institutions (HURRELL/WOODS, 1995). By virtue of our comparative approach across 14 different countries, we witnessed how youth in different nations responded to similar global pressures given institutional, structural and cultural differences.

The final disparity is that we empirically studied whether globalization results in persistent inequality and stratification within industrialized nations. Here we deviate from the majority of previous work in two ways. First, due to the theoretical development of globalization from authors such as WALLERSTEIN (1974), literature has tended to focus on inequalities between developing/developed countries, north/south or periphery/core regions (e.g., WOOD, 1994). Our work examined inequality of individuals living within industrialized nations. A second important deviation is that our results challenge proponents of globalization who argue that established social divisions of class, gender, ethnicity and nation are fragmenting and re-forming (e.g., BECK, 1992; 1997/2000). Our study clearly shows that globalization accentuates differences. We found that inequality emerges in the form of uncertain
employment, which is generally concentrated on youth and within this group at the bottom. Our position on globalization and inequality is thus unequivocally different from BECK (1992: 88; 1997/2000) and to some extent GIDDENS (1994; 2000) who predict that globalization will result in an increasingly ‘classless society’ characterized by the weakening of class ties to the extent that it is not possible to predict further life course moves or positions.

Globalization offers a supplementary explanation to understand changes in fertility and family formation from previous theories such as the widely used second demographic transition theory (LESTHAEGHE/VAN DE KAA, 1986; VAN DE KAA, 1987; LESTHAEGHE, 1995). The theory of the second demographic transition focuses on changing social practices, values, and the breakdown of many class, gender, and age-based constraints that previously structured demographic events (see MILLS, 2000). Central changes in this theory are educational expansion, increased female labor force participation, creation of the welfare state, and shifts in the economic and political structure. A further element is how economic developments mirror the ability and will of individuals to make long-term binding decisions (VAN DE KAA, 1987).

Although there are clearly similarities between the two approaches, our globalization hypothesis offers several new insights. First, the theory of the second demographic transition explains change largely in relation to changes in values via the theory of ‘ideational shift’. For example, LESTHAEGHE’s work on fertility examines the acceptability of additional fertility and the perceived social and economic circumstances that reduced fertility poses for couples. For a reduction of fertility, there must be an appropriate ideational context that directs individual preferences to warrant the feeling of individual control over fertility and the desire to have a smaller family (LESTHAEGHE/WILSON, 1986). Using the work of MASLOW (1970) and INGLEHART (1977), the theory assumes that personal needs are increasingly important which leads to the tendency of individualization which in turn impacts fertility behavior and more liberal and secular values (LESTHAEGHE 1986). This is in contrast with our globalization hypothesis, which explains change as connected to structural shifts with increasing uncertainties at the center of this process. Furthermore, in our approach change is not described as one general trend among all societies.

Finally, these theories were developed in the 1980s, which was a period at the end of an economic boom in many countries and the beginning of educational expansion and significant changes in the role of women. Our globalization theory reflects changes in the aftermath of the mid-1980s. By virtue of this, it can offer additional insight into why more youth postpone fertility. For instance, although many young people report that they want to have more children, they often do not get them. Why is this the case? The answer is that although we see that living standards have increased over time, the gains are disproportionately distributed to certain groups such as the labor market insiders and those who have acquired rights. It is these groups that have the luxury of catering to their higher personal needs and engaging in individualistic behavior. The unprotected or excluded either do not experience increases in living standards or do so on a weaker level. Instead of a shift to individualization, they experience increased uncertainty and thus postpone fertility due to their disadvantaged position.

Globalization has an added value to understand changes in the life course. It forces us to develop a multi-level conception that links global transformation to impacts at the institutional and individual level. It also allows us to include countries
that often fall outside of the traditional welfare-state or comparative work in this field, namely the eastern European countries of Estonia and Hungary and the oft-forgotten member of the North American union, Mexico. Different experiences and behaviors in these countries led to several interesting findings. Finally, we concede that the impact of globalization on the life course must be specified through theories of mechanisms. Due to the sheer complexity of causal mechanisms that work their way through institutions and labor markets to the individual-level, there has been an absence of empirical research in this area. It is our hope that this first attempt will stimulate discussion, modifications and new approaches to study these complex and drastic transformations in society.

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ENDNOTES

1 The GLOBALIFE project is located at the Universities of Bamberg and Bielefeld, Germany. The results presented here will be published together in a book, which will appear soon.

2 Measures befit the country context. In some cases it measures combinations of whether the individual is enrolled in education, working, unemployed or out of the labor force (e.g., BYGREN et al.; FRANCESCONI/GOLSCH; KURZ et al., forthcoming), or it gauges their educational and work status including the number of work hours (e.g., SIMÓ et al., forthcoming). Others include employment status and divide educational enrollment further by whether youth are in full or part-time school or work or work throughout the year (e.g., KING; MILLS; PARRADO, forthcoming). While others include activity status in combination with aspects of employment uncertainty (e.g., KIEFFER et al.; LIEFBROER; RÓBERT/BUKODI, forthcoming).

3 Readers may contact the authors to obtain more detailed information about the country-specific results.