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The diversity of transitions during early adulthood in the Finnish labour market

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Abstract

This study explores young Finns' transition pathways into education and work over a nine-year period (from the age of 18 to 26), with a special focus on difficulties with labour market attachment. The data were derived from national registers comprising all men (29,383) and women (27,784) born in 1987. Their labour market attachment was investigated using trajectory analysis with four variables (employment, education, unemployment, social security allowances) from 2005 to 2013. We identified ten trajectory groups, of which seven in men and eight in women were categorised as 'mainstream paths', reflecting relatively smooth transitions. The other trajectory groups were considered to assume 'straying paths': 11 per cent of both men and women followed these paths. The size and nature of these paths differed between men and women: it seems that men more often have serious difficulties with labour market attachment than women do. Overall, the results of the multiple variable trajectory analyses suggest that cross-sectional inspections of the Finnish register data overestimate the proportion of NEETs, particularly among men.

Introduction

The concept of ‘transition’ has been established as a key concept in studies on the life course, not least in relation to the labour market. For young people, every transition is fraught with potential frictions, such as unemployment, which in recent decades has risen to a persistently high level worldwide. This situation has elicited new research interests, particularly the need to adopt novel conceptual and methodological approaches to studying life course transitions in early adulthood. The present follow-up study (from age 18 to age 26) of a Finnish national-level birth cohort aims to address this need.

Attempts to capture the complexity of life course transitions are mainly inspired and influenced by (post)modern discussions. From that vantage point, the path from adolescence to adulthood used to be smooth and uncomplicated. Careers were mostly determined by the occupational status of the childhood family, and transitions followed a predictable and traditional course. The ‘post-traditional life course’ (Giddens 1991), by contrast, seemingly constitutes an endless chain of individual decisions. Other ‘canonical thinkers of contemporary sociology’ (Gilleard and Higgs 2016), such as Zygmunt Bauman and Ulrich Beck, have also turned the spotlight on the reflective, biographical self.

It is hard to raise serious objections to the claim that life courses nowadays are shaped by complex processes of individual choices and decisions. Still, theoretical ‘post’ arguments and excessive trust in ‘social generations’ do not always sit comfortably with the empirical reality and institutional orders regarding the transition from education to work (Gilleard and Higgs 2016, France and Roberts 2015).

In an attempt to reconcile this discrepancy, Heinz (e.g. 2010) proposes a conceptualisation of the logic of life course transitions that overcomes the abstract formation of biographical processes. He defines this process as a ‘complex, time-related interrelationship of social, cultural and personal

features' (Heinz 2010). Employing sociology's traditional three-tiered approach, he defines the dimensions as the macro level (cultural values, economic conditions, welfare structures, etc.), the meso level (institutions, organisations, social networks and local living environments) and the micro level (individual experiences, meanings and personal agency). Far from denying the complexity of contemporary life course formation, Heinz underlines the fact that the '(l)ife course is produced over time by socioeconomic conditions, welfare provisions and individual decisions at biographical transitions and in response to life events' (ibid., 227). The increasing demands and opportunities for personal choices increase the risk that the blame for failure is placed squarely on the individual.

Serracant (2015) also draws attention to the frames that make possible a more sensitive articulation of modes of transition in youth. He identifies four possible changes around youth: (i) Increasing skill demands mean that more years are spent in education. This has resulted in an extension of youth. (ii) There has been a trend towards de-linearisation. In contrast to the Fordist manuscript, education and employment careers are no longer clear-cut and separate; they flow into each other. (iii) Related to the above, contemporary society provides the opportunity for return or 'reversibility'. Shifting between inactivity and activity, working before the completion of education, engaging in lifelong learning and leaving home before achieving occupational stability have all become more frequent. (iv) As a result, the landscapes of transitions have become increasingly diverse and characterised by 'biographical subjectivisation'. However, each of these formulations opens up an intriguing avenue for empirical research.

The empirical evidence on a possible 'great transformation' in transitions is mixed. The results of Furlong, Cartmel and Biggart (2006) contradict rather than confirm the assumptions about new modes of transition. They identify a tension between 'choice biographies' and 'new patterns of vulnerability'. The complexity of life courses does not always mean a strengthening of agency – it may also imply an increase in vulnerability. Non-linear transition paths seem to be more common among

those from less advantaged class positions. Based on a case study in Catalonia, Serracant (2014) similarly notes that the approximations of extension and diversification in transition were confirmed, whereas the evidence on reversibility and de-linearisation was less convincing. In general, the evidence tends to highlight the power and influence of macro- and meso-level structures rather than the rise of a new kind of agency. In fact, paths that deviate from the traditional transition are mainly indicative of difficulties in the labour market. Studies by Schoon and Lyons-Amos (2016; 2017) and Roberts (2016) point in the same direction; despite all the tendencies towards individualisation, traditional factors – such as social class and gender – continue to remain significant determinants of transition in various modes.

In the specification of the structural frames of transition, the regime logic originally proposed by Esping-Andersen (1990) has turned out to be fruitful. Basically the regimes – the Anglo-Saxon ‘liberal’, the continental ‘conservative’, the Scandinavian ‘social democratic’ and the southern ‘Mediterranean’ – are in diverse ways connected to key transition elements; family, education and gender (Kohli 2007). Walther (2006) has launched a seminal effort to apply these regimes to school-to-work transitions, defined as ‘the set of education and training, employment and welfare policies addressing young people’s transitions from education to work’ (Walther and McNeish, 2002). Following this logic, there are four different transition regimes; the sub-protective (southern European), the universalist (Nordic), the liberal (Anglophonic) and the employment-centred (continental European).

Unsurprising, Finnish practices are in the line with the universalist model. The school-to-work transition is characterised by collective social responsibility, individual motivation and personal development. According to Walther, this model is sensitive to the increasing complexity and destandardisation of life courses; national frameworks set standards in education and training, but are simultaneously flexible enough to allow for individual learning and training plans. In line with this, the

regime contains a structural readiness for reversibility, where ‘most “second chance” measures aim at (re)opening access and developing individuals’ orientation towards regular and recognized options, rather than downsizing aspirations and adaptation to low status careers’ (Walther 2006). Regarding the Nordic model, overlooking the national difference in the cost of similarities is relatively typical. That is also the case with the transition models. For example, an essential element in the transition, vocational education, is not organised equally in each country; in Finland and Sweden the role of apprenticeship training is marginal, while in Norway and especially Denmark its role is prominent (Jørgensen et al. 2019).

Finnish institutional paths during early adulthood

The Finnish education system is based on comprehensive schools. Compulsory schooling begins at the age of seven and lasts for nine years, and the curriculum is similar for all. Students decide on different educational routes only at the end of compulsory schooling, usually at the age of 16. When our cohort made this decision (around 2003), approximately half chose upper secondary general school and about 40 per cent chose vocational education. About eight per cent of the cohort did not continue along the educational route after comprehensive school (OSF 2018a; about the Finnish educational system, see Rinne and Järvinen 2011).

Choices and transitions during early adulthood are critical in terms of educational and social exclusion. For this reason, various forms of support are designed to avoid dead ends in transition. Figure 1 outlines the educational paths and different support instruments available. Each of the support instruments consists of institutional designs to help young people find further educational opportunities and avoid dropping out. Some of these support instruments are integrated into the education programmes.

[Figure 1.]

A small percentage of the cohort had physical or mental health problems in childhood or youth that were serious enough to allow them to enter rehabilitation or take a short-term disability pension provided by the Social Insurance Institution.

The mainstream service for young people in need is the Youth Guarantee (YG). It was launched to tackle the alarming level of youth unemployment. During the time of our study, the scheme targeted those under 25 years old without a degree and those under 30 years old with a degree. The YG means that the public employment service is obligated offer an unemployed young person a service or measure at the latest three months after becoming a jobseeker.

The Finnish YG scheme has raised EU-wide attention. Together with analogous models in Sweden and Austria, it has been noted as a good practice worthy of consideration across the whole EU area (Eurofond 2015). Still, evaluation of the Finnish YG model has produced more or less ambiguous results. The model has advanced participation in activation measures, but the benefits tend to concentrate on those who already have a vocational education. In the other words, the ability of the YG scheme to help young people in the most vulnerable situation in the transition process – those with no vocational education – has turned out to be relatively limited (Hämäläinen et al. 2014).

NEET: An unsettled concept

Since the 1990s, it has been impossible to discuss youth and labour market participation without mentioning NEET (Not in Education, Employment or Training). The concept was originally coined

to refer to British school-leavers who were not entitled to unemployment allowance because of their age (Furlong 2006). Over time, the concept has been extended to cover various combinations of inactivity and unemployment. Although NEET is now an established category in labour market statistics, there is no standard international definition; for example, age limits vary in different studies and statistics. Moreover, the definitions applied tend to be influenced by actual policymaking: NEET does not mean an extension of unemployment only; a key motive for identifying NEETs is precisely to locate those youths who are at risk of social exclusion and should therefore be targeted in policy measures.

This popular and attractive concept has also come in for much criticism. One area of critical discussion has concerned the associated moral undertones of the concept. Pointing as it does to the group of young people based on ‘what they are not’, the concept is a source of negative identity (Yates and Payne 2006, Furlong 2006). Regardless of whether or not this is intentional, it can easily spill over to stigmatisation and victimisation, whereby problems with labour market integration are reduced to the individual’s suspicious life choices (Serracant 2014). The problems extend to the level of grass-roots action as well. Holte (2017) describes the difficulties of motivating young people to attend measures when the initial contact is via a negative identity. By and large, instead of addressing structural inequalities, NEET ‘is more commonly used to refer to people than situations, which leads research and intervention on the phenomenon to tend to focus on individuals and their shortcomings’ (Serracant 2014).

Another point of criticism concerns the scope of the NEET concept. It struggles to distinguish between different reasons for not working or studying. Lumping together people who are ‘long term unemployed, fleetingly unemployed, looking after children or relatives in the home, temporarily sick or long-term disabled, putting their efforts into developing artistic or musical talents or simply taking a short break from work or education’ (Furlong, Cartmel and Biggart 2006), the concept is clearly not

the optimum tool for identifying clients for inclusion in policy measures aimed at the prevention of social exclusion. Paradoxically, however, the concept is also too narrow and restrictive: research that focuses on NEETs overlooks many other problems young people face in the labour market (Furlong 2004). Roberts (2011) emphasises the risk of the ‘missing middle’, where attention is sharply concentrated on NEETs – or those with special success in transition. This polarisation might restrict the formation of a holistic understanding of youths and their multiform paths towards adulthood. On the other hand, insecurity and difficulties in labour market integration are by no means limited to young people or to the present time (Serracant 2014).

Labour market attachment and youth in Finland

Undoubtedly, the recession that began in 2008 increased young people’s difficulties in integrating into the labour market. Figure 2 depicts the unemployment rate in Finland from 2005 to 2015.

[Figure 2.]

Two trends are clearly visible. Firstly, youth unemployment is more than twice the general level. Secondly, gender merits attention. Overall, the rise in unemployment is more notable in men, and the gender difference is remarkably wider among young people.

In the wake of recent global economic insecurity, concerns about transition problems have become a matter of deep public concern in Finland. In the autumn of 2016, the release of the ‘Education at a Glance’ report (OECD 2016) caused heated public debate in Finland about NEETs. According to the report, the proportion of NEETs among 20–24-year-olds was 18.8 per cent for men and 15.0 per

cent for women (Table 1). The figures were clearly higher than in the other Nordic countries, and generally at a very high level when compared with all OECD countries.

[Table 1.]

Although the alarming figures for (male) NEETs no doubt reflect real difficulties, part of the explanation probably lies in the statistical tools employed and the difficulties in accurately capturing the transition from education to work. It is unlikely that all those who are classified as NEETs are in fact marginalised.

A closer look revealed the problems in formulating the indicators for the difficulties in youth labour market attachment. Asplund and Vanhala (2016) have analysed the Finnish crude data from the OECD report in more detail. Their results show that the largest NEET group consisted of the unemployed (55%), followed by the ‘undefined inactive’ (38%) and finally pensioners (7%). Even figures for the unemployed are problematic because of the inevitable overlap between the categories of student and unemployed.¹ Kauhanen (2017) estimated that about one half of the unemployed in the 15-24-year-old age group are full-time students. Moreover, only one in three of those who were unemployed in 2013 had the same status in the previous year, while among the inactive, less than half (41%) had the same status the following year (Asplund and Vanhanen 2016). By and large, the NEET indicator used in the OECD report is probably oversensitive, and it yields a large number of false-positive cases.

¹) In the Finnish context, the distinction between the statuses ‘unemployed’ and ‘student’ is not clear-cut. If a student is not working but actively seeking employment and prepared to accept a job offer, they are classified as unemployed in the Labour Force Survey. This classification does not provide the grounds for unemployment allowances.

Research question

Our aim was to explore transitions into post-basic education and the workforce in Finland for the 2005–2013 period. By using novel datasets and methodologies, we aim to address some outstanding research needs and to shed light on some grey areas in earlier research, while also questioning the idea and uses of the NEET concept.

Critics have repeatedly drawn attention to the obscure and incremental definitions of NEET and its tendency to be viewed as a status in its own right. Instead of employing the NEET concept, we therefore prefer to use the term ‘straying path’ to describe weak labour market attachment as a complement to ‘mainstream paths’. ‘Labour market attachment’ refers to the period of the life course that – after completing compulsory school education – consists of simultaneous and consecutive episodes intended to acquire specific knowledge and skills, and to stabilise occupational/professional labour market status, as well as transitional episodes between them.

Research on transitions requires longitudinal data. Moreover, as movement between statuses is relatively frequent among adolescents and young adults, longer follow-up times more reliably identify various transitions, particularly in groups with weak labour market attachment (Bäckman and Nilsson 2016, Tamesberger and Bacher 2014, Furlong 2006).

Using register data, we followed up a cohort of young people from the age 18 to 26, i.e. over a period of nine years. To our knowledge, there is only one earlier study (Bäckman and Nilsson 2016) that has used longitudinal register data for transition research. The registers in question cover the target group in full, particularly with respect to the follow-up; this is an important advantage of the method compared to surveys, where non-response and sample attrition may be a source of bias.

The statistical tools we used also represent an improvement over the rather crude and simple analyses of the earlier research. Using multiple response trajectory analyses, we aimed to obtain an in-depth understanding of how a complete cohort of young people moved between education, employment, unemployment and other forms of inactivity during the follow-up time.

To sum up, this study aims to contribute to the discussion about young adults' labour market integration by:

- applying multiple response trajectory analyses to identify the different trajectories through which men and women transit from studying to the labour force during their life course from the age of 18 to 26;
- paying special attention to the size and characteristics of the trajectory groups that seem to have difficulties entering both education and employment.

Data

The dataset was derived from national registers maintained by the Finnish Centre for Pensions and Statistics Finland. These administrative registers cover all pension-insured persons in Finland. The groups studied consist of individuals born in 1987 who were found in these registers in 2005 (29,383 men and 27,784 women).

This population cohort was followed up for nine years to 2013 with respect to labour market attachment, which was measured by four indicators for each calendar year: employment, education,

unemployment allowance and other social security benefits. The corresponding variables were as follows:

Employment = Employed in the private or public sector or self-employed.

Education = In education leading to a degree and/or in receipt of a universal state student grant.

Unemployment allowance = Receipt of either earnings-related or basic unemployment benefit.

Social security allowance = Receipt of parental allowances or sickness benefits, in vocational rehabilitation or on disability pension.

Each indicator was measured in days and dichotomised into 0 (no days) or 1 (>0 days).

Consequently, the number of statuses an individual could assume during one year ranged from 0 to 4.

The main data is owned by the Finnish Centre for Pensions (ETK). In essence, the ethical principles of data management and research in general are based on the role of the Finnish Centre for Pensions as a public authority (ETK 2015). These principles cover the data used in this study as well. The merging of the data from the different registers required the use of personal identity numbers, which we then deleted prior to statistical analysis. Due to the sensitive information contained in the data and the data's ownership, we cannot make our dataset openly available.

Methods

The nine-year labour market attachment in the cohort was studied using group-based trajectory modelling (trajectory analysis, TA). TA is the application of finite mixtures modelling applied to

longitudinal data (Nagin 1999; 2005). It assumes that the population is composed of a mixture of distinct subgroups, each defined by their developmental trajectories. Mixture modelling has been used in various applications, mainly in the fields of psychology (e.g. Nagin and Odgers 2010; Nagin 2016; Vézina and Poulin 2019), sociology (Hynes and Clarkberg 2005; Don and Mickelson 2014) and health sciences (Nummi et al. 2014; 2017a). In youth studies, the method has been used in research on gambling (Edgerton et al. 2015).

The conceptual aim of TA is to identify clusters of individuals with similar trajectories (subgroups) over time. In practice, this is done in two phases. The first step is to use the Maximum Likelihood (ML) method to estimate the parameters of the trajectory curves and the share of each subgroup in the total sample. Then, using these estimates, each individual's posterior probability of belonging to each subgroup is calculated. In the last step, it is customary to assign an individual to the subgroup where his/her posterior probability is the highest. In practice, the trajectory curves are often modelled by a simple polynomial function on age. It should be noted that the method is not limited to continuous data only; all members of the exponential family of distributions (e.g. binomial, Poisson and normal) can be used.

A multi-trajectory approach is designed to analyse linkages between the trajectories of several distinct but related outcomes (see Nagin et al. 2016; Girard et al. 2018). In our application, we had to model up to four labour market outcomes, as a young individual could simultaneously (during one calendar year) occupy more than one position at the time. We preferred the analysis of binary (binomial) labour market status instead of using the length of yearly stay in the status (months). This made sense because an individual can be in more than one position at the same time, so the unique quantification of the stay in these positions is therefore quite challenging. Furthermore, our interest lies in the individuals' stay in these positions rather than the quantitative analysis of these

positions (see Nummi et al. 2017b). This approach also produced a numerically more stable solution to this computationally challenging analysis.

After the initial explorative analysis with different polynomial degrees, we decided that the most appropriate model for each of the four binary positions was the second-degree polynomial on age. This model was flexible enough to also allow non-linear development within the trajectory subgroups. The final model was estimated with the SAS-based procedure Proc Traj (see Jones et al. 2001; Jones and Nagin 2007).

Results

Selection of Model

One commonly used way to make the model selection is the Bayesian information criterion (BIC). In TA, this requires estimating models with a varying number of groups and selecting the model with the highest BIC score (SAS implementation). The Appendix Table 1 shows the BIC scores for models composed of five to ten groups. As can be seen, the BIC rises steadily (becomes less negative) with the increasing number of groups. The BIC score could rise even further with a larger number of groups. However, it did not make sense to increase the number of groups here, because we wanted the groups to have a meaningful interpretation and to remain large enough to have practical importance.

The ten-group solution mainly consists of fairly equal-sized groups and a few rather small groups. The smallest group for men included 536 individuals, or 1.8 per cent of the cohort. For the women,

the smallest group included 913 individuals, or 3.3% per cent of the cohort. The group sizes and characteristics are described below (Table 2).

[Table 2]

Transition Paths

The results of the trajectory analysis are depicted in Figure 2 (men) and Figure 3 (women). As the response variables were binary, the y-axis value of each status had to be interpreted as the estimated probability of having been in the status during that year. With respect to the transition process, we classified the trajectories into the category of typical ‘mainstream transition paths’, reflecting strong labour market attachment, or ‘straying transition paths’, mirroring weak labour market attachment.

Men

In the men, seven out of the ten trajectory groups represented what we consider to be the mainstream. Based on size, we characterised these seven groups as follows. ‘Working students’ (24.1%, n=7,068) started to graduate towards the end of the follow up, having worked quite regularly all the time. ‘Workers’ (12.9%, n=3,781) entered regular employment during the short time they spent studying. ‘Worker fathers’ (12.4%, n=3,646) resemble the previous group with respect to employment and studying, but they also increasingly received social security benefits, mostly parental allowances. ‘Studying workers’ (11.2%, n=3,287), in contrast to ‘working students’, studied less regularly and were more often unemployed. ‘Late onset workers’ (10.7%, n=3,141) seemed to attain a stable employment position after several years of instability. ‘Unemployed workers’ (9.9%, n=2,902) were regularly unemployed, but as they were also regularly

employed, so this group was considered to belong to the mainstream path. ‘Students’ (7.9%, n=2,307) preferred studying to working and – perhaps as a result – had relative difficulties in finding employment after graduation. In all, 89 per cent of men made the study-to-work transition via the mainstream paths.

The remaining three groups (‘straying transition paths’) stand out on account of their weak labour market attachment. ‘Unemployed’ (5.9%, n=1,738) were predominantly, but not solely, in unemployment. ‘Outsiders’ (3.3%, n=977) hardly appeared at all in any of the statuses indicating educational or labour market attachment. Finally, ‘disabled’ (1.8%, n=536) depended on social security benefits due to a permanent work disability.

[Figure 3.]

Women

In the women, six out of the eight trajectory groups categorised as mainstream transition paths were closely similar to those observed for men: ‘Working students’ (22.4%, n=6,208), ‘workers’ (14.6%, n=4,055), ‘late onset workers’ (12.9%, n=3,589), ‘studying workers’ (12.4%, n=3,454), ‘worker mothers’ (8.1%, n=2,255) and ‘unemployed workers’ (8.0%, n=2,222). There are two groups specific to women: ‘Student mothers’ (6.9%, n=1,912), who differ from ‘worker mothers’ in that they also studied; and ‘late onset students’ (3.3%, n=913), who first entered employment and after a few years began to study. The total proportion of women in mainstream transition paths was exactly the same as for men (i.e. 89%).

Two trajectory groups were considered to assume straying paths. ‘Precarious students’ (4.8%, n=1,328) tended to study to some extent, while employment was relatively rare and unemployment relatively common. ‘Mothers and disabled’ ²(6.5%, n=1,812) were also rarely employed, obviously on account of receiving maternity-related and to a lesser extent disability-related social security benefits.

[Figure 4.]

We further demonstrated the differences between the trajectory groups by the length of working life by summarising the overall length of the working life during the nine-year period, i.e. the sum total of working days (in years) (Figures 5 and 6).

[Figure 5.]

[Figure 6.]

The differences in labour market attachment are remarkable. Compared to the median length of working life at the age of 26 among those on ‘mainstream paths’, the figures for those on ‘straying paths’ is already markedly lower (5.1 years in men and 5.3 years in women) at this early stage of the life course.

²) This combination category was necessary because the data did not allow a distinction to be made between family allowances and sickness-based benefits.

Conclusions

The principal motive of this study was to increase understanding about school-to-work transition processes among Finnish youths. In particular, the study was an attempt to overcome the problems included in the use of the NEET concept by applying advanced longitudinal statistics. The empirical starting point was labour market attachment from the age of 18, when most people are still studying, to age 26, when they have mostly moved into employment. The follow-up lasted nine years, from 2005 to 2013. We set out to achieve this by developing a typology of ten transition paths, separately for men and women, based on whole population register data of the 1987 birth cohort and four-variable trajectory analyses of yearly studies, employment, unemployment and social security allowances. Most of the paths were considered to represent variants of ‘mainstream’ transitions, whereas three paths in the men’s grouping and two paths in the women’s grouping were placed in the category of ‘straying paths’.

For the vast majority, there were no major problems in terms of labour market attachment. It is possible to interpret the result as a modification of the ‘missing middle’; the analysis revealed a majority that is perhaps not following the ideal type of ‘normal biography’, but not could be classified as being at special risk of becoming marginalised (e.g. Roberts 2016, also Schoon and Lyos-Amos 2016).

The fate of the ‘normal biography’ is a recurring theme in discussions of young adults’ life courses. Our results for the situation in Finland portray an ambiguous picture: only a minority (25% men, 17% women) seem to enter the traditional path and enter employment upon completing their education. The most common trajectory (24.1% men, 22.4% women) was characterised by a back-and-forth shuttling between education and employment. Still, following the summation of changes for youths

made by Serracant (2015), the landscape is far from clear-cut. Without doubt, the period of youth has been extended in countries like Finland. Furthermore, the multiplicity of transition trajectories indicates increasing individualisation. However, the statements about de-linearisation and reversibility are more problematic. The finding that only a minority of young people follow the traditional path from education to work may be interpreted as evidence of a (post)modernisation or de-standardisation of life courses: school and work are no longer separate phases of life. Nevertheless, in the Finnish context, de-standardisation means most often simultaneous statuses, e.g. being a student and an employee.

Essentially, such de-standardisation is in line with the universalistic or Nordic transition regime, which, according to Walther (2006), is sensitive to individual choices in transition processes. Still, there are reasons to call into question whether this result truly depicts a radical and abstract turn to a new type of individualism in the spirit of post-modern life policy. More plausibly, the explanation lies at the level of institutional structures. In Finnish society, for example, these structures provide ample opportunities to mix work and studies. Educational institutions are highly flexible in this regard. The relatively scarce financial aid available to students makes working while studying an attractive option. Furthermore, the labour market is structured in a way that favours flexible – i.e. part-time and fixed-term – contracts for students. Studying and working at the same time is both possible and attractive (Saloniemi et al. 2013).

Nonetheless, the logic of the (transition) models is by no means stable. Jorgensen et al. (2019) point out that there has been a certain shift to a more market-oriented system in every Nordic country. They mention the way reversal or yo-yo- logic is treated in transitions. Formerly, this was not encouraged but at least tolerated. In the current situation, both employment and education standards strongly underline the direct and linear transition to the labour market. The policy articulation of this is the overall ‘speeding up [of] labour market entry’ (e.g. OECD 2019), as expressed by the stricter

regulation of education paths and new incentives both to the educational system and to the individuals utilising it. Time will tell if this process will lead in the direction Jorgensen (ibid.) foresees; e.g. increasing tensions between the individual choices and demands to tighten the leverage of ‘the system’ may be hard to avoid.

Despite the fact that the economic crisis that began in 2008 was nearly at its peak during the follow-up period, the clear majority of the cohort completed their transitions – albeit with minor difficulties – along mainstream paths. Thus, the crisis was not a fundamental disaster for the newcomers. Again, the high youth unemployment rates (Figure 2) – which are by definition cross-sectional – are only one dimension of the problem. The results are basically in line with approaches that underline the power of regimes in coping with youth unemployment (e.g. Dietrich and Möller 2016, Schoon and Bynner 2019); the crisis that swept the global economy during the follow-up period had a far less dramatic effect on young people in the Nordic countries than it did in southern Europe, for instance (e.g. Madsen et al. 2013).

Regardless of this positive overall picture, the analyses did also reveal some less fortunate paths. As our analyses were data-driven, the purpose was not to examine these paths in terms of any pre-defined NEET criteria. Our approach proved to be useful in its capacity to single out the problematic ‘straying paths’.

Although the ‘straying paths’ were equally common (11%) in men and women, a closer look revealed important gender differences. Our analysis produced three types of ‘straying paths’ for men. In about two percent (1.8%) of men, it seems that the reason for being outside the labour market was (permanent) disability. The size of this group corresponds to figures from other sources (e.g. Merikukka et al. 2018). Due to the nature of their health problems, most of these men are in fact inherently excluded from the ordinary labour market logic. On the two other ‘straying’ trajectories,

the problems are of a varying degree. ‘Outsiders’ (3.3%) have hardly any contact with the education system, work or even with unemployment benefits or other social security systems, whereas persistent unemployment is a key problem for a relatively large group (5.9%).

In women, about five per cent (‘precarious students’) follow a path characterised by sporadic studies and periods of employment and unemployment. A slightly larger proportion of women (6.5%) enter the ‘mothers and disabled’ path. In contrast to ‘precarious students’, family-related decisions are crucial in leading individuals onto this path, although it should be noted that the data did not make it possible to distinguish family-related from disability-related allowances (see Merikukka et al. 2018). In the earlier NEET literature, the connections between motherhood and difficulties entering the labour market have mainly been reduced to the question of teenage pregnancy (e.g. Yates et al. 2010).

However, our case underlines the institutional roots of the gender/labour market/family triad. In Finland, teenage motherhood is a very marginal phenomenon. A major reason why young mothers in Finland remain outside working life for long periods is the relatively generous public family allowances (OECD 2019). It is noteworthy that among women – in contrast to men – even the ten-trajectory solution did not reveal any ‘outsiders’.

In our longitudinal analyses, the proportion of young people with serious transition difficulties is clearly lower than the OECD estimate of NEETs (2016). This was the case especially in men: following our design, the proportion of men categorised with serious labour market difficulties was nearly half of those men categorised as NEETs according to the OECD report. A similar but less pronounced trend was observed in women. Among women, staying home for longer tends to adversely affect careers, earnings and the accrual of earnings-related social security benefits. Still, as a rule and in contrast with men, there is the prospect of re-entering working life later.

The time dimension in the discussion about the difficulties in the transition is somewhat ambiguous. It has been reported that the proportions of NEETs tend to decrease with time, i.e. cross-sectional studies show higher NEET rates than follow-up studies. The present study is in line with this tendency. On the other hand, a NEET status has a definite scarring effect on subsequent careers (Bynner and Parsons 2002, Bynner 2012, also e.g. Schoon and Lyons-Amos, 2016). Our time span is not long enough to study the scarring effects soundly, but the accumulation of years in employment by the end of the follow-up might contribute to the effect of the scarring; the results clearly highlight the differences between the trajectory groups.

The low level of participation in work in the ‘straying path’ depicts not only the low labour market status, but ~~also~~ the adverse implications for long-term earnings as well (Figures 5 and 6). We can argue that future old-age security is already polarised when comparing the ‘straying path’ and ‘mainstream path’ of this study. As in many other countries, Finland’s statutory pension system is based on earnings from work. The differences seen in the length of working life at the age of 26 predict significant differences in pension security later on in the life course. - Although labour market attachment progressed smoothly for the vast majority, one should not underestimate the problems some young people face in their transitions. The true challenge for policymakers and authorities is to develop measures specifically tailored to reach the relatively small number of young people with real and serious difficulties.

The method utilised in this study offers a perspective on youth, education and the labour market in a landscape that is considerably different from the approach in the mainstream NEET discussion. There are several reasons why the traditional NEET concept is unsuited to cover the diversity of the transition. The fact that frequent status shifts are typical among young people creates methodological challenges. By virtue of the large and comprehensive dataset, the nine-year follow-up from 2005 to 2013, and the advanced statistics employed, our study provides novel empirical evidence about labour

market attachment during early adulthood and contributes to the previous critical discussions of the NEET concept. Conclusions based on the situation at one point in time alone involve an inherent risk of over- or underestimation. Our explicit methodological aim in this study was to capture the dynamics of status changeovers that constitute the transition processes, and thus to overcome some well-known problems related to NEETs and transition studies in general. These problems can be solved in part by applying study-designs where certain flows in the labour market are followed from point to point. Multi-response trajectory analysis, however, offers the crucial benefit of recognising that individuals can have more than one status at the same time, which means a more detailed insight into the dynamic nature of labour market behaviour is possible.

The use of large register datasets offers important advantages, but it presents some limitations as well. Our dataset was not only representative; it covered the whole cohort. The public responsibilities of the Finnish Centre for Pensions define the nature of the register. The centre has a duty to guarantee the reliability of pension provision. Consequently, pensionable incomes are the backbone of the register, and the data coverage is high. On the other hand, the register does not cover various unofficial forms of working, such as those related to the grey economy. Still, the basic nature of the Finnish labour market only rarely allows individuals to assume long-lasting careers outside pension schemes. Certainly, the epistemic shadow is more immediate; the data used have a limited capacity to shed light on the intentions of labour market actors, in our case the intentions of the youths.

By and large, the mechanical generalisation of the results of this study would be pointless without an awareness of the power of the contexts and policy regimes. The approach we have applied nonetheless represents one possible and useful way to unravel the complexities of transition processes, and it can be replicated in contexts where corresponding register data are available.

Despite the manifold instruments to smooth out the obstacles in the transition from school to work, the system seems to have difficulties in dealing with a certain group of young people. For instance, the Youth Guarantee has been a success in various ways, yet unfortunately it has not been able to respond to the needs of young people with major problems (OECD 2019). Basically, our results are in the line with the previous results. From a policy perspective, the main aim is to minimise the flow onto the ‘straying paths’. The high coverage of the Finnish educational system should provide a proper framework for the measures in that respect. Following our results, the strategies employed ought to be gender-sensitive. The main reasons for young women to remain outside the labour market are related to family responsibilities. For young men, the overall weak connection to the educational system is the basic problem: e.g. in 2005, 11 per cent of women but 17 per cent of men aged 25–29 years had only a basic education (OSF 2018b). The role of education can hardly be overemphasised; in the-OECD wide comparison, the proportion of young people with post-basic education was the most essential predictor of an easy transition (Karmel 2017). In both cases, the individualisation of the problem is simple: there is a lack of personal motivation in education or a personal preference to stay at home instead of working. Nevertheless, the transition process is framed by diverse structures, but it is an area for different – hopefully evidence-based – interventions policy measures and experiments.

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Figure 1. Schooling and support pathways for the young in Finland. The arrows indicate the average age of graduation from vocational school and university.

Figure 2. Unemployment rate 2005 - 2015 by gender and age in Finland

Figure 3. Transition paths, men

Figure 4. Transition paths, women.

Figure 5. Distribution of the length of working life on 31 December 2013 in men, years.

Figure 6. Distribution of the length of working life on 31 December 2013 in women, years.

Table 1. The percentage of NEETS in men and women aged 20–24 years old in 2013.

	Men			Women		
	Inactive	Unemployed	NEET rate in	Inactive	Unemployed	NEET rate
OECD	6.5	8.0	14.5	10.9	5.7	16.6
Finland	10.1	8.7	18.8	8.4	5.6	14.0
Norway	5.9	4.2	10.1	7.1	2.1	9.2
Sweden	4.5	6.6	11.1	5.6	3.3	8.9
Denmark	6.3	3.0	9.3	5.1	2.4	7.5

Source: OECD (2016).

Table 2. Relative group sizes for men and women.

Group	Men		Women	
	N	%	N	%
1	536	1.8	1,812	6.5
2	7,068	24.1	1,328	4.8
3	977	3.3	6,208	22.4
4	1,738	5.9	2,222	8.0
5	3,646	12.4	4,055	14.6
6	3,781	12.9	3,589	12.9
7	3,287	11.2	3,454	12.4
8	3,141	10.7	1,912	6.9
9	2,902	9.9	913	3.3
10	2,307	7.9	2,255	8.1
<i>Total</i>	<i>29,383</i>	<i>100</i>	<i>27,748</i>	<i>100</i>

Appendix Table 1. BIC scores.

Number of groups	Men	Women
5	397,394.8	402,679.3
6	394,416.6	397,670.8
7	392,805.3	395,155.5
8	389,319.8	390,418.9
9	388,689.7	388,266.7
10	386,675.1	386,127.0

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