

Exits from temporary jobs in Europe: A competing risks analysis

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We study here the determinants of the transition out of temporary jobs using the waves 1994-1999 of the European Community Household Panel with methods for discrete duration data. Specifically, we use a multinomial logit model (MLM) distinguishing between exits into permanent employment and non-employment. Two different specifications are presented, the first does not account for unobserved heterogeneity while the second does. In it, unobserved heterogeneity is assumed to follow a discrete distribution. This avoids the IIA assumption that is implied in the MLM. The competing risks model is estimated jointly for all the Member States as well as separately for Spain, UK and Denmark. There are some interesting differences, at the EU-level, between men and women. Some factors affect the hazard rates of both groups in the same way. The experience of non-employment before entering the temporary job, the labour market conditions, elementary occupations tasks, the private/public type of the job seem to increase job instability. Significant unobserved heterogeneity parameters are found. The duration dependence parameters suggest that in general for EU as a whole, very short contracts provide higher chances of labour market exclusion especially for men.

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