

**Abstract Submission**  
to the 31<sup>th</sup> General Conference  
of the International Association for Research in Income and Wealth (IARIW)  
(St-Gallen, Switzerland, August 22-28, 2010)

**CONTRIBUTED PAPER**

**Title of the Paper:**

The Employment Status as a Dimension of the Intergenerational Mobility: Evidence from European Countries

**Authors:**

**Rosalia CASTELLANO** (corresponding author)

Professor of Surveys and Data Quality

Department of Statistics and Mathematics for Economic Research (DSMRE)

University of Naples "Parthenope"

Via Medina 40 – 80133, Naples (Italy)

e-mail: lia.castellano@uniparthenope.it

**Gennaro PUNZO**

Researcher of Economic Statistics

Department of Statistics and Mathematics for Economic Research (DSMRE)

University of Naples "Parthenope"

Via Medina 40 – 80133, Naples (Italy)

e-mail: gennaro.punzo@uniparthenope.it

**Abstract:**

As highlighted by several current studies (d'Addio, 2007; Blanchflower, 1998), both in developed and developing countries, socio-economic advantages or disadvantages may be frequently transmitted across generations. Although the intergenerational im-mobility is devised as a many-sided phenomenon, the employment status undoubtedly remains one of the main dimensions in which it may occur. Indeed, along with the education level, the occupational status stands for a key component of social stratification as well as a critical predictor of inequality within and across generations (Earle and Sakova, 2000).

In this light, the crucial aim of our paper is to look at the extent of intergenerational im-mobility from the occupational point of view and in an extensive international evidence. Particularly, in a cross-country perspective, we intend to investigate in-depth the main spheres of family background – such as parents' behaviour or inheritance of human, social and financial capital – that matter most for the "intergenerational linkage", in terms of occupational decision-making (*i.e.*, to become a self-employed rather than a salaried). Consequently, we try to disclose how the impact of these determinants may differ across European countries.

Indeed, since the differentials across national contexts are much greater than variations within a same country, we believe that there is a larger gain of looking at international comparisons in understanding the different profiles and patterns in employment status. In this light, we also aim at

evaluating how, in a generational perspective, the macro-economic or cultural context, the institutional settings or policies and, finally, the different stage of economic development may help to cause the occupational choice. In addition, on the basis of the NUTS classification, intra-country comparisons are also proposed at different levels of territorial disaggregation.

In order to look into the key determinants of intergenerational im-mobility, in terms of employment choice, and to what extent they vary across countries, a series of ordered regression models (ORM) for categorical data, in which a latent variable is mapped to an observed variable (Long, 1997), are estimated. Microdata come from the *European-Union Survey on Income and Living Conditions* (EU-SILC), a yearly rotational panel survey coordinated by Eurostat and carried out in nearly all of the European countries since 2004. Indeed, as it has been developed like a flexible comparable instrument covering a wide range of data, EU-SILC survey is currently the main new reference source for comparative statistics at European level. Most importantly, EU-SILC survey also detects a set of retrospective parental information (*i.e.*, educational attainment, employment status, labour market activity status of each respondent's mother and father), which allows to account for potential generational changes over time. Finally, a rich body of EU-harmonized indicators, which may "explain" the socio-economic background and environmental effects, comes from Eurostat sources. Briefly, preliminary results we obtain are interesting, taken as a whole. Although some determinants appear to be similar across nations, wider country-specific differentials are often highlighted. Most of all, it emerges a relationship between the employment choice and the level of "national socio-economic well-being".

**Keywords:** intergenerational mobility; employment status; ORM; European Countries

## References:

- Blanchflower D.G. (1998) Self-Employment in OECD Countries, *Canadian International Labor Network Conference*, Burlington Ontario, September.
- d'Addio A.C. (2007) Intergenerational Transmission of Disadvantage: Mobility or Immobility across Generations? A Review of the Evidence for OECD Countries, *OECD Social, Employment and Migration Working Paper*, OECD.
- Earle J.S. and Sakova Z. (2000) Business Start-ups or Disguised Unemployment? Evidence on the Character of Self-Employment from Transition Economies, *Labour Economics*, 7: 575-601.
- Long J.S. (1997) *Regression Models for Categorical and Limited Dependent Variables*, Advanced Quantitative Techniques in the Social Sciences Series, 7, Sage.
- Quintano C., Castellano R. and Punzo G. (2009) Generational Determinants on the Employment Choice in Italy, paper accepted to *SIS 2009 Conference – Statistical Methods for the Analysis of Large Data-sets*, University G. D'Annunzio, Chieti-Pescara, September.