

**SIXTH FRAMEWORK PROGRAMME
PRIORITY 7
Governance and Citizenship in a Knowledge-based Society**



Contract for:

COORDINATION ACTION

Annex I - "Description of Work"

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in the Knowledge Society**

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1. Project summary

The *European Low-wage Employment Research* network **LoWER**, which started in 1996 under FP4, will continue its activities with a focus on the uncertain position of the low skilled in societies that are increasingly functioning on the basis of formal knowledge, particularly for allocating jobs – and thus income, social status and self-esteem. The network provides important links to new research including that of many European projects. It will consolidate its membership, broaden its base in the candidate countries and extend its focus.

The study of changes occurring in the functioning of present-day labour markets and work organisations regarding skill contributes importantly to the understanding of developments towards and potential effects of a knowledge-based society. In the low-skilled and low-paid labour market the structures of time (part-time jobs), skills (overeducation and lacking training) and households (worklessness, inheritance) are evolving rapidly, with strong interactions, to the disadvantage of low-skilled persons and social cohesion. The overall objective of the network is to stimulate the study of these trends by bringing together, under the unifying theme of the insecure perspectives of the low skilled (workshops, open-call conferences, expert groups, exchange of personnel), scholars who have built a tradition of research co-operation in the relevant fields that stretches well beyond the network itself.

The work is organised in four packages addressing

- 1) individual mobility & employer behaviour (abbreviated as **Mobility**),
- 2) household behaviour & intergenerational transmission (abbreviated as **Households**),
- 3) gender & skills (abbreviated as **Gender**) and
- 4) skills & training (abbreviated as **Low Skills**),

each contributing to the study of the above trends. Interestingly, levels, processes and trends differ significantly across countries (e.g. part-time employment is declining in some countries and increasing in others) and much can be learned from international comparisons, including the USA. They will also be considered from different angles: micro, meso and macro, and explicitly address the demand side. The activities go beyond pure analysis to enable policy recommendations.

2. Project objectives and state of the art

After an introduction to the overall objective of the proposed network activities together with the essential issues concerning the low skilled (Section 2.1), the remainder of the chapter (Section 2.2) will present in more detail each of the four main aspects: mobility, households, skills and gender, that shall structure the activities of the network by means of work packages. Taken together they sketch the current state of the art and indicate the expected value added. Since 1996 the **LoWER** network has been studying these issues and arguing their policy relevance, organising a succession of workshops and conferences as the primary means for achieving this and maintaining an active dissemination policy. In many respects, the network's output makes up the state-of-the-art in research on low pay and skills in Europe. As a thematic network in the TSER programme it addressed the basics of data, analysis and policies (1996-98) producing six books and several reports. As a socio-economic Key Action network it focused on the (product) demand side of low-wage labour in a direct comparison to the USA, stimulating various important research projects, producing a substantial report to the European Commission and at this stage having a pipeline filled with several books and a journal issue. Now, under Priority 7 of the Sixth Framework Programme, as a Coordination Action the aim is to more systematically tackle the low skills issue from different angles while at the same time including the new Member States in the international comparison and intensifying joint work.

2.1 *Project objectives and the interest of the low skilled*

Before turning to the issues pertaining to the insecure perspective of the low skilled we like to stress that the *overarching objective* of the activities will be to stimulate:

- 1) the undertaking of new cooperative and comparative research, primarily between the members of the network but also with outside experts, on the rapid and radical changes that are occurring in the functioning of present-day labour markets and work organisations

and particularly the way these affect the role of skills – both the skills required by the jobs and those offered by labour supply, and

- 2) the discussion about new results of research concerning these subjects starting from an internationally comparative point of view and in a scientific as well as a policy perspective, involving network members as well as other scholars and policy makers on both ends (as partners in the debate and as contributors of results).

Thus the network hopes to contribute importantly to the better understanding of developments towards and potential effects of a knowledge-based society as in the low-skilled and low-paid labour market the structures of working time (part-time jobs), skills (both overeducation and lack of continuous training) and households (worklessness, inheritance) and the embedding in other activities (household care, studies) are evolving rapidly, with strong interactions, seemingly to the disadvantage of low-skilled persons and of social cohesion.

This will be done by means of:

- the organisation of four workshops at regular intervals, with own papers and invited paper presentations and discussants;
- the organisation of three Annual Network Conferences with an open call for papers by other researchers, paying attention to all four themes but each time with a leading theme taken from the Work Packages: Households (WP1), Mobility (WP2), Gender (WP3) and Low Skills (WP4) respectively;
- the organisation of a concise dissemination meeting bringing together and presenting the results;
- exchange visits of researchers;
- the establishment of expert groups drawing in others from outside the network for direct research co-operation.

What motivates these activities? The societal position of low skilled people has been of increasing concern in recent decades. In a perspective that knowledge and skills will be playing not simply an increasing role but a predominant role in society – an expectation underlying the very coining of the concept of the “knowledge-based society” – the further evolution of their position and the possible or impossible mending of the concerns about the low skilled is essential to social cohesion. The individual positions of the people concerned may be negatively affected but so may society as a whole, e.g. by increasing criminality. The functioning of the labour market is key to the undermining of the low-skilled’s position.

Increasingly, not least because of rising participation rates for women, the labour market is central to any person's achievement of well-being. Jobs and incomes depend on it and they go hand in hand with direct (benefits, health insurance) and indirect entitlements (household formation, social status). Effects on society may be reflected in higher levels of criminality. In the labour market and society at large formal skills have gained importance and the acquisition of skills among the population has grown very rapidly. Certainly, the shares in the population of those without qualifications have decreased but they are far from disappearing entirely. Neither have the low-skill jobs vanished. A convincing case can be made for analysing the role of the low-skills segment of employment in relation to the future development of European societies.

Low-skill and low-wage employment is important from a policy point of view but it is also highly interesting from a scientific point of view. It is an area where a whole array of factors is at work. By way of introduction, we dwell very summarily on a few major trends influencing this segment of employment with strong mutual interactions.

Table 1 Share of low-skilled persons in employment (%)

	1979	1985	1989*	1996
United States	22	17	15	11
France		40	19	12
Germany		14	14	8
Netherlands	55	45	34	31
United Kingdom			55	47

Source: Salverda et al., 2001¹

First, the *skill structure* changed not only at the aggregate level but also within the low-skills segment as is illustrated by the rapidly declining share of low skilled people on low-wage jobs. Naturally, low-skilled labour supply also fell but the figures should not be taken to imply that the share of jobs demanding low-skill qualifications has fallen equally. One of the aims of the research below is to clarify these issues and consider whether low-skill jobs are increasingly occupied by better qualified people leaving less and less room for the low skilled to be employed.

¹ The research drew on national datasets after an evaluation of European datasets (ESES, ECHP) that concluded that their coverage of (low-wage) employment is rather incomplete.

Table 2 Share of part-time jobs in low-wage employment (%)

	1979	1985	1989*	1996
United States	42	41	42	40
France		24	25	36
Germany		42	56	50
Netherlands	26	39	46	60
United Kingdom			48	48

Source: *ibidem*

Second, the *time structure* is changing rapidly in the sense that, particularly in the Continental countries, the shares of full-time jobs in low-wage employment are declining. They seem more stable in the United States and the United Kingdom. A possible implication is that the low skilled find it increasingly difficult to find a job providing a living wage. The much larger employment participation gap between the best and the least skilled for women than for men seems a good illustration of this (Figure 1).

Third, what can be termed the *household structure* of employment, that is the relationship of jobs to labour supply at the household level, is shifting. It is an important issue to find out how this relates to skills. Do the above tendencies in low-wage employment cumulate in the worklessness of households?

Table 3 Share of no-job households among households <65 years (%)

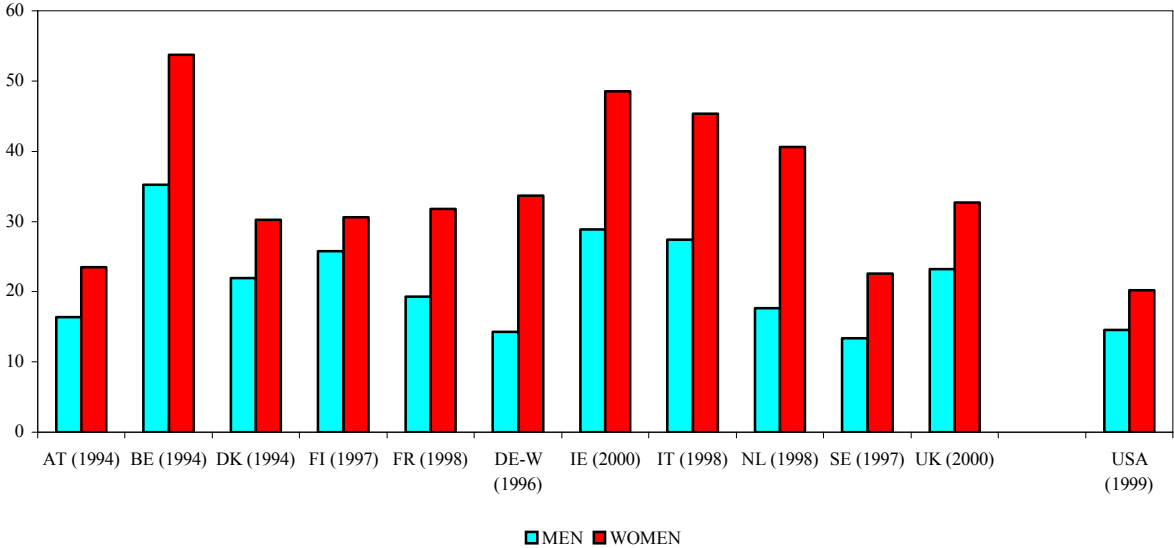
	Germany	France	Netherlands	United Kingdom	United States
end 1970s	11.9	6.0	17.8	7.4	4.6
mid-1990s	10.9	13.0	17.8	14.0	4.4

Source: *DEMPATEM project, preliminary outcomes*

Naturally there is more going on, e.g. the role of ethnicity, and its is important to realise that the trends are reinforcing each other and mix with other variables – for example, part-time jobs relate strongly to gender as well as household types. Part-time jobs also go together with a changing social embedding of the low-wage labour market. Increasingly, labour market activity is combined with care activities within the household or with following an education by young people.

It should be clear that important differences occur between countries and that studying flows as well as employer behaviour will be important for understanding what is going on. The issues will surface in each of the four themes spelled out below.

Figure 1 Difference in Employment-to-Population ratios of upper and lower education quartiles, 1998 (percentage points)



Source: Glyn, *Inequalities of employment and wages in OECD countries*

2.2 Work package descriptions

The activities will be structured into four working packages, each of which will bring together the network members who are working on one of the above issues. The objectives of each are to take stock of the state-of-the-art in the particular area and promote the research cooperation and discussion of results mentioned above in that area. In the wider framework of the network they will also contribute to the discussion on the results from the other areas and mutually link their research efforts where this seems useful and feasible.

A. Increasingly left behind?

Team coordination: Stephen Bazen (Annecy), Ana Cardoso (IZA/Braga)

Team members: Mary Gregory (Oxford), Brian Nolan (Dublin), Ioannis Theodossiou (Aberdeen), Wiemer Salverda (Amsterdam), Niels Westergård-Nielsen (Arhus) and Thomas Zwick (Mannheim); Florence Jany-Catrice from Ille University, France, and Giovanni Russo from Trieste University, Italy, will be involved as invited experts.

A key finding in previous work is that labour market disadvantage is highly correlated with factors such as unstable employment patterns, loose labour force attachment, “dead-end” jobs and low participation. Also, labour market regulations in a number of European countries may discourage employers to employ entrants in ordinary jobs, which in it self creates a segment of workers who can only get temporary jobs. This group will be characterized by high turnover and low level job quality (de Koning, Layard, Nickell and Westergård-Nielsen, 2003).

The aim of this work-package is to examine the relationship between individual mobility, job characteristics, employer behaviour and earnings inequality with a clear focus on the role of skills.

Three major issues will be addressed:

- the effect of movements between different jobs and types of employment and earnings inequality,
- the effect of employment flows and “entry jobs” on the extent of earnings inequality, and
- the motivation of employers to provide training and integrate low-wage employees into modern participative work organisations and firm-internal career ladders.

A.1 Labour market mobility and earnings inequality

The availability of high quality panel data enables individuals to be followed over a period of time in which they may change jobs, industries and/or labour market status. In this way it is possible to identify how individuals came to be in the job they occupy and what are the consequences of their mobility for earnings inequality.

The first stage of the project will identify the main changes in the labour market over the past decade for a number of European countries:

- (1) Analyse how the industrial composition of employment has changed over the time period.
- (2) Examine the changing proportions of full and part-time employment by industry and age over the time period for the participant countries.
- (3) Investigate the change in the occupational/industry structure of employees in employment by gender and earnings inequality.
- (4) Investigate the relationship of the change in the occupational/industry structure of employees in employment and the change in earnings inequality.

In a wider context, attention has to be paid to the characteristics of those who never change jobs or industry compared to those who do and to those who change occupation and industry compared to those who do not. To aid the understanding of whether the growth in part-time employment is demand or supply motivated, the nature of part-time work also needs to be considered with special attention being paid to changes in the nature of this work.

On the basis of the European Community Household Panel (or its successor), first we want to determine transition rates for each year for occupational, industrial, full- to part-time and part- to full-time transitions. These transition rates would be cross-referenced by age, gender, experience and earnings. Examination of the year-on-year transition rates will show the industries where individual labour market mobility is most pronounced and together with our initial investigations should facilitate the identification of the relative contributions that individual mobility and new entrants have made to the emerging employment patterns in European countries. One can then proceed by adopting a more sophisticated econometric technique to modelling the observed sequence of individual labour market states found in the panel. The analysis should provide insights into how individuals came to be in their present occupation/industry, a measure of how important individual mobility has been to the process of change that is observed, and the effects on earnings inequality.

A.2 Do employment flows lead to greater overall earnings inequality?

Individuals starting jobs either as school-leavers, returning child-carers, displaced workers from other jobs or the unemployed finding work are three times more likely to be low paid than someone who has held down a job for a few years (Bazen, 2003). Work by Gregg and

Wadsworth (2000) on entry jobs shows that they are disproportionately low paid in the United Kingdom. Thus the flow into employment is characterised by lower earnings than those among the existing stock of employees. To some extent this situation can be justified on economic grounds since “job-starters” may have less work experience and on-the-job training, or may have redundant or depleted skills due to changing sector or a long spell of unemployment. If this is the case, we should observe a certain degree of earnings mobility over time as these workers gain experience or are re-skilled, and therefore lower earnings inequality (see for example, Lynch, 1993, and Dekker, De Grip and Heike, 2002). However, if the lower wages earned by job-starters are the result of employer behaviour, then the only way of moving up the earnings distribution is to leave these “dead-end” jobs.

Of key importance therefore is the quality of entry jobs and the opportunities for earnings progression within that employment. This will depend on career structures within firms and the existence of opportunities for on-the-job training. If, on the other hand, entry jobs are of a “dead-end” nature, the increasing employment flows will exacerbate earnings and labour market inequalities. When seen in this perspective, the continuing decline of industry and the key role played by different types of service activity in European employment growth mean that the large flows into employment each year (representing between 10% and 20% of the stock in France for example) could give rise to increasing overall earnings inequality.

A two-pronged approach will be adopted. Firstly, it is proposed that the experience of a number of countries be studied for the second half of the 1990s up to 2001 or 2002, with the focus being on within-job earnings mobility and the analysis of transitions between job and labour market status. This research will require panel data, and while there are panels of limited duration in a number of national labour force surveys, the European Community Household Panel surveys would be an obvious choice. Secondly, an analysis of worker flows within the firm, of career structures and opportunities for earnings mobility will complement the analysis of the flows of workers into employment. For countries for which matched micro data on firms, jobs and workers are available, we will analyse the opportunities for economic mobility taking into explicit consideration the demand side of the labour market and the behaviour of employers. The following questions will be answered: What are the characteristics of jobs that are bound for promotions? Which are, on the contrary, the characteristics of dead-end jobs? The jobs-based approach to the labour market proposed by Lazear (1990, 1995) will be followed. The definition of the job will consider in particular its

level of complexity and skill requirements, both in terms of formal education and training, and the average wage paid.

A.3 Enterprise behaviour to train and increase participation of low-wage employees

Training and participation in decision making as well as internal career ladders provide possibilities to escape low-wage employment. The decision whether an employee participates in training is determined by the employer by comparing costs and benefits. On the one hand, the costs of training may be higher for lower qualified employees, because they may have greater barriers to learning or they may require basic skills that are difficult to teach in the framework of continuous training of adults. We observe, for example, that firms provide less training to those employees who need training in basic skills such as mathematics or the native language than to those with specific training needs (Kuckulenz and Zwick, 2003). In addition, the benefits of training lower qualified employees may be lower than for higher qualified employees, because, for example, increases in productivity may be limited. An analogous situation may arise for the participation of low-wage employees in decisions and internal career ladders. These questions gain importance because new workplace organisations, such as flatter hierarchies, more non-manager participation, teamwork, and internal careers opportunities etc. are important sources of competitiveness and increasingly in European firms.

Until now, mainly the (productivity) effects of training and new work places have been analysed. The selection of workers participating in these programmes is a neglected issue though the decision of firms on participation in training or inclusion in a more participative organisation of the firm clearly affects employment and earnings prospects. Several establishment level data sets concentrating on industrial relations allow international comparisons of these research questions that have not been analysed before in detail. Prominent examples are the British WERS, the German IAB establishment panel, the French REPONSE data set, or the PSID in the United States.

B. Increasingly left out?

Team coordination: Claudio Lucifora (Milan) and Abigail McKnight (London)

Team members: Jo Blanden (London), Lorenzo Cappellari (Milan), Simona Comi (Milan), Frank Cowell (London), Stephen Machin (London), Jonathan Wadsworth (London)

Markus Jäntti of Åbo Akademi University of Turku, Finland, will join the group as an invited expert.

Economic and social inequalities have been the focus of much academic research, and much policy discussion and evaluation in recent years. Indeed, some of the more important research findings have formed the building blocks of many policies implemented by European governments in their aims to quell the negative economic and social consequences of inequality.

There are several dimensions of inequality, both within generations and across generations. Important features of within-generation, or intra-generational, inequality include worklessness (at both individual and household level), poverty and low pay. Important features of across-generation, or inter-generational, inequality include links between the economic and social position of children relative to their parents, and differential access to education across household income groups.

The work in this part will study both of these, thereby focusing on issues to do with intra- and inter-generational inequality, how they have altered through time and how they differ across member States.

B1. Intra-generational inequality: workless households and the less skilled

The analysis and examination of most labour market data rely on information collected on individuals that is then aggregated to cover a population of interest. Unemployment and employment rates are almost always constructed in this way and are used as proxy measures of two rather different concerns about labour market performance: i) the extent of labour market slack and hence potential inflationary pressure in the economy and ii) the extent of social distress.

Alternative measures of social distress and exclusion such as poverty and inequality are typically based on household-level data. However, the labour market signals emanating from statistics based on these two levels of aggregation can be quite different. Despite steady growth in average employment rates across many European Union countries over the last five years, (OECD, 2002), there are doubts as to whether this recovery in jobs has been distributed equally. If future employment growth is going to be more skill intensive than in the past, what happens to those who lack the requisite skills?

Gregg and Wadsworth (1996, 2001, 2002) and OECD (1998) present evidence that suggests employment in several OECD countries is becoming increasingly unevenly distributed across households. A rising share of households with everyone in paid work has been accompanied by a rising share of households where no adult works. This, despite aggregate employment rates, derived from individual-based measures of joblessness, that are either unchanged, or even higher than those prevailing twenty-five years ago.

This finding of increased household worklessness raises an important issue for social cohesion. The household circumstances of jobless individuals are clearly important. Households lacking any wage income will be more likely to be dependent on welfare payments and more likely to be poor. This in turn has profound implications for the scale of government welfare finance for a given level of joblessness. The research reported in the 2001 *OECD Employment Outlook* shows that workless-household rates are far more highly correlated with non-pensioner poverty across countries than are individual-based unemployment or employment rates. Moreover, Dickens and Ellwood (2002) show how household-based employment patterns help explain how Britain combines an unemployment rate that is currently the lowest in any G7 country with very high levels of poverty and inequality amongst the working-age population. Jimeno et al. (2000) document the increase in inequality in the distribution of labour income across Spanish households, which they attribute to rising numbers of multi-earner households.

If labour market recovery can occur whilst leaving certain elements of the population behind, then there is a need to understand exactly who is being left behind and why. There is also a need to learn from any countries that have managed to distribute work more equally across households. Gregg and Wadsworth (2003) present a methodology for reconciling the signals coming from the individual and household-based jobless counts that allows the source of any discrepancy to be highlighted. This methodology could in principle be used to determine

whether particular sub-groups of the population, such as the less skilled, are particularly affected by unequal distribution of work. As yet we know relatively little about the characteristics of the individuals who comprise workless households. Nor do we have much information on the household distribution of work over a reasonable length of time for more than a handful of countries. Yet given access to household survey data sets, such as the Labour Force Survey, this is a relatively simple task. So far we are in the process of building contacts with other European partners with an aim of acquiring data for Belgium, Britain, Finland, France, Spain, Germany, and the transition countries of Poland and Estonia. This will allow us to calculate workless-household rates, assess whether the workless-household rate is out of line with the individual-based jobless rate and to identify the main characteristics of individuals who live in workless households. This information will then provide a more comprehensive view of how work is distributed in the European labour markets of the knowledge-based society.

B2. Inter-generational inequality: transmission of labour market earnings and household income across generations

Until relatively recently the study of cross-generational links was studied much more by sociologists than economists. There is a vast body of work in sociology studying social class mobility of children and parents, much of which has a cross-country focus (see Erikson and Goldthorpe, 1992). More recently, largely since good quality data on the economic status of children and their parents has become available, economists have begun to study the transmission of inequality across generations in more detail (Solon, 1999, reviews this work and Bjorklund and Jäntti, 2000, offers a very interesting discussion of differences in the economic and sociological approaches). Two important and high-profile academic papers, published alongside each other in the 1992 *American Economic Review*, by Solon (1992) and Zimmerman (1992) have made this a very active field in economics. These pieces pointed out serious methodological concerns with the rather sparse earlier empirical exercises, particularly due to their use of what was often rather ill-suited data.

There has also been a much longer running interest amongst students of the economics of the family looking at why some individuals achieve success in young adulthood while others do not. As Haveman and Wolfe (1995) summarized, success is typically measured by schooling attainment, occupation or earnings (income) level. In this work an important role is attached to parents' abilities, income and educational attainment in shaping children's future economic

success or failure. As such an important cross-generation link makes a connection between educational outcomes and the resources of parents (including income, time spent with and interest in children).

This part of the work intends to shed light on the intergenerational mobility patterns of economic status in Europe. The intention is to provide some systematic, rigorously derived cross-country evidence on the nature of correlations in earnings, education and poverty across generations in the hope of ascertaining the extent to which inter-generational inequalities and social exclusion result in there being some groups of individuals in specific family units who are always left out.

A second focus here will be on changes through time in the extent of inter-generational mobility of economic status. There is currently not much work on either of these (though see Blanden et al, 2002, and Mayer and Lopoo, 2002, on cross-time results for the United Kingdom and United States and Bjorklund and Jannti, 1997, on cross-country results for Sweden and the United States).

However, from a methodological perspective, adopting a cross-time or cross-country approach is very useful in one important regard. Some critics have argued that much of the inter-generational mobility literature is flawed in the sense that the numbers it produces suggest a lot of mobility to some observers, whilst others view exactly the same numbers as showing not much mobility. To illustrate this, research in this area often produces a single number summarising the extent of mobility which is derived from a statistical regression of children's earnings or income on parents' earnings or income. When specified appropriately a regression coefficient of 1 corresponds to complete immobility and a coefficient of 0 to complete mobility. In other words, a high value indicates a very rigid society because an individual's position in the earnings distribution is largely a reflection of his or her parents' position in their own generation's distribution, and a low value indicates a very mobile society in which an individual's socio-economic position does not depend on that of his or her parents. But the work says little on what is really high or low. For example, depending on their own value judgments, and on their preferences for equality of opportunity, some would view 0.4 (the Solon, 1992, and Zimmerman, 1992, best estimates) as corresponding to high mobility whereas others may view it as suggesting low mobility.

Adopting a cross-time or cross-country approach means one can at least benchmark against another estimate and see how things are changing or are different. This, of course, matters for saying whether things are getting better or worse or if country A has a better or worse position

than country B. Solon (2002a, 2002b) provides some theoretical and conceptual discussion of this.

Of course, one big feature of existing work on inter-generational mobility is that data availability is crucial as one needs good quality data on the earnings or income of two generations. In fact data requirements become even more stringent for carrying out cross-time or cross-country comparisons. This becomes exacerbated by the fact that inter-generational income elasticities can depend strongly on sample selection rules applied to data sources.

These data issues reveal that carrying out cross-time and cross-country comparisons is a highly ambitious project. However, we believe our research team to be well equipped to do so. Blanden, Cowell, Machin and McKnight are experienced users of UK and US longitudinal data which they will use to study these important questions, particularly on changes through time and to look beyond the average rate of transmission by considering different rates of convergence/divergence for different groups of individuals. Comi, Cappellari and Lucifora will draw upon data from the European Community Household Panel to consider cross-country changes. They also intend to study the issue of how educational inequalities are connected to intergenerational persistence in economic status, especially in the context of the knowledge-based economy where human capital seems to play a higher role than in the past. Jäntti will use longitudinal data from the Nordic countries as well as the ECHP to compare various ways in which economic mobility can be studied and how differences between different approaches come about. It is, for instance, well known that the similarity of economic outcomes of siblings is closely related to that between parent and child. Differences in these measures – for instance, the earnings correlation of parent-child and that between pairs of siblings – may reveal important aspects of how inequality persists. Applying this framework to other measures of economic and social status, such as class and education, will be considered by the team as it may shed light, along the lines suggested by Bjorklund and Jäntti (2000), through which channels inequality persists across generations.

C. Women's changing role: the challenge of gender and skills

Team coordination: Mary Gregory (Oxford) and Anu Laas (Tartu)

Team members: Miriam Beblo (Mannheim), Andrew Glyn (Oxford), Irena Kotowska and Anna Matysiak (Warsaw), Niels Westergård-Nielsen (Aarhus) and Wiemer Salverda (Amsterdam); Sara Connolly from University of East Anglia, Doris Weichselbaumer from Linz University, Austria, and Giovanni Russo from Trieste University, Italy, will be involved as invited experts.

Improving the status of women is one of the leading socio-economic objectives of the European Union and increasing women's employment is a key element in the European Union's Employment Strategy. Across the European Union the increased employment of women has already contributed the major part of the growth of employment over the past 30 years. In 1970 women made up just over 35% of employment in the major EU economies; by the end of the 1990s this had risen to around 45%. In the early 1970s around 50% of women of working age were in the labour force; this proportion is now typically over 60%. But this participation rate is still more than 10 percentage points below that in the United States, a factor which has been identified as one of the major sources of the 'jobs gap' vis-à-vis the United States. While in some old member states, notably the Nordic countries and the new members countries, the employment rate for women is already high, in general it must be expected that the trend towards an increasing role for women in the labour market still has some way to run.

While this increasing involvement of women in the labour market has many positive aspects a number of problems are emerging, particularly in relation to the position of the low-skilled. These problems take varying forms across old and new member states, and our purpose is to bring together research from the different national contexts into an EU perspective.

Perhaps the most common scenario is for part-time work for women to be rising more rapidly than full-time work, becoming an increasing proportion of employment. The growth of part-time employment has been particularly marked in the Netherlands, where over 30% of

workers now work part-time, but strong growth has also characterised particularly the United Kingdom and, more recently, France. This growth in part-time work is in many respects to be welcomed, allowing more women to combine labour market work and earnings with responsibilities for childcare. This is reflected in the rising labour market participation of women in the 25–44 age group, now prominent in part-time work. For this reason, among others, growth of part-time work is an element in the European Employment Strategy and the Employment Taskforce recommendations.

However, for the United Kingdom evidence is already strong that, at a time when improved educational attainment and greater labour market attachment are reducing the gender pay gap for women in full-time work, the part-time pay gap is becoming a major, and increasing, dimension of the gender pay gap. Not only are part-time jobs disadvantaged in terms of current pay, but a spell of part-time work brings an on-going disadvantage through a lower future pay trajectory, even after a return to full-time work. A striking feature of this pay disadvantage is that professional women, who are able to continue in professional jobs on a part-time basis appear largely to avoid it. The disadvantage centres on the lower-skilled (Gregory and Connolly, 2001). These are already the groups where ‘precarious’ employment is most marked, involving the cycle between low-paid jobs and unemployment. An additional widely documented dimension of these jobs is the low amount of training provided, further reinforcing the low-skills trap and employment insecurity.

The Netherlands, the other EU economy where part-time work has shown particularly strong growth, projects a different problem. The right to work part-time at a pro rata reduction in pay has meant that part-time work in the Netherlands is not strongly associated with a pay disadvantage. But at the same time this growth of part-time work may exert a significant external effect on the functioning of the low-skilled labour market as low-skilled labour faces increasing difficulty of finding the full-time jobs needed for a proper income. Similar experience on the potential disadvantages of part-time work is emerging for Germany. But there the most pronounced difference is between employment continuity, whether in full-or part-time work, and an employment break, with the employment break being the major source of pay disadvantage.

Figure 1 showed that, across the developed economies, the gap in employment participation between the best educated and the least educated is much greater for women than for men i.e.

women with low levels of education are much more likely than men to be excluded or exclude themselves from the labour market. The gap is particularly large in the Netherlands, and has been shown to have increased for women over the 1990s while it fell for men. Part-time employment is suspected of playing a significant role here. In order to be able to combine paid work with household activities women may be trading off working hours against job level, giving rise to a process of increasing skill-mismatch among women in part-time work. This may have knock-on effects in two directions. It reduces employment prospects for low-skilled women directly, as low-skilled jobs become occupied by better-educated women. Further, low-skilled jobs may increasingly become available only on a part-time basis which provides insufficient income to support a household. By contributing to the growth of workless households this will add significantly to the insecurity of the low-skilled. (in the Netherlands recent (female) employment growth predominantly went to households where there was already an earner, and household worklessness changed little).

While these problems of part-time work are most fully documented for the United Kingdom and the Netherlands, two of the countries where part-time employment has expanded most strongly, they are also becoming evident in other EU economies as well (see, for example, Asplund and Lilja, 2003, for Finland). Early diagnosis and analysis of the problems in a comparative framework should be pressed ahead.

In the Nordic countries, by contrast, a high participation rate for women has for long been combined with a decrease in the part time propensity, with the result that less than 20% now work part time. In Finland the incidence of part-time employment is now relatively rare and lower than in all except the southern EU economies, and is increasingly associated with retirement arrangements. But since the economic crisis of the early 1990s fixed-term employment contracts have grown sharply, with women disproportionately involved. Many more women than men working on fixed-term contracts do so involuntarily, because a permanent job is not available, and higher educational attainment does not protect them from this, as it does men. Again these jobs are concentrated in the typical female-dominated sectors of hotels and catering, retailing and healthcare. In the case of fixed-term contracts, as with part-time work, labour market disadvantage and insecurity weighs more heavily on women.

The newly accessed countries present yet another picture. Under the Communist regimes the 'gender equality policy' led to better education for women, childcare facilities and guaranteed jobs; flexible employment relations were rare. But as the post-Communist era has brought

economic restructuring and rising unemployment women's participation in the labour market has been declining in amount and deteriorating in quality. Part-time work is now playing an increasing role, mainly involving women, with part-time jobs typically in the service sector.

Although the skills gap and the gender pay gap have historically been much narrower in the new member economies, the doubt is now being expressed that women's good education will be insufficient to protect them in the new economic environment.

In sum, the labour market disadvantage of women is now taking a range of sometimes less familiar forms across the EU economies. In each set of circumstances the low-skilled are the most vulnerable.

This part of the work will first examine the changing role of part-time work for women within the European Union. How does it fit into changing life-cycle patterns? In what ways do these patterns vary across generations and across educational groups? How far does time spent in part-time work adversely affect future career trajectories in terms of earnings and occupational advancement? What are the implications of these developments for the incentives for women to acquire education?

Second, it will be enlightening to study the external effect of part-time employment on the low-skill labour market with the help of an international comparison with the countries where part-time employment has been quantitatively decreasing in recent years. Is it the better educated women who have increased their working hours with an even stronger concentration of part-time jobs at the lower end of the labour market? Given the fact that not all part-time jobs carry pay penalties it will also be helpful to know the options of stimulating high-level part-time jobs to alleviate the pressures of skill-mismatch.

D. Skills and continuous training

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Team members: Rita Asplund (Helsinki), Andries de Grip (Maastricht), Joop Hartog (Amsterdam), Irena Kotowska (Warsaw), Jasper van Loo (Maastricht), Kaia Philips (Tartu), Martin Ruhs (Oxford), Wiemer Salverda (Amsterdam), Ronald Schettkat (Wuppertal), John Schmitt (Washington), Peter Sloane (Swansea), Pawel Strzelecki (Warsaw), Jonathan Wadsworth (London)
Antje Mertens of the Max Planck Institute Berlin, Michel Sollogoub of Paris-I University and Patrick Werquin (OECD) will join the team as an invited experts.

In the field of education five interesting subtopics can be distinguished. It should be noted that training behaviour studied in A.3 above is that of employers, while here in D.4 the behaviour of employees is the focus.

D.1 Overeducation in low-skilled jobs?

A potentially important factor influencing the chances of the low-skilled in the labour market is the competition from better educated labour supply. In mainstream economic analyses the decreasing share of low-skilled workers in total employment is often interpreted as a decrease in the demand for low-skilled workers due to a decline in the quantitative importance of jobs demanding low levels of skill. However, the research on the decreasing demand for low-skilled workers in the skill-biased technological-change literature (Cf. Machin & Van Reenen, 1998) does not analyse the shifts in the skill content of the jobs in more detail, although Green et al. (2000) is an interesting exception on this point.

Analyses of overeducation are challenging this approach. The lead in the development of this literature was taken by the research in the previous projects of the **LoWER** network (Borghans & De Grip, 2000 and Sloane, 2003). However, also the research on overeducation is often situated at a more general level. To continue this field of research, that is highly relevant for the inclusion of low-skilled workers in a knowledge society, there seems to be an important research potential for studies that are internationally comparative and focus on:

- the development of the job contents in the low-skilled segment of labour market,
- the gender aspect of these developments, and
- the relation with part-time work and the combination of paid work with household activities.

We aim to exploit this potential. The approach of Statistics Netherlands (CBS), which enables us to characterize the job content of low-skilled jobs with respect to various tasks and skills, may help us to do so. With the help of its own occupational classification SBC-92 (2001 update) the CBS classified jobs into a range of five categories, ranking from elementary to scientific. The classification is related to the international classification of occupations ISCO88. This link offers some potential for the mapping of jobs into different job characteristics and the skills demanded in other European countries applying ISCO88. It can also be applied to US data with the help of DOT. The aim of this part of the project is to endorse this mapping for as many countries covered by the membership of the network as possible. On the basis of these outcomes a comparative study can be mounted on the skills demanded in the low-skill jobs and the kind of jobs in which higher skilled workers are crowding out lower-skilled workers from employment. Moreover, other data sources will be tapped for their information on the skills demanded in the low-skill jobs, as for instance the British *Skills Survey* and the German BIBB survey on “Qualifikation und Berufsverlauf”.

A particular look will be taken at the gender aspect, as the gap between job contents and personal skills seems to be larger for women than for men. This will be done especially in relation to the hours of work on the job to see whether different working hours may hang together with a different trade-off between skills requested for the jobs and offered by the occupant – implying also a link with types of industry, given the strong concentration of both female and part-time employment in certain segments of the economy (De Grip, et al. 1997). The attention paid to these aspects links this part of the project to part C, which deals with gender and low skills.

D.2 Skilling immigrants?

In most EU countries the numbers of foreigners and immigrants have risen significantly over the past ten years, as have their proportions of the total population. The flow of immigrants continues to rise, especially through channels for family reunification. However, the upward

trend is evident among all categories of migrants, whether they are joining family members, refugees, work seekers or asylum seekers. In addition, in a number of European countries children born to immigrants make up a growing proportion of overall births. This occurs against a background of growing labour market shortages in many European countries. Demographic developments imply an ageing work force and ultimately a declining population of working age. In the medium term, as early as 2010 for some countries, the increasing number of retiring baby boomers will in some occupations lead to a replacement labour demand. This will necessitate a more optimal use of the labour reserves that are available, including and especially among the immigrant population. Also, additional migration may well be required to fill specific shortages.

While the immigrant population does not constitute a homogeneous group it is clear that the labour market and wider societal integration of large sections of the immigrant population remains a major problem throughout the European Union. The participation rates of immigrants are generally lower than those of the non-immigrant populations and their unemployment rates higher (OECD, 2001). In many countries, the employment rate differentials between immigrant and non-immigrant population are quite significant, including for second and third generation migrants. For some countries there is evidence suggesting that disparities have increased (Lang, 2000; Bevelander and Nielsen, 2001). Moreover, immigrants that are employed are often found in sectors with a high incidence of bad-quality and low-paid work (OECD, 2003). Indeed, there is a clear tendency for immigrants to disproportionately occupy the lowest-paid, worst-quality jobs. Information obtained in the course or after regularisation campaigns shows that illegal employment of migrants is widespread and that working conditions in the informal sector tend to be far below standard (OECD, 1999; Reyneri, 2001).

The difficulties facing immigrants are attributable in part to the need for a period of adaptation, notably for newly arrived refugees, qualifications and experience which do not always match the needs of the labour market (or are not officially recognized as such, see Fiedberg, 2000), weak grasp of the host country's language as well as to the fact that they are often victim to discrimination and racism. Chiswick and Miller (2002; 2001) demonstrate the particular importance of language fluency as a determinant of labour market success and mobility. They also find strong evidence for the complementarity between language skills and

other forms of human capital and, using selectivity correction techniques, for the endogeneity between language and earnings. Similarly, a study by Shields and Wheatley Price (2002), which used data for the United Kingdom, confirms the crucial role of language skills in occupational success.

As economies are increasingly knowledge-driven, inadequate educational attainment is becoming the primary determinant of labour market disadvantage. Low educational attainment is a particular problem, not only among new immigrants, but also among second and even further generation immigrants; the intergenerational transmission of inadequate educational attainment and language proficiency is a pervasive phenomenon even among ‘old’ migrant populations. A range of factors account for this. Recent research on the linguistic adjustment of minority-language speaking immigrants has found that acquisition of destination-language skills is inhibited by living in an area where many others speak the same minority language.

LoWER members have accumulated considerable expertise in the analysis, particularly the cross-country comparative analysis of low-wage and low-education labour market segments and the impact of education, training and upskilling on the employment chances and earnings mobility of less-skilled workers. So far, the specific problems facing migrants have not featured prominently in most studies, although the data is often there. This is what we aim to redress within the framework of **LoWER3**. Particularly, we seek to identify, using cross-country comparative analysis, policies and practices that further the labour market integration and particularly the upward mobility of migrants, particularly from low-wage jobs. There exists considerable scope to extend studies that have been done for particular countries to a wider range of European countries (for example Bauer et al., 1998; Borjas, 1998, 1999; Eckstein and Weiss, 1999; Hu, 2000; Eckstein and Lecker, 2001; Lofstrom, 2002; Schaafsma and Sweetman, 2001; Constant and Massey, 2002).

To add further context, the scope of the analysis should transcend Europe. There is particularly good data – including the Current Population Survey and the US Decennial Census – as well as expertise available for the United States. The main value of the US data and analysis would be as an outside reference point or benchmark for the European analysis.

D.3 Skills of older people

The European Union is likely to be faced with an ageing workforce in the first two decades of the 21st century. Furthermore, there are divergent trends by gender with participation rates for older men declining and those for older women increasing. This means that the experience and outcomes for older workers are likely to have an increasing influence on the performance of the labour force as a whole. As Dixon (2003) notes in the case of the United Kingdom important issues are the need to maintain the employability of older workers who wish to stay on in employment or who cannot afford early retirement because of inadequate pension arrangements; the need to maintain the relevance of the work skills of older workers; and the need to ensure that geographical mobility of such workers, which is traditionally low, is sufficient to adjust to the future composition of jobs. These issues have been recognised by EU policy-makers and the Stockholm Council established a target employment rate of 50% for the 55-64 age group by 2010, compared to a level of 40% in 2000. The Barcelona Council of 2002 declared that “effects should be stepped up to increase opportunities for older workers to remain in the labour market, for instance through flexible and gradual retirement formulas and guaranteeing a real access to lifelong learning. A progressive increase of about 5 years in the effective average age at which people stop working in the European Union should be sought by 2010.” (European Union, 2002, p. 67).

This is a particular problem in Belgium which has the lowest employment rate for those aged 50-64 in the whole of the European Union. The law of 5th September 2001 passed by the federal government introduced a series of measures to deal with the problem including a reduction in employers’ social security contributions for older workers, a right to redeployment for those over 45 who are made redundant, arrangements for the supervision of new workers by older workers and the introduction of an agency to improve working conditions for those aged 55 and over by adapting jobs to the specific needs of this group. (European Union, 2002, page 28).

There are, however, a number of obstacles that have to be overcome if such policies are to be successful. There is a danger that the stock of skills acquired from education prior to the start of working life and training undertaken early in the working life will become obsolete as the average age of participants in the labour force rises and the rate of change in the knowledge economy quickens. As noted by Van Loo, De Grip and De Steur (2001) there has been

surprisingly little research on the causes of and the remedies for skills obsolescence. They find that there is considerable variation in the effectiveness of different remedies across varying types of skills obsolescence including job specific skills obsolescence, changes in the workers physical and mental capacities over time and skills obsolescence due to market developments. Following Rosen (1975), De Grip & Van Loo (2002) distinguish between technical and economic skill obsolescence. The first is due to the natural process of ageing, but may also refer to the wear of skills due to heavy working conditions that make it impossible for workers to stay in their job when they grow older. This particularly holds for low-skilled workers who often face heavy physical working conditions. Economic skill obsolescence is related to the shifts in the demand for skills mentioned above. Here too the older low-skilled workers may be heavily affected by this kind of skill obsolescence as they often lack the new skills demanded in several low-skilled jobs (e.g. communication skills instead of motor skills). Older workers in the Central and Eastern European member countries, moreover, often face skill obsolescence due the large shifts in the skills demanded as a consequence of the transition to the market economy. Kertesi & Köllö (2002), for example, show that the market value of the skills acquired under communism has fallen considerably in Hungary.

In practice relatively few adults acquire new formal qualifications beyond the age of 40. Indeed, the financial incentives to do so decline steeply with age, while the opportunity costs of doing so become greater as earnings increase. Further, the older the worker the shorter the pay-back period in terms of the conventional working life. In fact, a number of studies find that overall returns to training for such workers may be negative. Because age-earnings profiles are generally positive there is an incentive for employers to make older workers redundant as opposed to younger workers when economic conditions deteriorate (Johnson and Zimmerman, 1993) and this may only partially be offset by the greater productivity of older workers due to their prior work experience and lower absence and turnover rates (Disney, 1996). It is clear that the adaptability of the older worker will increase in significance in the European Union in the coming years, and this problem will be more pressing for those older workers who lack basic skills.

If we are to fully understand these processes we need to consider both the supply side and the demand side of the labour market. Therefore, **LoWER3** intends to analyse the position of the

older worker in a number of European countries making use of available data sets such as the Labour Force Surveys and Household Panel Surveys in order to obtain information on the characteristics of the older workforce and the extent to which pay and employment deteriorate as skills become obsolete. We also intend to access various employer or establishment surveys such as the British Workplace Employment Relations Survey (WERS) in order to obtain a perspective on the demand side of the labour market. In particular, using a human capital framework, we hope to identify the extent of technical and economic skill obsolescence and their relative importance in determining labour market outcomes. In policy terms we would examine the feasibility of possible remedies such as mobility, training and functional flexibility.

D.4 Continuous training and the low skilled

Although training seems to be a very suitable way to get out of the poverty trap, improve the job position or get a better job, we observe that the incidence and intensity of training declines rapidly when employees have lower qualifications and/or earn less (Shields, 1998). A recent analysis by De Grip and Wolbers (2002) shows that this holds for the various member states of the European Union. However, in countries where firm internal labour markets dominate the training participation of low-skilled workers appears to be higher than in countries where craft markets are most prominent.

Many explanations have been brought forward for the low participation in training of low-skilled workers. Firstly, the low qualified and poor have severe budget limitations that keep them from investing in training (Acemoglu and Pischke, 1999, Ceroni, 2001). Secondly, the pay-off of training for employees with different qualifications is different – the higher the qualification, the higher the pay-off is (Kuckulenz and Zwick, 2003). Heckman (1999) explains this lower pay-off by the argument that low-skilled workers have less cognitive skills to make further learning easier. Thirdly, the enterprises do not have an incentive to provide training to lower qualified or poorer employees because the productivity effect is low, they lack basic skills that are expensive to provide and their training might lead to poaching (Smits and Zwick, 2003). While the financial constraints can play a large role in education, for continuing training they should be not as severe because courses are either paid by employers or not as expensive as basic education. Therefore, this work concentrates on the last two points.

The “classical” Mincer equation (Mincer, 1974), which calculates the individual returns to education, is probably the most often estimated empirical equation in economics. The main reasons for this is that it leads to consistent and relevant results and does not require a lot of information from individual data sets. The wage effects of continuous training are documented much less, although the data sets used for estimating the “classical” Mincer equation usually also provide information on the incidence and intensity of continuous training of the individuals. One key explanation for the low incidence of continuous training of lower qualified or poorer employees might be the low or even negative wage mark-ups of these measures for this group (for German evidence see Kuckulenz and Zwick, 2003). In order to analyse the wage effects of continuous training for heterogeneous groups of employees, the data sets used for the “classical” Mincer equation therefore just have to include additional information on training participation during the time the individuals are employed. In a European Union financed project (PURE) on the returns to education, internationally comparable figures have been calculated for several European Union countries (Harmon et al., 2001). This approach could easily be applied also to the analysis of returns to continuous training, with a special focus on the lower qualified employees – see Mincer (1988) for a theoretical and empirical analysis of the returns to continuous training. These internationally comparable results could give an indication whether the continuous training incidence of lower qualified employees is mainly driven by training demand factors.

One of the critical issues when estimating the returns to training for heterogeneous employee groups with different backgrounds of qualification, is self-selectivity of training participation. Suitable external instrumental variables such as the subjective demand for training would be an advantage. If they are not available, lagged internal variables of training participation would be another option in order to avoid biases in the estimation results.

D.5 Students and low skilled jobs

Students have become an increasingly significant component of labour supply across Europe as their numbers have increased. According to OECD data, enrolment across member countries in tertiary education rose by 24% between 1995 and 2000 and within the European Union the increase was 43% in Greece, 25% in Ireland, 24% in Portugal, 22% in Sweden and 20% in Spain with much higher rates for the new member states – 108% in Poland, 80% in Hungary and 50% in the Czech. Republic. On average, changes in population were adverse to this growth – it was entirely due to increases in enrolment rates per head of population.

Some students who are on part-time programmes or on sandwich degrees which incorporate a period of degree-related employment can more easily dovetail work and education. For others the summer vacation may provide for a period of employment which is not disruptive to study. However, at least in the United Kingdom working during term time for degree students has become increasingly common with the danger that this will impact negatively on their studies and possibly as a consequence have harmful effects on their career prospects. From the employment perspective student labour on a part-time or casual basis may be particularly important in certain types of employment such as restaurants, public houses and tourist related activities where there are peak loads or seasonal demands. However, little is known about the nature of student employment, the extent to which it is particularly low paid and the nature of the employment contracts. Of particular concern to **LoWER3** is the extent to which student employment may crowd out the employment of unskilled workers, who may lack basic skills. Students may have an advantage not only in being able to apply some of the transferable skills obtained through their educational programmes, but also social skills which are particularly important in certain segments of the service sector. Further, they may be prepared to price themselves into jobs which enable them to combine study and work to an extent which makes unskilled workers uncompetitive in the labour market. This competitive process may include the adaptation to working part-time which may be well-nigh impossible for low-skilled labour supply who would depend on full-time incomes. Some research is available for the Netherlands, which can be replicated for other countries (Wielers and Van der Meer, 2003; Van der Meer and Wielers, 2003; Salverda, 1998).

According to one UK study (Callender and Kemp, 2000) the reduction of student state-maintenance payments (through the erosion of the value of the student grant), reduced access to state benefits to students, particularly the gradual replacement of student grants by loans and the introduction of fees has encouraged more students to engage in paid employment, so that no less than two-thirds of full-time students were estimated to have been employed at some time during the academic year in 1998/99.

One study by the UK National Institute for Economic and Social Research, (Metcalf, 2001) based on four universities found that almost half the students obtained paid employment during term-time, averaging 12 hours per week, while four per cent regularly worked at least 20 hours per week. It was established that working during term-time adversely affected the quality of education and no less than two-thirds of students who worked reported that they

had difficulties in balancing employment and studies. Financial pressures were cited as the main reason for working; students whose father did not have a degree (a group less likely to go to university) and women (especially those from ethnic minorities) were more likely to work in term-time and hence lose educationally from their time at university relative to other groups.

The research to be undertaken here aims to establish the extent to which the crowding out of unskilled workers is a genuine problem.

3. Participants list (institutions)

Partic. Role*	Partic. No.	Participant name	Participant short name	Country	Date enter project*	Date exit project**
CO	1	Amsterdam Institute for Advanced Labour Studies AIAS, Universiteit van Amsterdam	UvA	Netherlands	1	36
CR	2	Department of Economics, Oxford University	U.OXF.ECO	United Kingdom	1	36
CR	3	Department of Economics, Bergische Universität, Wuppertal	BUW	Germany	1	36
CR	4	Centre for Economic Performance CEP, and Centre for Analysis of Social Exclusion (CASE), London School of Economics and Political Science	LSE	United Kingdom	1	36
CR	5	Economic and Social Research Institute ESRI	ESRI	Ireland	1	36
CR	6	Research-Centrum Onderwijs-Arbeidsmarkt ROA, Universiteit Maastricht	LIBER	Netherlands	1	36
CR	7	Zentrum für Europäische Wirtschaftsforschung ZEW, Mannheim	ZEW	Germany	1	36
CR	8	Research Institute of the Finnish Economy ETLA	ETLA	Finland	1	36
CR	9	Centre for European Labour Market Studies, University of Aberdeen	UNIABDN	United Kingdom	1	36
CR	10	Centre for Social Policy, Antwerp University	UA	Belgium	1	36
CR	11	Welsh Economy and Labour Market Evaluation and Research Centre, University of Wales, Swansea	SWANSEA	United Kingdom	1	36
CR	12	GRAPE, Université Montesquieu, Annecy	UBORD.GR APE	France	1	12

CR	13	Istituto di Economia dell'Impresa e del Lavoro, Università Cattolica, Milano	UCSC.IEIL	Italy	1	36
CR	14	Forschungsinstitut zur Zukunft der Arbeit IZA, Bonn	IZA	Germany	1	36
CR	15	Departments of Sociology and Economics, University of Tartu	UT	Estonia	1	36
CR	16	Centre for Labour Market Studies and Social Research CLS, Arhus School of Business	ASB	Denmark	1	36
CR	17	Dr John Schmitt, Washington	SCHMITT	United States	1	36
CR	18	Institute of Statistics and Demography, Warsaw School of Economics	ISD	Poland	1	36
CR	19	Unversité de Savoie, Chambéry/Annecy	UdS	France	13	36

*CO = Coordinator

CR = Contractor

4. Relevance to the objectives of Priority 7

The research which is the subject of this Coordination Action is situated in Priority 7 “Citizenship and Governance in a Knowledge-Based Society”. It takes the Work Programme’s Area 2 *Options and Choices for the development of a Knowledge-Based Society* as a point of departure, particularly two of the topics reserved for Coordination Actions: insecurity and intergenerational inheritance – with (low) skills as the guiding principle. In addition, the research will have a relevance for other elements of the Priority’s work programme.

First, we will enquire into the effects of the knowledge society on the *insecurity* of individuals, households, larger sections of the population and society at large. Objective aspects of insecurity will be dealt with, especially in its relation to the labour market, which is the core mechanism for distributing jobs (and therefore influencing economic well-being) over the members of society. We will study essential changes affecting the low-skill segment of employment, which risks to become increasingly inaccessible to the low skilled. These studies encompass the worklessness of households, the insecure income and employment paths (mobility) of low skilled individuals, the role of gender, older age and immigration, the effects of training and of part-time jobs and, last not least, employer behaviour and the organisation of work. As was indicated above various trends are mutually reinforcing and plausibly have cumulative effects on individuals and families.

Second, we will explicitly study the issue of *intergenerational transmission* of inequalities with respect to income and job chances in an internationally comparative perspective.

The research will also have a relevance for several issues raised in other areas of the Priority Work Programme. The changing nature of the labour market may help to better understand what a knowledge-based society is in a historical perspective and assess the societal significance of changes. This relates to Area 1, which deals with the impact of knowledge on economic and social development.

The significance of the **LoWER3** plan may be even greater for Area 3, which addresses the variety of paths towards a knowledge society. It is important to realise that the issue of convergence/non-convergence between Europe and the USA is part and parcel of the network tradition and will be even reinforced by the inclusion of an American partner as a network member who, apart from contributing his own research, will help to relate the network to an important segment of the American scientific community. Leading American scholars have participated in many **LoWER** network activities so far. Also with regard to the research itself, we can say that both the Benchmarking study – performed with, among others, Peter Gottschalk from Boston College – and the DEMPATEM project – which drew on eminent experts such as Richard Freeman, William Baumol, Viktor Fuchs and Robert Gordon – have put important steps towards a better understanding of the transatlantic employment gap since the 1970s, where the role of skills and pay is key.

Finally, the inclusion of transition countries in the network activities may generate results that can be of use for Priority 7 Area 4 on Enlargement.

5. Potential impact

The **LoWER** network has a unique European tradition and we think it provides important added value at the European level. The output it has generated so far on low-wage employment is an important part of the state-of-the art in the fields of labour market inequalities and societal significance of labour market change. Also in the phase proposed here, stressing insecurity and intergenerational inheritance concerning the low skilled, we think a vital European perspective will be provided that is otherwise missing. New questions are posed, on worklessness, transmission, employer behaviour, skills and part-time work etc., which are inspired by the present knowledge but reach beyond it.

One of the very aims of the network is to promote international comparisons and learn from the differences. This contributes directly to the reinforcement of the European research Area by the provision of a stable and enthusiastic forum for bringing together researchers and the results of their work with a clear focus on low skills and low pay in an amazingly and, again with this submission increasingly, wide variety of fields ranging from the retail trade to the family, from subsidies and minimum wages to youth programmes, from individual labour market transitions to macroeconomic differentials in productivity.

The network also takes very good account of other relevant international research. It is an essential feature of the network that through its membership it maintains direct personal links to many other research activities and that it aims to bring the results together in a perspective on low skills – vice versa it may also influence the research going on in these other settings. That research considers education, pay, older age, quality of life, inequality, gender, enlargement, work organisation etc. etc. For more detail we refer to the Linkages List comprised in Appendix A.1. In addition to these personal links, most members are working in well-established research institutes such as the CEP, ETLA, ESRI, ZEW, CLS, IZA, ROA, CSB, CELMR, AIAS etc. which provide important further linkages to relevant research and dispose of important expertise in adjacent fields, e.g. economic transition or educational systems, that can be used.

Also, we like to observe that a very important instrument of the network is the annual conferences with an open call for papers. We have organised these from the start in 1996 and have managed to draw in many other researchers whose work is highly relevant to the issues addressed by the network. We trust this will be successfully continued.

Apart from the international comparisons, the simultaneous deployment of research activities in different fields – in this submission represented by the four work packages, in short: mobility, households, gender and skills – contributes important value added. The different strands of research are brought together in a fertile comparison and confrontation.

Contributions to policy making

From the start of **LoWER**, close ties have been maintained with the OECD as the prime international organisation analysing labour market developments and policy effects. Mark Keese from the ELS directorate participated as an expert with a standing invitation during the second phase and this will be prolonged for **LoWER3**. Various other OECD staff members have contributed to the network publications and conferences, and Patrick Werquin from the EDU directorate will now also join the network membership. Finally, staff of the Commission's DG ESA and Eurostat have made important contributions during both **LoWER1** and **LoWER2**.

Many network members have contributed to policy analysis at the request of the European Commission, the OECD and their national governments. A direct offspring of the **LoWER** network was the Benchmarking study on low-wage and high-wage jobs commissioned by the Commission's Directorate-general Employment and Social Affairs. The results were presented to the press by the Commissioner, Mrs Anna Diamantopoulou. The results have also been presented at the European Trade Union Institute, a post-Belgian-Presidency conference and, recently, at a conference organised by the German Ministry of Labour and the Economy on the Employment Taskforce report.

Advice has been given by **LoWER** on data collection and presentation to Eurostat.

We are in no doubt that such activities will continue for **LoWER3**.

6. Project management and dissemination plans

Decision making

With 18 institutional partners, the network is a major undertaking but nevertheless a relatively light but clear structure of decision making and organisation will suffice as the pattern of activities is not very complicated. Responsibilities are allocated to the partner institutions on the basis of the expertise that will be contributed to the activities. From previous network experience the lesson was drawn to reinforce the structure of decision making within and between the different parts of the network.

This is done in two ways. First, four *Work Package Teams* have been identified for carrying responsibility for the success of each of the four main work packages and the reporting on this. Within each of these teams, two *Team Co-ordinators* are identified who will share responsibility for the progress of the team's activities. Their work regards the stimulation of joint research and the preparation and programming of events. It relates directly to the core of the Co-ordination Action and is different from the management activities, which will be performed by the Network Co-ordinator only. They will particularly stimulate the participation of PhD's, the supply by team members to the Working Paper series and keep an eye on the provision of data. The co-ordinators will be supported by a small budget for travel and personnel assistance to enable proper co-ordination.

On the basis of this a *Coordination Committee (CC)* is formed comprising the eight team co-ordinators together with the *Network Co-ordinator*. This committee will guarantee the continuity in decision making and be enabled to do so in a bottom-up way, based on the activities deployed for the work packages. Vice versa the CC can also act to stimulate the progress of the individual work packages and their mutual co-ordination. The CC will prepare the business meetings.

Although the network is a going concern a kick-off business meeting is planned for starting up the project given the new membership. On this occasion the four teams will also meet as will the CC.

The CC will also decide on the use of the Experts Fund and the Data Fund mentioned in the resources section of Chapter 6, the publication of Working Papers and other activities of dissemination.

For the internal communication of the network a members-only website will be added to the existing network website. The output of the four teams will be put up to inform the other teams together with other relevant information and a discussion platform will be enabled.

Organisation of events

The organisation of the workshops will be conducted by a local organiser together with the Network Co-ordinator, based on discussions in the CC. For the conferences, the local organiser will dispose of a small budget for personnel assistance. He or she will be helped not only by the Network Co-ordinator but also by a member of the team of the Work Package providing the specific theme of the conference – the local organiser will quite likely be another member of this team – and one Co-ordinator for each of the other three Work Packages. The Network Coordinator is an experienced organiser with six years of **LoWER** activities behind him. He will assist with the organisation of all plenary network events.

Network management

The Network Coordinator will take care of all budgetary and administrative formalities and the contacts with the Commission. The factual dissemination of output, editing and publishing, will be his responsibility as well. He will also keep an eye on the context in which the network operates on both the scientific and the policy side to see whether any changes and adaptations will have to be proposed to the CC and the network membership.

Dissemination

The network has a well-developed dissemination policy. It has:

- published a considerable series of books and reports;
- maintained a website since 1996 presenting the results of the research;

- edited a regular newsletter with a wide circulation in both the scientific and the policymaking communities;
- established a Working Paper series;
- organised various conferences which are also dissemination activities;
- contributed to other conferences (European Commission, ETUI, European Foundation) to present results of the research.

LoWER3 intends to continue all of these activities. It will particularly stimulate the Working Paper series as a vehicle of dissemination. The papers can serve as a step towards publication of **LoWER3** results on scientific journals.

7. Work plan

Some 40 individuals are involved in the new network. Fortunately their research ideas could be grouped into four main categories on the basis of the issues that are addressed, following the categorisation made in Chapter 2. The teams are mentioned below, indicating in bold their abbreviated names and underlining the names of the two co-ordinators for each team:

- Earnings Mobility and Employer Behaviour (**Mobility**)

Team 1: Stephen Bazen (Annecy), Ana Cardoso (IZA/Braga), Mary Gregory (Oxford), Florence Jany-Catrice (Lille), Brian Nolan (Dublin), Giovanni Russo (Trieste), Wiemer Salverda (Amsterdam), Ioannis Theodossiou (Aberdeen), Niels Westergård-Nielsen (Aarhus) and Thomas Zwick (Mannheim).

- Household Worklessness and Intergenerational Inheritance (**Households**)

Team 2: Jo Blanden (London), Lorenzo Cappellari (Milan), Simona Comi (Milan), Frank Cowell (London), Claudio Lucifora (Milan), Markus Jäntti (Turku), Stephen Machin (London), Abigail McKnight (London), Jonathan Wadsworth (London).

- Gender and Skills (**Gender**)

Team 3: Miriam Beblo (Mannheim), Andrew Glyn and Mary Gregory (Oxford), Irena Kotowska and Anna Matysiak (Warsaw), Anu Laas (Tartu), Giovanni Russo (Trieste), Niels Wiemer Salverda (Amsterdam), Westergård-Nielsen (Aarhus) and Doris Weichselbaumer (Linz).

- Skills and Training (**Low Skills**)

Team 4: Rita Asplund (Helsinki), Andries de Grip (Maastricht), Joop Hartog (Amsterdam), Irena Kotowska (Warsaw), Jasper van Loo (Maastricht), Ive Marx (Antwerpen), Antje Mertens (Berlin), Kaia Philips (Tartu), Wiemer Salverda (Amsterdam), Ronald Schettkat (Wuppertal), John Schmitt (Washington), Peter Sloane (Swansea), Michel Sollogoub (Paris),

Pawel Strzelecki (Warsaw), Jonathan Wadsworth (London), Patrick Werqion (OECD) and Thomas Zwick (Mannheim).

Simultaneously the timing of the activities has been structured to provide a basis for co-operation over the network as a whole, see the Scheme below.

Three types of activities are distinguished that make up the core of the Co-ordination Action:

- **workshops**, attended primarily by the network members and a limited number of invited experts who are involved in direct research co-operation or will advise on the strategy to be followed; the workshops will generally cover all themes of the network and be less specialised than before to enable a wider participations and thus improve intra-network communication;
- **annual conferences**, for which an open call for papers will be issued. Annual conferences will cover the whole range of issues – this we have learned from the strongly focused events organised for **LoWER2**. Each time one of the four topics will be stressed, e.g. by inviting keynote speakers. At the conferences special attention will be given to the work of young PhD's, both in the call for papers and the organisation of the event and by giving financial support to participation if necessary.
- **team meetings**, meant for the preparation of the conferences, that is for the selection of submitted papers and the precise programming of the conference; other conference preparations such as the formulation of the call for papers can, with the present time planning, be done during the workshops and need no separate team meetings; the present timing implies that for the gender team (WP3) the team meeting will coincide with a workshop meeting necessitating no separate travel.

In addition the Co-ordination Committee will meet to prepare for the business meetings.

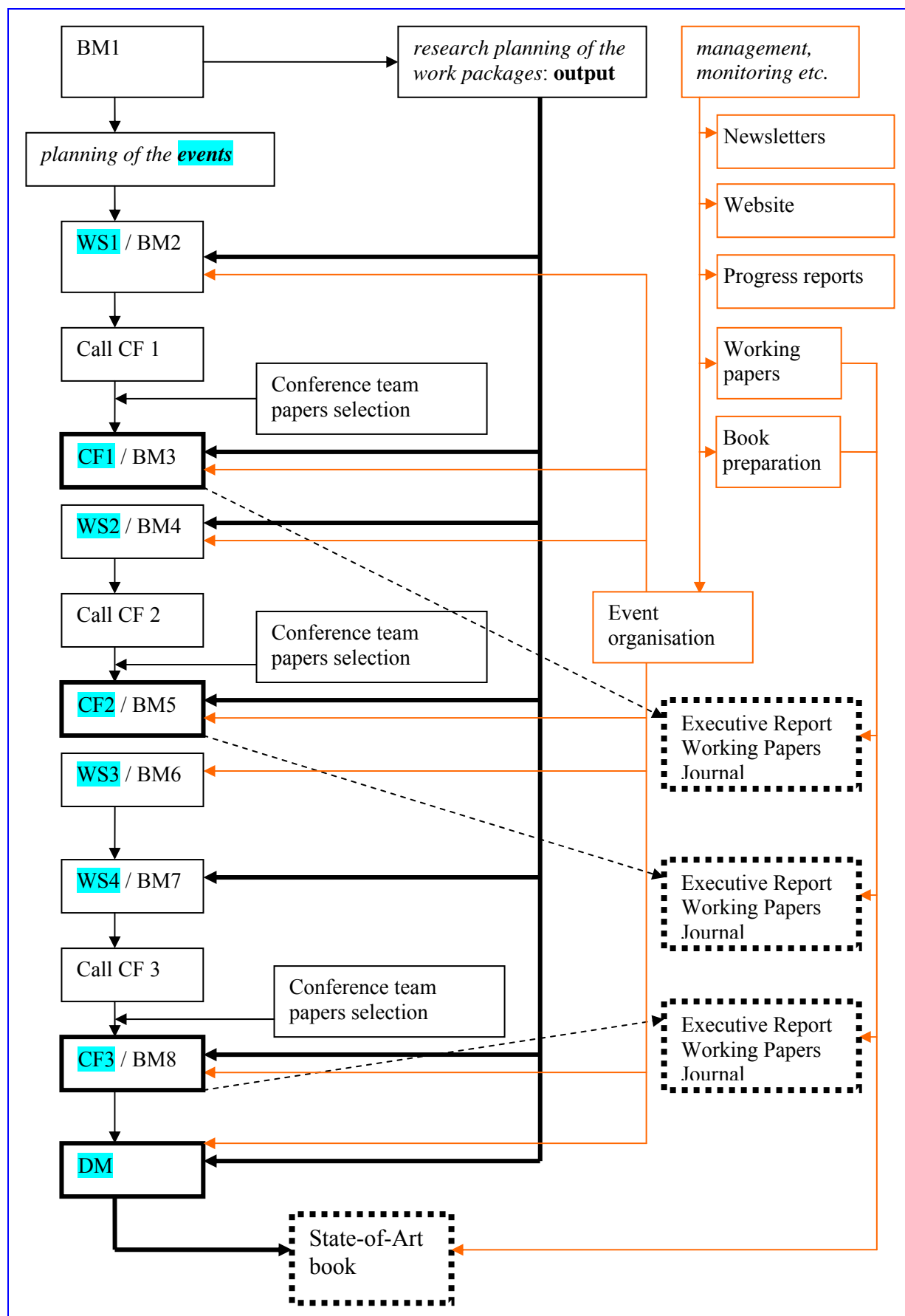
The timing and the interdependencies between tasks over time are graphically indicated in the two schemes that follow.

The topics of the four work packages are mentioned with the conferences to indicate a special focus. However, the exact sequence will be determined at the first business meeting – this should be taken into account when considering all schemes below.

Month	Year 1												Year 2												Year 3												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	
events & meetings																																					
BM	1			2					3				4				5		6				7														8
CC	1		2					3								4			5			6				7								8			
T1	1			2					3				4		5			6		7			8													9	
T2	1	2		3					4				5				6		7			8															9
T3	1			2			3		4				5				6		7			8															9
T4	1			2					3				4				5		6			7				8											9
WS				1									2				3					4															
CF									1										2																3		
DM																																					1
travel																																					
NC				x		x			x					x			x						x													x	
CC				x					x								x																				x
T1																x																					
T2				x																																	
T3								x																													
T4																																					x
plenary	x				x					x			x				x		x				x												x	x	
bilateral																																					
experts				1		6			3		8			6		2		4			8			6			3							8		4	

BM = business meeting, Ti = Work Package Team i, WS – Workshop, CF = Conference, DM = dissemination meeting

NC = Network Co-ordinator, CC = Co=ordination Committee



Workpackage list (full duration of project)

Work-package No	Workpackage title	Lead contractor Nos	Person-months	Start month	End month	Deliverable Nos
WP1	Mobility	12→19, 14	6.5	1	36	D1, 2, 3, 5, 6, 7, 8, 10, 12, 13, 14, 15, 17, 18, 19, 20, 21, 24
WP2	Households	4, 13	6.5	1	36	D1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 17, 19, 20, 21, 24
WP3	Gender	2, 15	6.5	1	36	D1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 17, 19, 20, 21, 22, 24
WP4	Low Skills	7, 10	6.5	1	36	D1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24
WP5	Management, monitoring and dissemination	1	7	1	36	D1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25
	TOTAL		33			

Deliverables list (full duration of project)

Deliverable No	Deliverable name	WP No	Lead participants	Estimated Person months*	Nature	Dissemination level	Delivery date
D1	Network Workshop 1 London	all	1,	0.4	Workshop	RE	5
D2	Papers to Conference 1	1-4	all		Other	PU	9
D3	Annual LoWER Conference 1 Mannheim/Berlin	all	1, 4, 13	1.2	Conference	PU	10
D4	Executive Report 1, based on Conference 1 [#]	5	1, 4, 13	0.4	Report	PU	12
D5	LoWER Working Papers 1-5 ^s Based on papers of Conference 1	5	1	0.4	Other	PU	13
D6	Network Workshop 2 Annecy	all	1,	0.4	Workshop	RE	16
D7	Papers to Conference 2	1-4	all		Other	PU	21
D8	Annual LoWER Conference 2 Arhus	all	1, 12→ 19, 14	1.2	Conference	PU	22
D9	Executive Report 2, based on Conference 2	5	1, 12→ 19, 14	0.4	Report	PU	24
D10	Working Papers 6-10 Based on papers of Conference 2	5	1	0.4	Other	PU	25
D11	Journal articles on Households WP2 (manuscript)**	2	4, 13	1.5	Other	PU	25
D12	Network Workshop 3 Warsaw	all	1,	0.4	Workshop	RE	25
D13	Network Workshop 4 to be determined	all	1,	0.4	Workshop	RE	30
D14	Papers to Conference 3	1-4	all		Other	PU	33

Deliverable No	Deliverable name	WP No	Lead participants	Estimated Person months*	Nature	Dissemination level	Delivery date
D15	Annual LoWER Conference 3 Amsterdam	all	1, 2, 15	1.2	Conference	PU	34
D16	Executive Report 3, based on Conference 3	5	1, 2, 15	0.4	Report	PU	36
D17	Working Papers 11-15 Based on papers of Conference 3	5	1	0.4	Other	PU	36
D18	Journal articles on Mobility WP1 (manuscript)**	1	12→ 19, 14	1.5	Other	PU	30
D19	Dissemination Meeting LoWER3	all	1, 7, 10	1.2	Conference	PU	365
D20	LoWER Working Papers 16-20 Based on papers of Conference 3	5	1	0.4	Other	PU	36
D21	Final Project Report	5	1, 7, 10	0.4	Report	PU	38
D22	Book/Journal articles on Gender WP3 (manuscript)**	3	2, 15	1.5	Other	PU	38
D23	Book/Journal articles on Low Skills WP4 (manuscript)**	4	10, 14	1.5	Other	PU	38
D24	State-of-the-art book concluding 3 rd phase of the LoWER network	all	1 ^Ω	6.4	Other	PU	38
D25	The LoWER website (continuously) and LoWER Newsletter (twice yearly)	5	1	1.2	Other	PU	0-38

*) Person months add up to 22.8. The remaining 10.2 comprises team coordination and general coordination, EU reporting and external relations

***) Journal articles as deliverables are dependant on acceptance by the journal editors

#) For each of the three annual conferences an Executive report will provide a summary of the results of the conference including the key points raised and an overall conclusion, the preparations, final programme and participation, and a list of the papers that have been presented.

§) The Working Paper series will contain selected contributions that have been made to the conferences. Selection will be done by the conference organisers together with the network coordinator who edits the working papers. The series aims to disseminate the results to the scientific world while the executive reports will be available to a wider audience. It is intended to publish a minimum of five papers of each conference leading to an overall minimum of twenty. They

²⁾ Other leading partners for editing the state-of-the-art concluding publication will in due course be selected from the eight team coordinators.

The four workshops will bring all network members together for meetings of all four teams and a general business meeting. At the workshops preliminary papers will be presented and discussed. The three annual conferences will be preceded by a call for papers inviting submissions of papers by colleagues from outside the network.

In addition three annual progress reports will be submitted to the Commission at the end of each 12-month reporting period and in addition three mini-progress reports (not exceeding 5-10 pages in length) covering the first 6 months of each year of the project within 45 days after the end of the 6-month period reported. These are in addition to the formal progress reports indicated on p. 3 (Article 6) of the contract. The structure of these additional progress reports will be similar to that of the formal progress reports mentioned above.

Workpackage description (full duration of project)

Workpackage number	WPI MOBILITY									Start date or starting event: 1	
Participant id	1	2	3	5	7	9	12→	14	16	19	
Person-months per participant	3.5						1.5	1.5			

Objectives

Stimulate the performance of joint research on the issues of **earnings mobility and employer behaviour** leading to a scientific output that can be published in a journal or as a book and to an executive report which can be disseminated among policymakers, and contribute new insights to the concluding publication.

Description of work

Join research efforts by means of 9 (gross) team meetings, 4 network workshops, 3 **LoWER** conferences, bilateral visits, other communication and exchange of personnel.

Contribute to the organisation of 1 workshop and one of the conferences. Particularly, help the drafting of the call for papers, the selection of papers and determination of the programme including the invitation of keynote speakers to the second Annual Conference, which will stress the issues of mobility.

Produce the Executive Report of the 2nd conference.

Produce special publishable output (book or journal issue) on basis of conference and other work.

Contribute to the state-of-the-art book.

Deliverables

D1, 2, 3, 5, 6, 7, 8, 10, 12, 13, 14, 15, 17, 18, 19, 20, 21, 24

Milestones

Business Meeting 1: Determination of team's research programme

Workshop 2: Drafting of Call for Papers of 2nd Annual Conference

Up to Conference 2: Local organisation, selection of papers submitted and drafting of conference programme

Team Meeting 5: Decision making about Executive Report 2

Conferences 1-4, Workshops 1-3: Contribution of own papers\

Team meetings 1-9: Exchange of views about progress of research and decision making about cooperation

Expected results

Improved insights in three major issues:

- 1) effect of movements between different jobs and types of employment and earnings inequality
- 2) the effect of employment flows and “entry jobs” on the extent of earnings inequality
- 3) the motivation of employers to provide training and integrate low-wage employees into modern participative work organisations and firm-internal career ladders.

Reflected in Workshop drafts, Conference papers, 5 or more **LoWER** Working Papers and a journal or book publication.

Workpackage number	WP2 HOUSEHOLDS	Start date or starting event:	1
Participant id	1	4	13
Person-months per participant	3.5	1.5	1.5

Objectives

Stimulate the performance of joint research on the issues of **household worklessness and intergenerational transmission of inequalities** leading to a special scientific output that can be published and an executive report that can be disseminated among policymakers, and contribute new insights to the concluding publication.

Description of work

Join research efforts by means of 9 team meetings, 4 network workshops, 3 **LoWER** conferences, bilateral visits, other communication and exchange of personnel.

Contribute to the organisation of 1 workshop and one of the conferences. In particular help the drafting of the call for papers and the programme including the invitation of keynote speakers to the first Annual Conference which will stress the issues of intra- and inter-generational inequalities.

Produce the Executive Report of the 1st conference.

Produce special publishable output (book or journal issue) on the basis of the conference and other work.

Contribute to state-of-the-art book

Deliverables

D1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 17, 19, 20, 21, 24

Milestones

Business Meeting 1: Determination of team's research programme

Workshop 1: Drafting of Call for Papers of 2nd Annual Conference

Up to Conference 1: Local organisation, selection of papers submitted and drafting of conference programme

Team Meeting 3: Decision making about Executive Report 2

Conferences 1-4, Workshops 1-3: Contribution of own papers\

Team meetings 1-9: Exchange of views about progress of research and decision making about cooperation

Expected results

Improved insights in two major subjects:

- 1) Intra-generational inequality: workless households and the less skilled
- 2) Inter-generational inequality: transmission of labour market earnings and household income across generations

Reflected in Workshop drafts, Conference papers, 5 or more **LoWER** Working Papers and a journal or book publication.

Workpackage number	WP3 GENDER							Start date or starting event:	1
Participant id	1	2	3	7	15	16	18		
Person-months per participant	3.5	1.5			1.5				

Objectives

Stimulate the performance of joint research on the issues of **gender and skills** leading to a special scientific output that can be published and an executive report that can be disseminated among policymakers, and contribute new insights to the concluding publication.

Description of work

Join research efforts by means of 8 team meetings, 3 network workshops, 4 **LoWER** conferences, bilateral visits, other communication and exchange of personnel.

Contribute to the organisation of 1 workshop and one of the conferences. Particularly, help the drafting of the call for papers and the programme including the invitation of keynote speakers to the third Annual Conference which will stress the issues of gender..

Produce the Executive Report of the 3rd conference.

Produce special publishable output (book or journal issue) on the basis of the conference and other work.

Contribute to state-of-the-art book

Deliverables

D1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 17, 19, 20, 21, 22, 24

Milestones

Business Meeting 1: Determination of team's research programme

Annual Conference 2: Drafting of Call for Papers of 3rd Annual Conference

Up to Conference 3: Local organisation, selection of papers submitted and drafting of conference programme

Team Meeting 8: Decision making about Executive Report 3

Conferences 1-4, Workshops 1-3: Contribution of own papers

Team meetings 1-9: Exchange of views about progress of research and decision making about cooperation

Expected results

Improved insights in three major issues:

- 1) the changing role of part-time work for women within the European Union
- 2) the external effect of part-time employment on the low-skill labour market

Reflected in Workshop drafts, Conference papers, 5 or more **LoWER** Working Papers and a journal or book publication.

Workpackage number	WP4 LOW SKILLS	Start date or starting event:	1							
Participant id	1	3	6	7	8	10	11	15	17	18
Person-months per participant	3.5		1.5		1.5					

Objectives

Stimulate the performance of joint research on the issues of **skills and training** leading to a special scientific output that can be published and an executive report that can be disseminated among policymakers, and contribute new insights to the concluding publication.

Description of work

Join research efforts by means of 9 team meetings, 3 network workshops, 4 **LoWER** conferences, bilateral visits, other communication and exchange of personnel.

Contribute to the organisation of 1 workshop and one of the conferences. Particularly, help the drafting of the call for papers and the programme including the invitation of keynote speakers to the fourth Annual Conference which will stress the issues of skills.

Produce the Executive Report of the 4th conference.

Produce special publishable output (book or journal issue) on the basis of the conference and other work.

Contribute to state-of-the-art book.

Deliverables

D1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24

Milestones

Business Meeting 1: Determination of team's research programme

Workshop 3: Drafting of Call for Papers of Final Conference

Up to Conference 4: Local organisation, selection of papers submitted and drafting of conference programme

Team Meeting 8: Decision making about Executive Report 4

Conferences 1-4, Workshops 1-3: Contribution of own papers

Team meetings 1-9: Exchange of views about progress of research and decision making about cooperation

Expected results

Improved insights in three major issues:

- 1) The existence of overeducation in low-skilled jobs and its implications for labour-market competition
- 2) The identification of policies and practices that further the labour market integration and particularly the upward mobility of migrants, particularly from low-wage jobs
- 3) The position of the older worker European countries regarding their skills
- 4) Understanding the low participation in training of low-skilled
- 5) The competition from students for low skilled jobs

Reflected in Workshop drafts, Conference papers, 5 or more **LoWER** Working Papers and a journal or book publication.

Workpackage number	WP5 MANAGEMENT etc	Start date or starting event: 1
Participant id	1	
Person-months per participant	7	

Objectives

Management of the network, monitoring of the progress and dissemination of the results.

Description of work

Check overall progress in co-operation with Co-ordination Committee, the meetings of which will be prepared and chaired by the Network Co-ordinator.

Initiate the concluding publication.

Co-organise all plenary events.

Organise all business meetings.

Maintain contacts with Commission representative, including submission of a mini progress report and 3 Annual Progress Reports.

Physically produce/maintain for dissemination or submission the regular newsletters, the website, the working papers, the Executive and Progress Reports and the books (if camera-ready delivery is requested)

Deliverables

D1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25

Milestones and expected result

At Business Meeting 1 a programming of research for all four work packages should be established.

Ibidem for the timing of events and decision-making about where the events will be held.

At Co-ordination Committee meetings the next business meeting will be prepared.

8. Project resources and budget overview

CA Project Effort Form

Full duration of project

(person-months for activities in which partners are involved)

Project acronym –**LoWER3**

	1 AIAS	2 Oxford	3 Wuppertal	4 LSE	5 ESRI	6 ROA
Co-ordination activities						
WP1 Mobility	5.0					
WP2 Households	3.5			1.5		
WP3 Gender	3.5	1.5				
WP4 Skills	3.5					
WP5 Management	7.0					
Total co-ordination activities	21.0	1.5		1.5		

	7 ZEW	8 ETLA	9 CELMR	10 CSB	11 WELMERC	12 GRAPE	13 UNICATT
Co-ordination activities							
WP1 Mobility							
WP2 Households							1.5
WP3 Gender							
WP4 Skills	1.5			1.5			
WP5 Management							
Total co-ordination activities	1.5			1.5			1.5

	14 IZA	15 Tartu	16 Arhus	17 Schmitt	18 Warsaw	19 Annecy	TOTAL
Co-ordination activities							
WP1 Mobility							6.5
WP2 Households	1.5	1.5					6.5
WP3 Gender							6.5
WP4 Skills							6.5
WP5 Management							7.0
Total co-ordination activities	1.5	1.5					33.0

	1 AIAS	TOTAL
Management activities		
WP5 Management	7	7
Total management	7	7

	1 AIAS	2 Oxford	3 Wuppertal	4 LSE	5 ESRI	6 ROA
TOTAL						
Total	22.5	1.5		1.5		

	7 ZEW	8 ETLA	9 CELMR	10 CSB	11 WELMERC	12 GRAPE	13 UNICATT
TOTAL							
Total	1.5			1.5			1.5

	14 IZA	15 Tartu	16 Arhus	17 Schmitt	18 Warsaw	19 Annecy	TOTAL
TOTAL							
Total	1.5	1.5					33.0

Budget

A thematic network is a cost-efficient instrument for mobilising a large amount of research as all research efforts will be financed by the participating institutions. The budget for these activities has been drafted with the help of the following parameters.

First, on the personnel side, general management and team coordination activities have been budgeted. The work and budget are divided between the Network co-ordinator and the eight team co-ordinators.

Second, for travel and subsistence, all participants have been allocated a travel budget in three parts: attendance of the plenary events (workshops and conferences), attendance of team events (including conference preparations such as acceptance of paper submissions) and 'bilateral' travel for direct research co-operation between individuals and the corresponding exchange of personal. In addition, the team and network co-ordinator have a small budget for co-ordination travel.

Third, an 'experts fund' is part of the budget. Under the control of the Co-ordination Committee, it will cover travel and subsistence costs for visits of experts from outside the network who are invited to attend the plenary events as speakers or discussants or to join expert groups for specific research topics. The fund intends to cover a maximum of 60 cases. It may also cover limited fees which sometimes will have to be paid to keynote speakers for their contributions. Establishing a fund serves to make the standing practice of the network that evolved in recent years better visible.

Finally, each participant will have a small budget for the acquisition of data while there will be a larger central data fund, again under the control of the Co-ordination Committee, for the more important acquisitions. Again this type of spending is more explicit now than before. Special attention will be paid to coordinated data support.

Summarising we can say that the budget totals an amount of € 760,000 over the project period.

The average amount per participant is fairly limited – € 28,250 per participating institution with the exception of the Network Co-ordinator. The amounts allocated to the individual institutes take the number of participating scientists into account. The budgeting is based on the appropriate cost principles topped up with 20 per cent overheads, with the exception of the management costs which are taken as a percentage of total costs.

Budget overview by type of costs LoWER3

	Total	Co-ordinator	Partners
<i>Travel and subsistence</i>	<i>385893</i>	<i>74000</i>	<i>312000</i>
coordination	30293	1492	28800
teams	19200	2400	16800
plenary meetings	186400	12800	173600
bilateral	99200	6400	92800
invited experts	50800	50800	
<i>Data acquisition</i>	<i>41800</i>	<i>10800</i>	<i>31000</i>
central budget	9000	9000	
partner budgets	32800	1800	31000
<i>Dissemination</i>	<i>24000</i>	<i>24000</i>	
<i>Coordination</i>	<i>137300</i>	<i>80000</i>	<i>57300</i>
<i>Subtotal</i>	<i>589100</i>	<i>188800</i>	<i>400300</i>
<i>Overheads</i>	<i>117799</i>	<i>37760</i>	<i>80060</i>
<i>Management</i>	<i>53209</i>	<i>53209</i>	
Total	760000	279639	480360

The information contained in forms A.3.1 and A.3.2 is copied below. No management costs will be incurred by any of the participants except the coordinator, nor will any of them expect to have any subcontracting. All remaining activities will be aimed at coordination. No receipts are expected to materialise.

Financial information (whole duration of the project)

Participant no	Organisation short name	Cost model used	Estimated eligible costs and requested EU contribution		Costs and EU contribution per type of activity	
					Coordination activities	Management of coordination activities and consortium
1	UvA	AC	Eligible costs	Direct costs	168350	77583
				Indirect costs	33669	15516
				Total eligible costs	202019	93099
				Requested EU contribution	202019	93099
2	U.OXF.ECO	AC	Eligible costs	Direct costs	21983	8917
				Indirect costs	4396	1783
				Total eligible costs	26379	10700
				Requested EU contribution	26379	10770
3	BUW	AC	Eligible costs	Direct costs	22600	
				Indirect costs	4520	
				Total eligible costs	27120	
				Requested EU contribution	27120	
4	LSE	AC	Eligible costs	Direct costs	47717	9583
				Indirect costs	9543	1916
				Total eligible costs	57260	11499
				Requested EU contribution	57260	11499
5	ESRI	FC	Eligible costs	Direct costs	12200	
				Indirect costs	2440	
				Total eligible costs	14640	
				Requested EU contribution	14640	

				Costs and EU contribution per type of activity		
6	LIBER	FC	Eligible costs	Direct costs	22600	
				Indirect costs	4520	
				Total eligible costs	27120	
			Requested EU contribution		27120	
7	ZEW	AC	Eligible costs	Direct costs	22784	8917
				Indirect costs	4556	1783
				Total eligible costs	27340	10700
			Requested EU contribution		27340	10700
8	ETLA	FC	Eligible costs	Direct costs	12200	
				Indirect costs	2440	
				Total eligible costs	14640	
			Requested EU contribution		14640	
9	ABDN	AC	Eligible costs	Direct costs	12200	
				Indirect costs	2440	
				Total eligible costs	14640	
			Requested EU contribution		14640	
10	UA	AC	Eligible costs	Direct costs	14117	9583
				Indirect costs	2823	1916
				Total eligible costs	16940	11499
			Requested EU contribution		16940	11499

					Costs and EU contribution per type of activity	
11	SWANSEA	AC	Eligible costs	Direct costs	11400	
				Indirect costs	2280	
				Total eligible costs	13680	
			Requested EU contribution		13680	
12	UBOD4	AC	Eligible costs	Direct costs		
				Indirect costs		
				Total eligible costs		
			Requested EU contribution			
13	UCSC	AC	Eligible costs	Direct costs	22784	8917
				Indirect costs	4556	1783
				Total eligible costs	27340	10700
			Requested EU contribution		27340	10700
14	IZA	AC	Eligible costs	Direct costs	13317	9583
				Indirect costs	2663	1916
				Total eligible costs	15980	11499
			Requested EU contribution		15980	11499
15	UT	AC	Eligible costs	Direct costs	21734	6672
				Indirect costs	4346	1334
				Total eligible costs	26080	8006
			Requested EU contribution		26080	8006

					Costs and EU contribution per type of activity	
16	ASB	AC	Eligible costs	Direct costs	12200	
				Indirect costs	2440	
				Total eligible costs	14640	
			Requested EU contribution		14640	
17	John Schmitt	AC	Eligible costs	Direct costs	12200	
				Indirect costs	2440	
				Total eligible costs	14640	
			Requested EU contribution		14640	
18	ISD	AC	Eligible costs	Direct costs	32400	
				Indirect costs	6480	
				Total eligible costs	38800	
			Requested EU contribution		38800	
19	SAVOIE	AC	Eligible costs	Direct costs	10800	
				Indirect costs	2160	
				Total eligible costs	12960	
			Requested EU contribution		12960	

Period breakdown

Reporting period	Start month	End month	Estimated grant	
			Total	First 6 months
1	1	12	266000	
2	13	24	266000	
3	15	26	228000	

9. Other issues

Gender issues are taken into account in three different ways. First, there is a separate work package pertaining to gender and low skills which will research the relevance of low skills for gender as well as the inverse. Second, important expertise about gender issues is also available outside the team of the Gender work package. Third, women make up a significant share of the network membership, which is a relatively large share given the disciplines. Particularly, no less than four out of eight Work Package Team Coordinators are women and some 40 percent of the total membership. This may serve to guarantee that sufficient attention will be paid to gender issues in the co-ordination of the activities.

In the activities of the network and the research of its members ethical issues have no direct presence. They may, however, be part of the policy implementations of the results. The interests of the low-skilled may be at odds with those of other social groups. A point in case is that part-time jobs may harm the interests of the low skilled but promote those of better educated households. Therefore, the policy pros and cons and the possible trade-offs that exist will be spelled out with great care.

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Appendix A Consortium description

A.1 Participants and consortium

1. Amsterdam Institute for Advanced Labour Studies AIAS of the Universiteit van Amsterdam

The **AIAS** is an interdisciplinary institute, established by the departments of economics, sociology, law, psychology and health & safety in 1998. It is a unique high-level expert centre for research and teaching in the Netherlands on wage formation and labour market inequalities, industrial relations and the organisation of work. Much of the research is strongly internationally oriented and AIAS has hosted the co-ordination of the *European Low-wage Employment Research Network LoWER* and its research projects since 2000. The AIAS maintains a number of databases, and AIAS members take part in policy advice at both the international level, e.g. through the *High-Level Group on Industrial Relations and Change in the European Union* recently, or European Union Expert Working Parties on low wages, social partner behaviour or representativeness, and the national level, e.g. on revising the institutions of the ‘Dutch model’.

Current research themes include

- The impact of Europe on national and international wage formation, social policy and industrial relations; this includes studies of European employment policy and social dialogue.
- Wage inequality and the demand for low-wage labour; this comprises the **LoWER** network and related project such as *Wage Analysis and Job Quality ? Benchmarking, DEMPATEM, EPICURUS, and Overcoming marginalisation*, another Fifth Framework project.
- The cycles of policy learning and mimicking in labour market reforms in Europe.
- Female agency, work organisation – including the household division of labour – and collective bargaining outcomes.
- The Dutch polder model in a comparative perspective.
- Transitional labour markets and the flexibility and security trade-off in social and labour market regulation.

Dr Wiemer Salverda, formerly at the University of Groningen, is the Managing Director and Director of European Labour Market Studies of AIAS. He has been the initiator and co-ordinator of the *European Low-wage Employment Research Network LoWER* since its inception in 1995. He was a member of European Union Expert Working Groups on Equitable Wages (1991) and on The Social Partners' Role in Processing the Conclusions of the Essen and Madrid European Councils (1996/97) and Rapporteur of the EU/OECD conference on Wages and Employment (1997). He advised the OECD on wage inequality in the Netherlands at the start of the OECD's programme on inequality in the Employment Outlook (1993), and the British Low Pay Commission on the Dutch minimum wage. He chairs the Editorial Board of the *Tijdschrift voor Politieke Economie*.

His major research interests concern wage inequality and low pay in a broad setting (including product demand), wage formation including the minimum wage, pay inequalities such as between the private and public sector, labour market policies, youth (un)employment, education and work, the workings of the ‘Polder model’.

Professor Joop Hartog (1946) has been Professor of Economics at the Faculty of Economics and Econometrics since 1981. Prior to that, since 1972, he was affiliated with Erasmus University Rotterdam. He did his undergraduate work at the Netherlands School of Economics (now Erasmus University), graduated in 1970, moved to Queen's University, Kingston (Ontario, Canada) with a scholarship from the Canada Council (MA, 1971) and got his Ph.D. at Erasmus in 1978 with a thesis

on personal income distribution. His research has zoomed in on several topics in labour economics: the distribution of earnings; wage structure; the interaction between personal abilities, job requirements, allocation and schooling; labour market institutions; economics of education; migration. His recent research is on migration and on the role of uncertainty and risk in schooling decisions and wage structure.

Hartog has held many visiting positions, such as at the University of Wisconsin (Madison), the Stanford School of Education, the World Bank, Cornell University and Nagoya University. Recently, he was Erskine Visiting Professor in Christchurch, New Zealand. In 2001, he was elected as a member of the KNAW, the Royal Dutch Academy of Sciences.

Jointly with professor Jules Theeuwes (Amsterdam) in 1994 he founded *Labour Economics, an international journal*; together they acted as Managing Editors for the first six years. Hartog is still a member of the Editorial Board, as well as Board Member for the *Economics of Education Review*. He is a Fellow of the Tinbergen Institute Amsterdam, AIAS (Amsterdam), SCHOLAR (Amsterdam), IZA Bonn and CESifo München.

Some relevant publications

Joop Hartog, The emergence of the working wife in Holland, *Journal of Labor Economics*, 3,1 (part 2), January 1985, Supplement: Trends in Women's Work, Education and Family Building, S235-S255 (with J. Theeuwes)

Joop Hartog, Young Mediterraneans in the Dutch labour market; a comparative analysis of allocation and earnings, *Oxford Economic Papers*, 42, (1990), pp. 379-401.

Joop Hartog, *Labour market institutions and contracts, a cross-national comparison*, Amsterdam: North-Holland, 1993 (edited, jointly with J.J.M. Theeuwes)

Joop Hartog, Job complexity and wages, *International Economic Review*, 34(4), 1993, pp. 853-872, (with H. van Ophem and W. Vijverberg)

Joop Hartog, Age, wages and education in the Netherlands, in: P. Johnson and K. Zimmermann, (eds), *Labour markets in an ageing Europe*, Cambridge: Cambridge University Press, (1993) pp. 182-210 (with H. Oosterbeek and C. Teulings)

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Andrew Glyn and Wiemer Salverda, Does Wage Flexibility Really Create Jobs?, *Challenge. Magazine of Economic Affairs*, 200, vol. 43, no 1, 32-43

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Wiemer Salverda, Perspectives on the 'Dutch Miracle', in Jenny Lee, Belinda Probert and Rob Watts, eds, *Work in the New Economy: Policies, Programs, Populations*, Centre for Applied Social Research RMIT University, Melbourne, 1999

Wiemer Salverda, L'Exemple néerlandais du marché de l'emploi: un modèle pour l'Europe?, in Brigitte Lestrade and Sophie Boutillier eds, *Les Mutations du Travail en Europe*, L'Harmattan, Paris/Montréal, 2000

Mary Gregory, Wiemer Salverda and Stephen Bazen, eds, *Labour Market Inequalities: Problems and Policies of Low-Wage Employment in International Perspective*, Oxford University Press, 2000

Wiemer Salverda, Brian Nolan & Claudio Lucifora, eds, *Policy Measures for Low-Wage Employment in Europe*, Edward Elgar, 2000

Wiemer Salverda, Brian Nolan, Bertrand Maitre & Peter Mühlau, *Benchmarking Low-Wage and High-Wage Employment in Europe and the United States*, Report to the European Commission, DG Employment and Social Affairs, May 2001

Wiemer Salverda, Stephen Bazen & Mary Gregory, *The European-American employment gap, wage inequality, earnings mobility and skill: A study for France, Germany, the Netherlands, the United Kingdom and the United States*, European Commission, DG Employment and Social Affairs, June 2001

2. Department of Economics, Oxford University, United Kingdom

Dr Mary Gregory works at the Department of Economics, Oxford University, United Kingdom and she is a Fellow and Tutor at St. Hilda's College.

Her main research and teaching interests are in macroeconomics and labour economics. Current research areas include low-wage employment, the impact of the United Kingdom's National Minimum Wage on women's hours of work, and the career consequences of part-time work for women.

Currently Guest Editor, Special Issue on 'The UK Minimum Wage: Assessing its Impact', *Oxford Bulletin of Economics and Statistics*. Currently Chair of Editorial Board, *Oxford Economics Papers*, previously Managing Editor.

Previous outside positions include rapporteur for the EU/OECD seminar on 'Wages and Employment' and for the OECD's Labour/Management Programme; member of the Group of National Experts, study on Low Pay in the Countries of the EEC, EC DGV; member of the panel of assessors, TSER 5th framework and Marie Curie European Fellowships; member of Steering Committee and Chair of the Users Group, New Earnings Survey Panel Dataset, London.

Mr Andrew Glyn

Fellow and Tutor in Economics, Corpus Christi College, Oxford and University Lecturer in economics, Departmental Director of Undergraduate Studies, Oxford University. Associate Editor Oxford Review of Economic Policy. Consultant to HM Treasury's review of membership of Euro.

Publications on: capitalism since World War II, decline of the UK Coal Industry, interpretation of profitability and investment trends, constraints on egalitarian policies in Europe, Social Democracy and economic policy, globalization and export performance of OECD countries, structural change and employment of women; position of low-skilled workers across OECD countries; United Kingdom regional employment patterns for the least qualified; dynamics of regional employment in the USA, labour market deregulation.

Martin Ruhs

Senior Labour Market Economist at COMPASS, Centre on Migration, Policy and Society, and ESRC Centre at the University of Oxford. He recently submitted his thesis on *The Economics and Ethics of Labour Immigration Policy* at the University of Cambridge. He held various teaching, research and consultancy positions in different countries and at the ILO. He won several awards and scholarships.

His publications include *The Ethics of Labour Immigration Policy* (with Ha-Joon Chang), *International Organization*, forthcoming; *Temporary Foreign Worker Programmes: Policies, Adverse Consequences, and the Need to Make Them Work*, *International Migration Paper Series*, International Migration Branch, ILO, Geneva, forthcoming; *Pesticide Use in Thai Agriculture: Problems and Policies* (with N. Poapongsakorn), Published in: GTZ (1999): *Pesticide Policy Project. Publication Series No. 7* (Hannover); *Problems and Outlook of Agriculture in Thailand* (with N. Poapongsakorn and S. Tangitwisuth), Published in: Thailand Development Research Institute (1998): *Quarterly Review* 13 (2): 3-14 (Bangkok).

3. Department of Economics – Chair for Economic Policy, Bergische Universität Wuppertal, Germany

Professor Ronald Schettkat is full professor of economic policy at the Department of Economics, Bergische Universität, Wuppertal, Germany. He was a tenured Senior Fellow at the Wissenschaftszentrum Berlin für Sozialforschung, a Fellow of the Netherlands Institute for Advanced Study NIAS and a Visiting Scholar at the Russell Sage Foundation, New York.

Books, chapters and articles on flow analysis of labour markets; institutions and labour market performance; wage determination; innovation; wages, skills and employment; employment protection and labour mobility; service sector employment in the United States and Germany.

The publications are often in a comparative perspective to the United States. Experienced user of European Union Labour Force Survey, OECD input/output Database etc.

Some relevant publications

Schettkat, R. (1992), *The Labor Market Dynamics of Economic Restructuring: The United States and Germany in Transition*, Praeger Publishers, New York, N.Y.

Schettkat, R. ed (1996), *Flow Analysis of Labor Markets*, Routledge, London/ New York:

Ten Raa, T. and R. Schettkat, eds (2001), *The Growth of Service Industries: The Paradox of Exploding Costs and Persistent Demand*, Edward Elgar, Cheltenham

Russo, G., C. Gorter, Schettkat R. (2001), Searching, hiring and labour market conditions, *Labour Economics*, 8, 553-571.

4. Centre for Economic Performance CEP and Centre for Analysis of Social Exclusion (CASE), London School of Economics and Political Science, United Kingdom

The **CEP** is an interdisciplinary research centre at LSE established by the Economic and Social Research Council (ESRC) in 1990 and is now one of the leading economic research groups in Europe. It studies the determinants of economic performance at the level of the company, the nation and the global economy by focusing on the major links between globalisation, technology and institutions (above all the educational system and the labour market) and their impact on productivity, inequality, employment and stability. In 2002 the CEP was awarded the Queen's Anniversary prize for Higher and Further Education for its research on unemployment and inequality. The citation says that the centre "has had a significant impact on government policy in the United Kingdom and more widely". The centre is "recognised as a centre of national and international excellence".

The Centre comprises some 100 research staff and associates and 10 support staff.

Strong research support is given by an administrative team of events, publications and project administration staff. The Centre has IT facilities a data library and data librarian and an Information Manager. The data library gives researchers access to the principal UK and, increasingly international, household based survey data sets.

The Centre for Analysis of Social Exclusion (**CASE**) was established in October 1997 with funding from the Economic and Social Research Council (ESRC). It is located within the Suntory and Toyota International Centres for Economic and Related Disciplines (STICERD) at the London School of Economics and Political Science, and benefits from support from STICERD, including funding of its Toyota Fellow, and is associated with the School's Department of Social Policy. As well as research funding from the ESRC, it carries out research funded by other bodies, including the Department of Work and Pensions, Joseph Rowntree Foundation, the Nuffield Foundation, the Gatsby Charitable Foundation, the Department of the Environment, Transport and the Regions, the Department of Education and Skills, the Basic Skills Agency, the Ashden Trust, and the European Commission. The core research of CASE is divided between five inter-related strands: economic exclusion and income dynamics; social welfare institutions; family change and civil society; community, area polarisation and regeneration; and exclusion and society. Its aim is to understand the dynamic processes at work

within its areas of study and to investigate the individual characteristics and social institutions which prevent exclusion, and promote recovery, regeneration and inclusion

Dr Abigail McKnight is a Research Fellow at the Centre for Analysis of Social Exclusion at the London School of Economics. Prior to working at the LSE she was employed at the Institute for Employment Research at the University of Warwick. She is a labour economist and her research interests cover low wage employment, labour market disadvantage, earnings inequality, poverty, evaluation of active labour market programmes, intergenerational mobility and the economics of education. She is currently conducting research on earnings trajectories using large-scale longitudinal datasets (New Earnings Survey Panel Dataset and the Lifetime Labour Market Database). This work looks at earnings inequality and mobility from a long run perspective, examining the extent to which mobility has changed over time and how this has influenced long-run (lifetime) earnings inequality. She is a member of the HM Treasury Children's Group; Advisory Committee for DfES higher education and lifelong learning research programme and the Smith Institute Advisory Group.

Professor Stephen Machin

Stephen Machin is Professor of Economics at University College London, Director of the DfES Centre for the Economics of Education and a Programme Director (of the Skill and Education research programme) at the Centre for Economic Performance at the London School of Economics. He is currently one of the Editors of the Economic Journal. Previously he has been visiting Professor at Harvard University (1993/4) and at the Massachusetts Institute of Technology (2001/2). He has worked extensively on empirical questions in labour economics and industrial relations.

Jonathan Wadsworth is both a researcher at the CEP and a lecturer at Royal Holloway College, University of London.

Professor Frank Cowell is a Professor of Economics at the London School of Economics, and the Director of Distributional Analysis Research Programme.

He is editor of *Economica*, Associate Editor of *Hacienda Publica Espanola/Revista de Economia Publica*, and Associate Editor of the *Journal of Income Inequality*.

Ms Jo Blanden Jo is Research Assistant at the Centre for Economic Performance at the London School of Economics while registered for a PhD at University College London. Her provisional thesis title is "Aspects of Intergenerational Mobility in the UK and Abroad", supervised by Stephen Machin and Costas Meghir. Her current work includes:

The Intergenerational Mobility of Daughters and Assortative Mating: An Analysis using Canadian Income Tax Data. Very preliminary draft, November 2002, and Changes in Educational Inequality With Paul Gregg and Stephen Machin (Draft), February 2003.

Some relevant publications

Abul Naga, R. and Cowell, F. A. (2002) *Intergenerational Mobility in Britain: Revisiting the Prediction Approach of Dearden, Machin and Reed* Distributional Analysis Discussion Paper, 62, STICERD, LSE

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Cowell, F. A. (2003) *The Economics of Poverty and Inequality*, Edward Elgar, Cheltenham, United Kingdom

Cowell, F. A. and Ebert, U. (2003) "Complaints and Inequality" *Social Choice and Welfare*, Forthcoming.

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- S. Machin, Where the Minimum Wage Bites Hard: The Introduction of the UK National Minimum Wage to a Low Wage Sector, *Journal of the European Economic Association* (with A. Manning and L. Rahman), (forthcoming)
- S. Machin, Mobility and Joblessness' in R. Blundell, D. Card and R. Freeman (eds) *Seeking a Premier League Economy*, (with P. Gregg and A Manning) (forthcoming).
- S. Machin, Trade Unions and Training Practices in British Workplaces', *Industrial and Labor Relations Review*, 52, 179-95 (with F. Green and D. Wilkinson) (1999).
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- J. Wadsworth (2000), Mind the Gap? Entry Wages and Employment Polarisation in Britain, (with Paul Gregg), *Economica*, November, pp. 499-524.
- J. Wadsworth (2000), Tenures that Shook the World: New Jobs and Worker Turnover in Russia and Poland, (with Hartmut Lehmann), *Journal of Comparative Economics* , December
- J. Wadsworth (2001), Everything You Ever Wanted to Know About Measuring Worklessness and Polarisation at the Household Level but Were Afraid to Ask (with Paul Gregg), *Oxford Bulletin of Economics and Statistics*, Vol. 63, S1, pp. 777-805.
- J. Wadsworth (2002), Job Tenure in Britain, 1975-98 (with Paul Gregg), *Oxford Bulletin of Economics and Statistics*, May, Vol.64, pp. 111-134.
- J. Wadsworth (2003), *The Labour Market Under Labour: The State of Working Britain 2003*, (with. R. Dickens, P. Gregg eds), Macmillan, 2003.

5. Economic and Social Research Institute, Dublin, Ireland

The Irish Economic and Social Research Institute (**ESRI**) is a not-for-profit organisation whose aim is to bring the latest thinking in economics and the social sciences to bear on Irish and European issues. Its research programme covers a broad range of topics including economic forecasting and modelling, public finance, the labour market, social exclusion, the environment, education and health. Key organisational goals are academic excellence, objectivity, relevance to policy, and widespread dissemination. ESRI research has been a vital constituent in the national debate on economic and social issues over the past 30 years, and has been deeply engaged with the European agenda.

Professor Brian Nolan, a Research Professor at the Economic and Social Research Institute, has a doctorate in economics from the London School of Economics. He has published extensively on

income inequality, poverty, low pay and the minimum wage, and tax and welfare issues. This research has contributed *inter alia* to the development of Ireland's National Anti-Poverty Strategy and to the design of poverty measures and indicators at European level. He is currently directing a research programme using data from the European Community Household Panel and the European Structure of Earnings Surveys to study the dynamics of low income, deprivation and low pay. He has participated in a wide range of comparative research projects and networks supported by the European Union, and is currently a member of the CHANGEQUAL network, the ECUITY network studying equity in the financing and utilisation of health care, and the DYNASOC research project analysing the dynamics of economic and social change in Europe.

Some relevant publications

Social Indicators: the EU and Social Inclusion, with A.B. Atkinson, B. Cantillon and E. Marlier, Oxford University Press: Oxford, 2002.

Earnings Inequality, Returns to Education and Immigration in Ireland" with A. Barrett and J. FitzGerald, *Labour Economics*, 2002.

The Impact of The Minimum Wage on Irish Firms, with D. O'Neill and J. Williams Policy Research Series, ESRI: Dublin, 2001.

Persistent and Consistent Poverty in Europe, with R. Layte et al, *Review of Income and Wealth*, 47, 2001.

Benchmarking Low Wage and High Wage Employment in Europe and the USA, with W. Salverda, B. Maitre and P. Muhlau, Report for DG Employment, European Commission, 2001.

Poverty Dynamics, with R. Layte et al., *European Societies*, 2, 2000.

Nolan, B. and C.T. Whelan (1996). *Resources, Deprivation and Poverty*, Oxford: Clarendon Press, 1996.

Policy Measures for Low-Wage Employment in Europe, edited with W. Salverda and C. Lucifora, Edward Elgar Cheltenham (2000)

6. Research Center for Education and the Labour Market, Universiteit Maastricht, the Netherlands

The Research Centre for Education and the Labour Market (**ROA**) is a research institute of the Faculty of Economics and Business Administration of Maastricht University (UM). ROA's field of research concerns the match between education and the labour market. More in particular, the institute aims to contribute to both academic and social discussions on the effects of skills acquired in education and in other learning situations on (1) occupational careers, (2) the performance within organisations, and (3) the development of the economy. ROA's research programme consists of three research lines, Dynamics of the Labour Market, Education and Occupational Careers, and Training and Work.

The Dynamics of the Labour Market research line focuses on the way education and training affect the functioning of the labour market and the structure of the labour market. Within this research line, we try to explain and forecast the developments in the labour market, classified by education and occupation.

The second research line on education and occupational careers focuses on the transition from school to work, and on subsequent occupational careers. Within this framework, ROA carries out a number of large-scale surveys that provide an up-to-date insight in the (initial) destinations and performance of school-leavers and graduates in the labour market. In addition to the transition from school to work, this research line includes studies on the acquisition of competence within the education system and the development of later occupational careers.

The Training and Work research line focuses on the acquisition of qualifications and skill obsolescence in workers, job-seekers and non-participants, in relation to developments in the labour market. One of the pillars of this research line is the observatory for the training of workers, developed on behalf of the Ministry of Social Affairs and Employment. It shows which groups run the greatest risks of losing their jobs as a result of physically or mentally demanding employment conditions, decreasing employment, or skill obsolescence caused by a combination of rapid technological and

organizational developments and low rates of participation in training. It also indicates in which direction such groups could improve their labour market perspectives by means of additional training or job mobility. Moreover, this research line focuses on studies on the employability of workers, and on the effects of human resource practices in various sectors of industry.

Specific themes are

- Upgrading and overeducation
- Participation in post-initial training
- Training policies of labour organisations
- Technological development, employment and training needs
- Development of educational and occupational structures of employment

Professor Andries de Grip is Head of the Division of Labour Market and Training of the Research Centre for Education and the Labour Market (ROA) and Professor of Economics at the Faculty of Economics and Business Administration, Maastricht University. In 1981 he received his master degree in economics ('cum laude') at the Free University of Amsterdam. Afterwards he worked for two years as a teacher in economics at a secondary school for pre-university education. From 1983 till 1987 he worked at the Faculty of Economics at the Free University of Amsterdam, where he wrote his dissertation on 'Education and the Labour Market: Schooling Mismatches'. Since 1987 he works at the ROA. He published many studies in the field of manpower forecasting, occupational classifications, labour market segmentation, training and mobility, skills shortages, atypical employment, skills obsolescence and employability.

Drs Jasper van Loo has been working for the Research Centre for Education and the Labour Market (ROA) since March 1997. Before becoming a researcher there, he has studied general and quantitative economics at the University of Maastricht. He has been involved in several studies on manpower forecasting, regional labour markets and training policies for workers at risk of losing employment. At the moment he is writing his Ph. D. thesis on the maintenance of human capital. His current research interest focus on the importance of skills in maintaining and advancing peoples' working career. Although the economic literature on human capital plays a key role in his research, insights from other disciplines, such as psychology or educational science, are important as well.

Some relevant publications

- L. Borghans, A. de Grip, H. Heijke, Labor Market Information and the Choice of Vocational Specialization, in: *Economics of Education Review*, vol. 15, no. 1, 1996, pp. 59-74.
- Lex Borghans, Allard Bruinshoofd, Andries de Grip, Low Wages, Skills and the Utilization of Skills, in:
- L. Borghans and A. de Grip (eds), *The Overeducated Worker? The Economics of Skill Utilization*, Edward Elgar, Cheltenham (UK)/Northampton (MA, USA), 2000, pp. 191-202.
- Ron Dekker, Andries de Grip, Hans Heijke, The effects of training and overeducation on career mobility in a segmented labour market, *International Journal of Manpower*, vol. 23, no. 2, 2002, pp. 106-125.
- A. de Grip, L.F.M. Groot, J.A.M. Heijke, Defining Occupational Groupings by Educational Structure, in: *Environment and Planning A*, 1991, pp. 59-85.
- A. de Grip, H. Heijke and E. Willems, Training and Mobility, *The Netherlands Journal of Social Sciences*, Volume 34, no. 1, 1998, pp. 78-98.
- A. de Grip, J. Hoevenberg, E. Willems, Atypical employment in the European Union, in: *International Labour Review*, vol. 136, no. 1, 1997, pp. 49-71.
- Andries de Grip en Lex Borghans, Skills and Low Pay: Upgrading or Overeducation? In: Gregory, M. and Salverda, W. (eds.), *Labour Market Inequalities. Problems and Policies of low-wage employment in international perspective*, Oxford University Press, Oxford, pp. 198-223
- A. de Grip, J. van Loo, The Economics of Skills Obsolescence: A Review, in: A. de Grip, J. van Loo and K. Mayhew, *The Economics of Skills Obsolescence*, *Research in Labor Economics*, vol. 21, JAI Press, 2002, 1-26.

- L.F.M. Groot, A. de Grip, Technological Change and Skill Formation in the Bank Sector, in: *Economics of Education Review*, 1991, pp. 57-71.
- Jasper van Loo, Andries de Grip and Margot de Steur, Skills obsolescence: causes and cures, *International Journal of Manpower*, vol. 22, no. 1/2, 2001, pp. 121-137.
- Jasper van Loo, Judith Semeijn (2001), Measuring Competences in School-leaver Surveys, ROA-RM-2001/3^{EM}, Maastricht.
- E.J.T.A. Willems, A. de Grip, Forecasting replacement demand by occupation and education, in: *International Journal of Forecasting*, vol. 9, 1993, pp. 173-185.

7. Zentrum für Europäische Wirtschaftsforschung, Mannheim, Germany

With its commitment to high-quality, application-oriented research, ZEW (Centre for European Economic Research) in Mannheim, Germany, enables decision-makers in the private and the public sector to formulate timely and foresightful action in response to a continually changing macro-economic environment. Interdisciplinary teamwork avoids one-dimensional solutions, comprehensive in-house and external databases support our researchers in their work. Expert consultancy is further enhanced by cooperative input from around the globe. ZEW's clients include companies, trade associations, political institutions, research facilities, and the public sector. Senior ZEW researchers are acknowledged experts in their particular discipline and are active contributors to the international scientific community.

ZEW was set up in 1990 as a non-profit-making institution by the Baden-Württemberg state government, the Baden-Württemberg Landeskreditbank, and Mannheim University. ZEW is financed on behalf of the state government by the Gesellschaft für Kultur- und Wissenschaftsförderung Baden-Württemberg mbH (GKW), Mannheim, a non-profit-making institution for promoting culture and science studies. It currently employs 130 staff, including 100 academics. Distinguished professors from Mannheim University and other academic institutions at home and abroad contribute their research expertise as project managers in ZEW's work

Dr Thomas Zwick was born on June 20th, 1968 in Alexandria (Egypt). He studied economics at Regensburg University (Germany) and Vanderbilt University (USA). In December 1993, he graduated from Regensburg University. Between February 1994 and January 1998, he was PhD student at Maastricht University (The Netherlands). In July 1998, he defended his dissertation on "Human Capital and Unemployment" there. Since February 1998, Thomas Zwick is a researcher and since May 2001 a senior researcher at the department of labour economics, human resources, and social policy of the Centre for European Economic Research (ZEW) in Mannheim (Germany). His main fields of interests are micro-economic and micro-econometric labour market analyses, qualification research, and personnel economics.

Dr Miriam Beblo studied Economics at Technische Universität Berlin (Germany) and University of British Columbia (Canada). After being a research/teaching assistant and completing her doctoral thesis at Freie Universität Berlin (Germany), she joined ZEW in 2000 where she is working at the department of Labour Economics, Human Resources and Social Policy. Her research focus is on the employment and welfare effects of social policy, particularly family policy, measures as well as on the analysis of wages and income distribution

Some relevant publications

- Beblo, Miriam, Stanisława Golinowska, Charlotte Lauer, Katarzyna Pietka and Agnieszka Sowa (eds) (2002), *Poverty Dynamics in Poland - Selected Quantitative Analyses*, CASE Reports, No. 54/2002 Warsaw.
- Beblo, Miriam (2001), *Bargaining over Time Allocation: Economic Modeling and Econometric Investigation of Time Use within Families*, Contributions to Economics, Heidelberg.

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- Beblo, Miriam and Thomas Knaus (2001), Measuring Income Inequality in Euroland, *Review of Income and Wealth* 47 (3), 301-320.
- Beblo, Miriam and Birgit Soete (2000), Der Haushalt als Forschungsgegenstand der ökonomischen Theorie - Macht eine Gender-Analyse Sinn?, *Schmollers Jahrbuch* 120(1), 63-92.
- Thomas Zwick, Market power of skilled workers causes unemployment – so what? in: The unemployment debate: current issues, Peter de Gijssel, Ralph Olthoff and Thomas Zwick (eds.), Metropolis, Marburg, 2000.
- Thomas Zwick, Over-qualification makes low-wage employment attractive, in: The overeducated worker? The economics of skill utilization, Andries de Grip and Lex Borghans (eds.), Edward Elgar, Cheltenham, 2000.
- Thomas Zwick, Supply of human capital in times of skill biased technological change, in: *Jahrbücher für Nationalökonomie und Statistik*, 221 (3), 2001, p. 322-335.
- Thomas Zwick, Wie aktuell ist die Berufsbildung im Dienstleistungssektor? Sektorale Besonderheiten und deren Auswirkungen auf den Qualifikationsbedarf, Nomos, Baden-Baden, 2001 (with Helmut Schröder).
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- Thomas Zwick, The Impact of ICT Investment on Establishment Productivity, in: *National Institute Economic Review*, 184, 2003, pp. 70-81.

8. ETLA Research Institute of the Finnish Economy, Helsinki, Finland

The **ETLA** was established in 1946. ETLA is the leading research organisation in Finland in economic analysis of the interrelationship between technology, competencies and labour market outcomes. Among the current areas of emphasis in ETLA's research are the impact of technological progress, education and skills on the success and failure of individuals in the Finnish labour market. Particular emphasis is thereby paid to the deep recession that the Finnish economy suddenly plunged into in the early 1990s and the economic recovery that was visible in manufacturing already in 1993 and that has slowly spread to other sectors of the economy.

ETLA's research on the micro-level dynamics of the Finnish labour market has expanded enormously during the past few years. Several studies have recently been finished or are presently undertaken – partly on a cross-country comparative basis on topics like the return to education and other items of human capital, job mobility and careers, social bumping and low wage mobility.

The institute carries out research on economics, business and social policy as well as makes economic forecasts. Scientific and independent research activities are key points of departure in the activities of the institute. The expertise of ETLA is used widely in preparation of economic policies and reforms of commercial and economic legislation.

Dr Rita Asplund is a Research Director at the Research Institute of the Finnish Economy ETLA (Helsinki) with responsibility for the research programme Technology, Competence and Competitiveness. Her other affiliations include Docent in labour market economics for the Åbo Akademi University; lecturer at the Swedish School of Economics and Business Administration; Finnish Postgraduate Programme in Economics, member of the board.

She has worked for several years on research projects concerning the economic significance of investments in human capital; wage determination and labour market institutions; individual labour market outcomes involving aspects of flexibility and dynamics, such as individual mobility (in various dimensions and with special emphasis on the low-paid) and adjustment to technological progress and skill upgrading. Recent research has focused also on R&D, public funding to companies, intellectual capital, and the interplay between technology policies and labour market flexibility for improved company and national economic performance.

She is an experienced co-ordinator of EU-supported research projects such as PURE and EDWIN.

Some relevant publications

Ikääntyvien työttömyysriski Suomen tehdasteollisuudessa The Unemployment Risk of Ageing Workers in Finnish Manufacturing, Gerontologia 2/2002.

Editor of the book *Education and Earnings. Further Evidence from Europe*. ETLA The Research Institute of the Finnish Economy, Series B 183, Helsinki.

Mobility and Earnings. An analysis of Finnish manufacturing and services. ETLA The Research Institute of the Finnish Economy, Discussion papers Nro 753, Helsinki.

Finland, in Harmon, C., Walker, I. & Westergård-Nielsen, N. (eds), *Education and Earnings in Europe. A Cross Country Analysis of Returns to Education*. Edward Elgar Publishing Ltd.

Low pay - A special affliction of women (co-author: I. Persson), in Gregory, M. , Salverda, W. & Bazen, S. (eds), *Labour Market Inequalities: Problems and Policies in International Perspective*. Oxford University Press.

Låglönejobb — fällor och språngbräden: Nordiska erfarenheter i internationell belysning (Low-paid jobs — traps and stepping-stones: Nordic experience in an international setting) (co-author: T. Eriksson). ETLA The Research Institute of the Finnish Economy, Series B 167, Helsinki. (in Swedish)

Has the Finnish Labour Market Bumped the Least Educated? (co-author: R. Lilja), in Borghans, L. & de Grip, A. (eds), *The Overeducated Worker? The Economics of Skill Utilization*. Edward Elgar Publishing Ltd.

Labour Market Transitions in Finland, Does background matter? (co-author: Reija Lilja) ETLA The Research Institute of the Finnish Economy, Discussion papers No. 660, Helsinki.

Editor of the book *Low Pay and Earnings Mobility in Europe* (co-editors: P.J. Sloane and I. Theodossiou), Edward Elgar Publishing Ltd.

The Gender Wage Gap in Finnish Industry in 1980, in Persson, I. & C. Jonung (eds), *Women's Work and Wages*, Routledge.

9. Centre for European Labour Market Research (CELMR), Department of Economics, University of Aberdeen, United Kingdom

The **CELMR** has a strong research ethos and is composed of active researchers with international scope and reputation. It has an established international reputation in labour economics. The CELMR has a strong research ethos and is composed of active researchers with international scope and reputations. It has an established international reputation in labour economics. Current research includes participation in four European projects funded through the Fifth Framework, investigations into the reform of pay setting arrangements in the public sector in European Union countries, public and private sector differences in wage structures in the European Union, and studies recently undertaken on behalf of HM Treasury, the Leverhume Trust, OECD, and the Low Pay Commission on wage inequality, the gender wage gap, and discrimination, all of which are supported by public funds. In addition there are a number of smaller research projects in progress on issues of gender discrimination, disabilities discrimination, returns to education and over-education, labour market segmentation and earnings profiles, the effects of unemployment on individuals' health and psychological well being and regional earnings differentials.

Professor Ioannis Theodossiou has been a participant in the European Low-Wage Employment Research Network (**LoWER1**, **LoWER2**) and AQCESS (Aquaculture and Coastal, Economic and Social Sustainability, contract no: Q5RS-2000-31151). He is the coordinator of the SOCIOLD (Socio-economic and Occupational Effects on the Health Inequality of the Older Workforce; contract number: QLK6-CT-2002-02292) project and EPICURUS (Societal and Economic Effects on Quality of Life and Well being: Preference Identification and Priority Setting in Response to Changes in Labour Market Status; contract number: HPSE-CT-2002-00143) project. He has received a number of grants on economic analysis of unemployment. His research interests lie mainly in labour economics, health economics, economics of well-being and macroeconomics. He is a Fellow of the Royal Statistical Society.

Some relevant publications

- Asplund, R. with P. J. Sloane & I. Theodossiou (Editors) 1998, *Low Pay and Earnings Mobility in Europe*. E. Elgar, London, p. 286.
- Theodossiou, I., 1995. Wage Determination for Career and Non-Career Workers in the U.K.: Is There Labour Market Segmentation? *Economica* 62, 195-211.
- Theodossiou with Sloane, P.J., I. 1996. Mobility, Family Income and Low Pay. *Economic Journal* 106, 657-666.
- Theodossiou, I. 1996. Promotions, Job Seniority and Product Demand Effects on Earnings. *Oxford Economic Papers* 48, 456-72.
- Theodossiou, I., 1998. The Effects of Low Pay and Unemployment on Psychological Well-Being: A Logistic Regression Approach. *Journal of Health Economics* 17, 85-104.
- Theodossiou, I. with Bender, K., 1999. Money and Real Wages and Employment Levels: International Comparisons, *Journal of Post-Keynesian Economics*, 1999, 21, 4, 621-637.
- Theodossiou, I. with S. Drakopoulos, 1997. Job Satisfaction and Target Earnings. *Journal of Economic Psychology*, 18, pp. 693-704.

10. CSB Centre for Social Policy, UFSIA, Antwerp, Belgium

Since its establishment in 1972 the **Centre for Social Policy**'s principal objective has been to study the adequacy of social and labour market policies. Its research is mainly based on large-scale socio-economic surveys of households. On the basis of these surveys the CSP has monitored trends in the extent and distribution of income, welfare and poverty in Belgium since 1976; in this field the CSP figures have in fact become the main reference point within Belgium. The Centre seeks to link developments in this field to broader socio-demographic, economic and labour market trends, and to explain the actual and possible role government policies can play in this regard. In the international context, the CSP was responsible for coordinating the first major research projects on poverty in several countries of the EC in the late eighties, called EUROPASS, which was partly financed by the European Commission. In later years, it has continued to study poverty from an international comparative perspective, using the Luxembourg Income Study (LIS) and other sources. The CSP has been involved in a large number of international research projects relating to poverty, income distribution and social policy. Members of the Centre have consulted for the European Commission, the OECD and the ILO, among other organizations.

Mr Ive Marx

Research fellow at the CSB. He holds degrees in sociology and economics. He works in the fields of labour market, income distribution, poverty and social policy. His main focus is on the interrelationship between labour market performance, poverty and social policy. He has been involved in several international research projects dealing with labour market and social policy issues. He has also worked on projects for the Belgian government, the European Commission, the World Bank, the ILO and the OECD. Recently, he completed a report, commissioned by the Flemish government, on labour migration policies in the European Union.

Some relevant publications

- Marx, I. (1997), Is a new social question emerging ?, in McKenna, M., *The End of the Welfare State ? Social Policy, Citizenship rights and Welfare Provision in a Changing Europe*, Institute on Western Europe, Columbia University, New York.
- Cantillon, B., Marx, I., Van den Bosch, K. (1997), The Challenge of Poverty and Social Exclusion, in OECD, *Towards 2000: The New Social Policy Agenda*, Paris: OECD.
- Marx, I. and Verbist, G. (1998), 'Low wage employment and poverty: curse of cure ?', In Bazen, S., Gregory, M. and W. Salverda (eds.), *Low-wage Employment in Europe*, London, Edward Elgar.
- Cantillon, B., Marx, I., Gijssels, C., Tan, B. (1998), 'De sluipende marginalisering van de laaggeschoolden', in Cantillon, B., *De Welvaartsstaat in de kering*, Kapellen, Pelckmans: 175-194.
- Nolan, B. and Marx, I. (2000), Low pay and household poverty, in Gregory, M., Salverda, W. and Bazen, S., *Low wage employment: A European Perspective*, Oxford: Oxford University Press.
- Marx, I. (2001), "Job subsidies and cuts in employers' social security contributions: The verdict of empirical evaluation studies", in *International Labour Review*, 140 (1): 69-85.
- Marx, I., V. De Maesschalk and N. Mussche (2002), *Het arbeidsmigratiebeleid in onze buurlanden en in de Europese Unie*. - Antwerpen : UFSIA, Centrum voor Sociaal Beleid, 2002. - 81 p.
- Marx, I., V. De Maesschalk and N. Mussche (2002), *De fictie van de migratiestop: Europa's nieuwe arbeidsmigratieregimes*. - Antwerpen : UFSIA, CSB. - 22 p. . - (Berichten / UFSIA, Centrum voor Sociaal Beleid ; 2002:3)
- Marx, I., V. De Maesschalk and N. Mussche (2002), Tussen woord en daad... arbeidsmigratiebeleid in Europa. - In: *Over-werk: tijdschrift van het Steunpunt WAV*, 4(2002), p. 134-140
- Roemer, J., R. Aaberge, U. Colombino, J. Fritzell, S.J. Jenkins, I. Marx, M. Page, E. Pommer, J. Ruiz-Castillo, M.J. San Segundo, T. Tranaes, G. Wagner and I. Zubiro (2003), To what extent do fiscal regimes equalize opportunities for income acquisition among citizens ? (forthcoming Journal of Public Economics).
- Cantillon, B., Marx, I. and K. Van den Bosch (2003), The Puzzle of Egalitarianism: About the Relationships between Employment, Wage Inequality, Social Expenditure and Poverty., Luxembourg Income Study Working Paper 338 (forthcoming: European Journal of Social Security).

11. Welsh Economy and Labour Market Evaluation and Research Centre WELMERC, University of Wales, Swansea, United Kingdom

WELMERC was set up on 1st August 2002 with financial support from the European Social Fund with the aim of providing evidence-based policy advice to policy-makers on how to get maximum benefit from European Objective One funding, which covers West Wales and the Valleys, a region in which Swansea is the major city. The research activity set out for the first three years of its existence includes

- the provision of dynamic benchmarks for each local government Unitary Authority in order to provide a base from which to monitor the Effectiveness of Objective One spending.
- the analysis of trends in economic data such as local GDP levels, population profiles, migration flows, local skills and qualifications, activity and unemployment rates, vacancies and skills strategies, business formation, employment situation and earnings profiles.
- the analysis of new micro-data available in Wales including Welsh boosters to the British Labour Force Survey (LFS) and British Household Panel Study (BHPS) in order to develop improved strategies in the areas of education and training, earnings unemployment and inactivity, social exclusion and labour market discrimination on the grounds of race, gender or disability.
- the undertaking of evaluation analysis of projects funded by the European programme including the monitoring of the benefits produced by them in order to establish whether the labour market outcomes are as predicted and give value for money.

The Centre has a dedicated staff of five including Professors P.J. Sloane (Director) and Professor J.G. Treble (Deputy Director), plus an input from several members of the Economics Department including Professors D. Blackaby and P. Murphy.

Professor Peter Sloane is also Professor Emeritus of the University of Aberdeen, where he held the Jaffrey Chair of Political Economy between 1984 and 2002. Between 1996 and 2002 he was Vice Principal and Dean of the Faculty of Social Sciences and Law, University of Aberdeen. He is a Research Fellow of the Institute for the Study of Labor (IZA), Bonn and a Fellow of the Royal Society of Edinburgh, where he is convenor of the Sectional Committee on Economic and Management Sciences. He is also Vice-President of the International Association of Sports Economists. He has acted as adviser or consultant to a large number of national and international bodies including the European Union, ILO, OECD and World Bank, together with, within the United Kingdom, the Department of Employment, National Board for Prices and Incomes, Royal Commission on the Distribution of Income and Wealth and Department of Health. From 1979 to 1985 he was a council member of the Economic and Social Research Council (ESRC), from 1981 to 1991 a member of the Secretary of State for Scotland's Panel of Economic Consultants, from 1987 to 1997 a member of the Steering Committee of the Royal Economic Society's Conference of Heads of University Departments of Economics, and in 1989, 1992 and 1996 a member of the Economics Panel for the United Kingdom Funding Councils' Research Assessment Exercises.

His publications include *Sex Discrimination in the Labour Market* (with B. Chiplin), 1976, *Equal Employment Issues* (with H.C. Jain), 1981, *Tackling Discrimination in the Workplace* (with B. Chiplin), 1982, *Labour Economics* (with D. Carline et al.) 1985, and as editor, *Women and Low Pay*, 1980 and *Low Pay and Earnings Mobility in Europe* (with R. Asplund and I. Theodossiou), 1998. He has published papers in a large number of journals including the Economic Journal, *Economica*, Journal of Health Economics, Oxford Bulletin of Economics and Statistics, Labour Economics, Industrial and Labor Relations Review and the Scottish Journal of Political Economy.

12. GRAPE, Université Montesquieu, Bordeaux, France

The partnership of this contractor was discontinued at the end of the first year and replaced with that of the Université de Savoie (see Partner #19) because of the transfer of Professor Stephen Bazen

13. Istituto di Economia dell'Impresa e del Lavoro, Università Cattolica, Milan, Italy

Professor Claudio Lucifora is full professor of economics in the faculty of economics. He is also attached to the Centro di Ricerca per i problemi del lavoro e dell'impresa (CRELI) of the Università Cattolica di Milano, the Fondazione Eni Enrico Mattei (FEEM), and the Istituto per la Ricerca Sociale (Irs). He is a member of the Executive Committee of the *European Association of Labour Economists* (EALE) and its Italian sister organisation.

Simona Comi is research assistant at the Università Cattolica and she is preparing a thesis on *On the job injuries and earnings: a theoretical analysis and an empirical investigation*. She held a Marie Curie fellowship in 2001-2002 and worked on the effect of family and school characteristics on educational attainment and on the return to education.

Lorenzo Cappellari is Teaching fellow at Università Cattolica and Assistant Professor of economic policy, Università del Piemonte Orientale, Novara. He is also a Research Fellow at the Institute for the Study of Labor (IZA), Bonn, and an Associate Fellow at Institute for Social and Economic Research, University of Essex. He was a Nuffield Foundation New Career Development Fellow. In 2004 he will be visiting researcher at the Center for Economic Studies, University of Munich.

Some relevant publications

L. Cappellari, "Modelling Low Income Transitions", with Stephen Jenkins, *Journal of Applied Econometrics* (forthcoming)

- L. Cappellari, "The Dynamics and Inequality of Italian Men's Earnings: Long-term Changes or Transitory Fluctuations?", *Journal of Human Resources*, 2004, 39 (2)
- L. Cappellari, "Union Activism, Workers' Satisfaction and Organisational Change", *Labour*, 2004, 18(1) (with Claudio Lucifora and Giulio Piccirilli)
- L. Cappellari, "Do the 'Working Poor' Stay Poor? An Analysis of Low Pay Transitions in Italy", *Oxford Bulletin of Economics and Statistics*, 2002, 64 (2)
- L. Cappellari, "Earnings Dynamics and Uncertainty in Italy: How do they Differ between the Private and Public Sectors?", *Labour Economics*, 2002, 9 (4)
- L. Cappellari, "Who Stays Poor? Who Becomes Poor? Evidence from the British Household Panel Survey", *The Economic Journal*, 2002, 112 (March) (with Stephen Jenkins)
- L. Cappellari, "The Covariance Structure of Italian Male Wages", *The Manchester School*, 2000, 68(6)
- L. Cappellari, "Low-Wage Mobility in the Italian Labour Market", *International Journal of Manpower*, 2000, 21, (3/4)
- S. Comi, The Return to Education in Italy, in *Education and Earnings in Europe: A Cross Country Analysis of the Returns to Education*, editors C. Harmon, I. Walker and N. Westergård-Nielsen, Edward Elgar, forthcoming, 2001 (with G. Brunello and C. Lucifora)
- S. Comi, *Education and Earnings Growth. Evidence from 11 European Countries*, wp Feem 29/2000 Fondazione Eni Enrico Mattei (with G. Brunello)
- S. Comi, Il parttime in Italia e il suo ruolo sulla partecipazione femminile: un'analisi sui microdati Banca d'Italia, in *Nuove forme di lavoro in Lombardia e in Italia*, Franco Angeli Publisher, 2000
- S. Comi, La distribuzione dei salari in Italia: un confronto tra pubblico e privato, (2002) *Rivista Internazionale di Scienze Sociali* vol 2 (with P. Ghinetti)
- S. Comi, *Intergenerational mobility in Europe: evidence from ECHP*, (2003) WP dipartimento di Economia Politica e aziendale, University of Milano, n°03.02
- S. Comi, Education and Earnings Growth. Evidence from 11 European Countries, (2003) with G. Brunello forthcoming *Economics of Education Review*
- C. Lucifora, Labour Market Flexibility, Wage Inequality and Unemployment in European Countries, *Journal of European Studies*, Chulalongkorn University, vol.6, 1998.
- C. Lucifora, Winners and Losers: an Analysis of Earnings Mobility in Italy", *Statistica*, vol. 4, 1999.
- C. Lucifora, *Policy Measures for Low Wage Employment in Europe* (editor with W. Salverda and B. Nolan), Edward Elgar: London, 2000.
- C. Lucifora, Inside the Black-box: Labour Market Institutions, Wage Formation and Unemployment in Italy, (with C. Dell'Aringa), *Rivista di Politica Economica*, N.3, 2000.
- C. Lucifora, Education, Mobility and Poverty, (guest co-editor with D. Checchi), *International Journal of Manpower*, N.42/43, 2000.
- C. Lucifora, The College Wage Gap in 10 European Countries: Evidence from two Cohorts, (with G. Brunello and S. Comi), *FEEM Working Paper*, N.15-00, 2000.
- C. Lucifora, Experimental Labour Economics, (Guest Editor, special issue), *Rivista Internazionale di Scienze Sociali*, N. 3, 2000.
- C. Lucifora, Wage Inequalities and Low Pay: The role of Labour Market Institutions, in M. Gregory, W. Salverda and S. Bazen eds., *Labour Market Inequalities*, Oxford University Press, 2000
- C. Lucifora, Wage Expectations of European College Students" (with G. Brunello and R. Winter-Ebmer), *PuRE Working Paper*, N.1-01, 2001.
- C. Lucifora, Union Activism and Organisational Change: theory and evidence, (with L. Cappellari and G. Piccirilli), *Labour*, (forthcoming), 2003.
- C. Lucifora, Unions and Labour Market Institutions in Europe, (with D. Checchi), *Economic Policy*, N.35, 2002

14. IZA, Bonn, Germany

IZA is a private, independent research institute, which conducts nationally and internationally oriented labour market research. It sees itself as an international research institute and a place for communication between academic science, politics, and economic practice. A number of renowned

economists involved in specific research projects cooperate with IZA, either internally or on a "virtual" basis. IZA also takes an active part in international research networks. In conducting labour market research, IZA cooperates closely with the Economics Department at the University of Bonn, where IZA Director Klaus F. Zimmermann holds a position as full professor of economics. IZA plays a central role in the department's graduate education program at the Bonn Graduate School of Economics (BGSE). On a regular basis, IZA offers lectures and seminars in econometrics and labour market economics. The institute also co-organizes the weekly Bonn Economics Research Seminar. Beyond fundamental research, IZA offers policy advice on today's labour market issues and provides relevant information to the general public.

Dr Ana Rute Cardoso received her Ph.D. in economics in 1997 at the European University Institute (Florence, Italy), for her thesis on "Earnings inequality in Portugal: The relevance and the dynamics of employer behaviour". She completed her first degree in economics and her Masters' at the Lisbon Technical University. She has held short Visiting Fellowships from the Bank of Portugal (2002 and 2000), the Australian National University (2001) and the European Commission (2000), and she is a Research Affiliate of the Centre for Economic Policy Research in London. She is currently Research Associate at IZA (institute for the study of Labour) and she is on leave from the University of Minho, Portugal. Ana's research interests include earnings inequality, employer behaviour and labour market institutions such as collective bargaining and minimum wages. She has published in the *Journal of Applied Econometrics*, *Industrial and Labour Relations Review*, *Oxford Bulletin of Economics and Statistics*, *Economics Letters*, *Review of Income and Wealth*, *Applied Economics* and *Review of Radical Political Economics*.

15. Department of Sociology and Social Policy and Institute of Economics, University of Tartu, Estonia

On 30 June 1632, King Gustav II Adolf of Sweden signed the Foundation Decree of Academia Dorpatensis, which marks the beginning of the university's history. Today University of Tartu has 11 faculties, more than 15000 students and academic personal is over 1220 people.

Institute of Economics, Faculty of Economics and Business Administration

The Faculty of Economics and Business Administration at the University of Tartu is a leading institution in the field of economic education in Estonia and offers undergraduate and graduate programs of both academic and business orientation. The Faculty consists of three institutes, one of which is Institute of Economics.

With regard to research activities, the Institute of Economics covers five main areas: economic theory, econometrics, statistics, economic policy and public economy. Within these branches, the Institute focuses especially on various aspects of economic modelling of economic policy implications. The Institute of Economics covers four major research topics:

Competitiveness of the Estonian economy and integration into the European Union, Modelling transition and integration processes, Estonian labour market and social risks, Regional economic development and integration in the Baltic Sea Region.

Department of Sociology and Social Policy, Faculty of Social Sciences

The Faculty of Social Sciences is one of the youngest faculties in the university. It was founded in 1992 in order to provide education in social sciences, including specialities nonexistent during the Soviet time such as political science, public administration and social anthropology.

There are several research groups and centres working at the Faculty of Social Sciences. Most of the staff of the Department of Psychology, and the unit of family studies at the Department of Sociology and Social Policy, belong to the Centre of Behavioural and Health Sciences, one of the Estonian Centres of Excellence in Research. This is a multidisciplinary and inter-institutional network of the internationally most recognised behavioural and social scientists in Estonia who work in divergent areas related to regulation of behaviour and its impact on health.

Kaia Philips (Ph.D) is associate professor of statistics at the Institute of Economics. The areas of research interest are labour market and social policy; migration issues, industrial relations and social dialogue; employment and unemployment at macro and regional level; workers displacement and social security; wages, income inequality, etc. Kaia Philips has cooperated with ILO, ETF, EIRO, UNDP.

Anu Laas (MA) is researcher and lecturer and continues studies as PhD student. She is a founder and head of the Unit of Gender Studies at the Dept of Sociology and Social Policy. Core areas of research have been gender, entrepreneurship, enterprise development. Anu Laas is a partner in 5FP project EGG (Enlargement, Gender, Governance), she has cooperated with the UNDP, ILO, CEPES, ETUI.

Some relevant publications

Lehmann, H., Philips, K., Wadsworth, J. (2002) *The Incidence and Cost of Job Loss in a Transition Economy: Displaced Workers in Estonia, 1989-1999*, IZA Discussion Paper No. 567, September 2002, and William Davidson Institute Working Paper No. 489, August 2002

Philips, K. (2001) *The Changes in Valuation of Human Capital During the Transition Process in Estonia*. Dissertationes rerum oeconomicarum, Universitas Tartuensis, Tartu, 289 pp.

Arro, R., Eamets, R., Järve, J., Kallaste, E., Philips, K. (2001) *Labour Market Flexibility and Employment Security: Estonia*. Employment Paper 2001/25. International Labour Office, Geneva, 95 pp.

Philips, K. (2000) Estonian Labour Market and Labour Market Policy in EU Context – Estonian Human Development Report 2000. UNDP Estonia.

Eamets, R., Philips, K., Annus, T. (1999) Background Study on Labour Market and Employment in Estonia. Country Report, Turin: European Training Foundation, 115 pp.

Philips, K. (1999) Wage Dynamics and Labour Mobility in Estonia. In *Estonian Labour Market and Labour Market Policy*. Articles, ed. by R. Eamets. Viljandi-Tartu: Ministry of Social Affairs.

Haas A, Kaskla E, Laas A (2003). Estonia. In: *Walter L (Ed). Women's Issues Worldwide: Europe*. Greenwood Publishing Group.

Laas A (2002). Female Entrepreneurship in Põlvamaa: Case study of Estonia. In: Komulainen M (Ed) *Challenges and Materra-Paths to Female entrepreneurship*. Kajaani, p 16-27

Laas A (2001). Improved but Still Open to Improvement: The Position of Women in Higher Education and Science – The Case of Estonia. *Good Practice in Promoting Gender Equality in Higher Education in Central and Eastern Europe*. Grünberg L (ed). UNESCO – CEPES: Bucharest. Pp 37-58.

Laas A (2003?). Equal Pay and Gender Mainstreaming: The Case of the Republic of Estonia. In: Serrano A (Ed). *Equal Pay and Gender Mainstreaming*. European Trade Union Institute (ETUI).

16. Centre for Labour Market Studies and Social Research CLS and Aarhus School of Business, Denmark

Professor Niels Westergård-Nielsen is a professor at Aarhus School of Business. He is now the director of Center for Corporate Performance, (CCP) which studies the effects of wage and personnel policies on firm performance. His research is concentrated on empirical labour economics based on huge data sets originated from administrative records. The topics covered in books and journals are: Search, human capital, wage mobility, mental health and labour market, development economics and personnel economics. He has built up huge data sets for the entire Danish population and all firms. He has over the years been active in several Danish Government commissions and is used to take part in the public debate and give comments to the Press. He has experience from several EU- and Nordic funded projects.

Department of Economics at Aarhus School of Business has the largest group of economists working with labour economics in Denmark. Together they form the cooperation Center for Labour Market and Social Research (CLS). CCP is a new research center that involves cooperation with a number of the largest Danish firms on human resource management. Research groups from Departments of Economics, Statistics and Marketing are also members of CCP.

Some relevant publications

The Impact of Subsidies on the Number of New Apprentices (with A.R. Rasmussen), *Research in Labour Economics*, Vol. 18, 1999, pp. 359-375

Employer Wage Differentials in the US and Denmark (with P. Bingley, S. Bronars and M. Famulari). In: Haltiwanger, Lane, Spletzer and Troske (eds.): *The Creation and Analysis of Employer-Employee Matched Data*, North Holland, 1999

The Return to Firm-Specific Human Capital (with P. Bingley). *New Zealand Economic Papers*, 2002

Personnel Policy and Profit (with P. Bingley). *Journal of Business Research*, 2003

Linking Employer-employee Data, Ceies, Eurostat. 2003.

17. John Schmitt, Washington, United States

Dr John Schmitt is a Washington-D.C.-based labour economist, who has written extensively on economic inequality, unemployment, the new economy, the welfare state, and other topics for both academic and popular audiences. Much of his research has focused on international comparisons of economic performance, particularly between the United States and Europe. Schmitt currently works as an economic consultant in the United States, Europe, and Latin America for clients that have included the Global Policy Network, the Economic Policy Institute, the Inter-American Development Bank, the American Center for International Labor Solidarity, the Center for Designing Work Wisely, and other national and international organizations.

Schmitt is a Senior Research Associate at the Center for Economic and Policy Research (Washington, DC), a Research Associate of the Economic Policy Institute (Washington, DC), and a Research Fellow of The Center for Women and Work at the School of Management and Labor Relations of Rutgers University (New Brunswick, NJ). He has been an academic visitor at the Universidad Centroamericana "Jose Simeon Cañas" (San Salvador, El Salvador) and a visiting lecturer at the Pompeu Fabra University (Barcelona). He has an undergraduate degree from Princeton University and a Ph.D. in economics from the London School of Economics.

Some relevant publications

(with Lawrence Mishel and Jared Bernstein) three editions of *The State of Working America* (Cornell University Press)

The Evolution of the Welfare State in Developed Capitalist Countries During the Decade of the 1990s, *Cambridge Journal of Economics*, forthcoming (with Vicente Navarro and Javier Astudillo)

Did Job Quality Deteriorate in the 1980s and 1990s? in *Sourcebook of Labor Markets: Evolving Structures and Processes* (Kluwer, 2001)

Is the OECD Jobs Strategy Behind US and British Employment and Unemployment Success in the 1990s? in *Liberalization and Employment Performance in the OECD* (Oxford University Press, forthcoming). (with Jonathan Wadsworth)

18. Institute of Statistics and Demography of the Warsaw School of Economics

The **Warsaw School of Economics** (SGH- Szkoła Główna Handlowa) is the oldest school of economics in Poland and one of the leading university of economics in Central and Eastern Europe. The WSE is a member of the Community of European Management Schools (CEMS). In the year 2001/2002 over 13,500 students attended the courses (7,200 full-time students and 6,430 extramural students). Moreover around 2,500 students participate in postgraduate courses and nearly 500 persons work on their PhD thesis.

Nearly 850 academic teachers are working in departments and research institutes, which are associated into units named *collegia*. The *collegia* group academics sharing research interests and carrying out teaching programmes.

The Institute of Statistics and Demography is located in the Collegium of Economic Analysis, one of the 5 *collegia* operating within the WSE. The Institute consists of two units: the Applied Statistics Unit and the Unit of Demography. Among 33 persons working at the Institute 6 are professors, 9 persons have a PhD degree, and others are working on their dissertations.

Teaching activities of the Institute cover broadly speaking: Applied Statistics, Socio-economic Statistics, Demography, Demographic Modelling and Forecasting, Population Economics. The main fields of research interest are: interrelations between demographic and economic processes at the macro- and micro-level, demographic development, household welfare, poverty, social reforms, demographic projections.

The most important current research topics are:

population and labour force projections,

population policy,

labour market developments and their impact on demographic processes,

family and work, population change and population policy acceptance (sample survey),

population change, labour market and social reforms,

ageing,

evaluation of changes in attitudes and reproductive behaviours of young and middle generations (sample survey),

determinants of health status of women in Poland (in transition period),

sexual behaviour of adolescents and young adults (sample survey) monitoring of social effects of systemic reforms in Poland (panel survey),

poverty and social exclusion,

income distribution changes.

The majority of the research projects are carried out together with the foreign institutes.

Professor Irena Kotowska is Professor at Warsaw School of Economics since 1996, since September 1995 - the leader of the Demographic Unit at the Institute of Statistics and Demography, Warsaw School of Economics – SGH.

In 1999 she was appointed as a Vice-Chairman of the Social Sciences Section at the Polish Academy of Sciences for the term 1999 - 2002. She has been re-appointed for the term 2003-2006.

In the years 1994 - 1999 - the vice-editor of the demographic journal „*Studia Demograficzne*” of the Committee of Demographic Sciences, Polish Academy of Sciences and the scientific secretary of the Committee, since 1999 she is the editor of „*Studia Demograficzne*”

A member of the International Union for the Scientific Study of Population, the European Society for Population Economics, the European Association for Population Studies and the Polish Demographic Association

Mr Pawel Strzelecki and Ms Anna Matysiak are both assistants and future PhDs at the Institute of Statistics and Demography of the Warsaw School of Economics. Ms Matysiak holds a Master in Economics and has worked on international demographic surveys and on work and reconciliation with family life. Mr Strzelecki has a Master in Quantitative Methods and Information Systems and in Finance and Banking. He is interested in determinants of the inter-industry/occupational mobility, skills and continuous training – especially skills of older workers and skills of older people.

Some relevant publications

I. Kotowska, *Labour Market Developments in Europe and Challenges for Poland*, [in:] *Europas Arbeitswelt von Morgen*, Zentrum für Verbreitung der Wissenschaft der Polnischen Akademie der Wissenschaften, Wien 2000, 109-114.

I. Kotowska, *Demographic processes, the labour market, and education*, (co-authors: J.Józwiak, A.Kowalska) [in:]: *Economic and social effects of education*, Institute for Problems of Contemporary Civilisation, Warsaw 2000, 87-120 (in Polish).

- I. Kotowska, *Demographic and Labor Market Developments in the 1990s*, [in:] M.Ingham, H.Ingham, H.Domański (eds.), *Women on the Polish Labor Market*, Central European University Press, Budapest, 2001, 77-110.
- I. Kotowska, *Selected Research on International Migration in Poland in the 1990s*, (co-authors: M.Kupiszewski, B.Sakson [in]: *Demographic and Cultural Specificity and Integration of Migrants*, Bundesinstitut für Bevölkerungsforschung beim Statistischen Bundesamt, Heft 103, Wiesbaden 2001, 95-110.
- I. Kotowska, *Older workers in the labour market and retirement policies*, Council of Europe Working Papers no.9 (forthcoming).
- I. Kotowska, *New Needs of Statistics related to Demographic Changes in Poland*, (J.Z.Holzer – co-author), „Statistics in Transition”, vol.3, No.4, 1998, 693-703.
- I. Kotowska, *Effects of Poland's population forecast*, „Gospodarka Narodowa”, no. 11-12, 2000, 1-22, (in Polish).
- I. Kotowska, *Changes in the family model. Poland – European countries*, „Polityka Społeczna” no. 4, 2002, 2-8, (in Polish).

19. Université de Savoie, Chambéry/Annecy, France

Professor Stephen Bazen is currently professor of economics at Université Savoie, having previously been professor at Montesquieu Bordeaux IV and held a lectureship in economics at the University of Kent at Canterbury, United Kingdom, and he was a member of the CNRS sponsored “Groupe d'Analyse et Politique Economiques” (GRAPE) at the University of Bordeaux. He participated, as a deputy co-ordinator, in the LIVINTAX (Living Standards, Inequality and Taxation) TMR project, which finished September 2002 (see <http://livintax.montesquieu.u-bordeaux.fr/>).

His principal areas of research are the effects of minimum wages and the analysis of labour market inequality. He has published articles in the *European Economic Review*, *Oxford Bulletin of Economics and Statistics*, *British Journal of Industrial Relations* and the *Oxford Review of Economic Policy* among others and is co-editor of *Labour Market Inequalities: Problems and Policies of Low-wage Employment in International Perspective*, (Oxford University Press, 2000), and *Low-wage Employment in Europe* (Edward Elgar, Cheltenham, 1998) - both with M. Gregory and W. Salverda. He has acted as a consultant to organisations such as the OECD and the International Labour Office.

Linkages List

Personal relations to other relevant research projects (except LoWER1 and LoWER2)

Acronym	Description	Funding	LoWER members
PAST			
Benchmarking	<i>Wage analysis and Job Quality; Benchmarking low-wage and high-wage employment in EU and US</i>	DG ESA	Salverda (co*), Bazen, Gregory, De Grip, Sloane, Nolan
PURE	<i>Public funding and private returns to Education</i>	FP4	Asplund (co), Lucifora, Westergård-Nielsen
IMPRESS	<i>Innovation, environment and employment</i>	FP4	Zwick (ZEW co)
LIVINTAX	<i>Living standards, inequality and taxation</i>	FP4	Bazen
MERITUM	<i>Globalization and social exclusion</i>	FP4	Cardoso
	<i>Measuring intangibles to understand and improve innovation management</i>	FP4	Asplund
	<i>Developing sectoral strategies to address gender pay gaps</i>	DG ESA	Asplund
	<i>The construction of an index of labour market adaptability for EU Member States</i>	DG ESA	Schmitt
	<i>Intergenerational poverty dynamics: economic hardship, household structures, and the effects of social benefits on labour supply - empirical evidence for Poland on the basis of individual household and labour force survey data</i>	Volkswagen Foundation and CASE Foundation	Beblo
	<i>Welfare analysis of fiscal and social security reforms in Europe: does the representation of family decision processes matter?</i>	DG ESA	Beblo
	<i>Gender Impacts of Social Security Reform in Central and Eastern Europe: Poland</i>	ILO	Kotoswka
	<i>Managing social risks through Transitional Labour Markets</i>	TSER	Marx
	<i>Methodological issues related to the analysis of gender gaps in employment, earnings and career progression</i>	DG ESA	Beblo
	CURRENT		
DEMPATEM	<i>Demand patterns and employment growth</i>	FP5	Salverda (co), Schettkat (co), Glyn, Gregory, Schmitt, Machin
EDWIN	<i>Education and wage inequality in Europe</i>	FP5	Asplund (co), Lucifora
EPICURUS	<i>Societal and economic policies to promote quality of life and well-being</i>	FP5	Theodossiou (co), Asplund, Salverda
SOCIOLD	<i>Socio-economic and occupational effects on the health inequality of the older workforce</i>	FP5	Theodossiou (co), Asplund
EPKE	<i>Employment prospects in the knowledge economy</i>	FP5	Zwick
NEWLMSTATS	<i>New labour market statistics architecture</i>	Ford and Rockefeller Foundations	Schmitt, Salverda, Wadsworth
CR	<i>EU Competitiveness Report</i>	Eur Comm.	Zwick
PIEP	<i>Pay inequalities and economic performance</i>	FP5	Lucifora
EGG	<i>Enlargement, gender and governance</i>	FP5	Laas
E*KNOW-NET	<i>A European research arena on intangibles</i>	FP5	Asplund
CHANGEQUAL	<i>Economic Change, Unequal Life-Chances and Quality of Life</i>	FP5	Nolan
Flex.Com	<i>Flexibility and Competitiveness: Labour Market Flexibility, Innovation and Organisational Performance</i>	FP5	Asplund
DIALOG	<i>Population Policy Acceptance Study</i>	FP5	Kotowska

Acronym	Description	Funding	LoWER members
	<i>Overcoming barriers to equal pay in Europe: monitoring gender mainstreaming Attitudes to Social Equity: An Internet Approach</i>	ETUI/SALTSA <i>European Science Foundation</i>	Salverda Cowell
ENIQ	<i>Indicators of Social Quality</i>	DG ESA	Marx
STT	<i>Schooling, Training and Transitions Parents and Children: Intergenerational Income Mobility in the UK and USA</i>	TSER Nuffield Foundation	McKnight Cowell
NIEPS	<i>Network for Integrated European Population Studies</i>	FP5	Kotowska
CVT System	<i>National Vocational Training System Project in Poland</i>	PHARE	Kotowska
	<i>Low-wage work in Europe</i>	Russell Sage Foundation, New York	Salverda, Westergård-Nielsen

*) co means project co-ordinator

A.2 Subcontracting

Subcontracting is not applicable at this moment. Anyway, it does not play a major role in this Action. In the tradition of the **LoWER** network, on some occasions invited speakers to meetings may be paid a fee but generally this is not treated as subcontracting in a formal way. As far as these speakers are coming from third countries, permission will each time be requested before inviting them.

A.3 Third parties from the European Union

Several persons are mentioned below as experts who will be involved in the work package teams or the network as a whole and have a standing invitation to the network activities. Their travel will be reimbursed from the central Expert Fund.

Sara Connolly is a lecturer in Economics at the School of Economic and Social Studies of the University of East Anglia. She contributed with LoWER members to the Benchmarking project (2000-2001) which was commissioned by the European Commission's DG Employment and Social Affairs. Her current research examines the long-term consequences of spells of low paid or part-time employment. Recent projects include a study of the impact of minimum wage legislation upon the employment of low paid women (with Mary Gregory, Oxford) and estimating the extent to which changing attitudes contributed towards the growth in inequality in the UK since the 1980s (with Shaun Hargreaves Heap, UEA). Sara will participate in Theme C, Gender.

Recent publications:

S. Connolly and Munro (1999), *Economics of the Public Sector*, Prentice Hall.

S. Connolly and M. Gregory (2001), *The European-American Employment Gap, wage inequality, earnings mobility and skill: a study for France, Germany, Netherlands, UK and US*, LoWER Report to the European Commission, Chapters 2.5 and 3.5.

S. Connolly and M. Gregory (2002), "The National Minimum Wage and Hours of Work Implications for Low Paid Women", *Oxford Bulletin of Economics and Statistics*

S. Connolly and M. Gregory (forthcoming), "The Changing Position of Women in the Labour Market", in Gazeley & Newell (eds), *The British labour market in the 20th Century*, OUP.

Markus Jäntti is professor of Economics at Abo Akademi University in Turku, Finland. He received his Ph.D. in Economics at Abo Akademi University in 1993 and has been Senior Research Fellow with the Academy of Finland in 1993-2000, Visiting Associate Professor of Economics at the University of Michigan 1996-97 and Professor of Economics at the University of Tampere in 2000-02. Jäntti conducts research on income and wealth inequality, mobility and poverty, especially in a cross-national perspective. His publications include "Intergenerational Income Mobility in Sweden Compared with the United States" (with Anders Bjorklund), *American Economic Review* 1997, "Poverty in Advanced Countries" (with Sheldon Danziger), in A.B. Atkinson and F Bourguignon, *Handbook of Income Distribution* 2000 and "Income inequality and income mobility in the Nordic countries compared to the United States" (with several co-authors), *Review of Income and Wealth* 2002.

Jäntti will participate in Theme B, Households.

- A. Björklund and M. Jäntti (1997), Intergenerational income mobility in Sweden compared to the United States. *American Economic Review*, 87(4):1009.1018
- A. Björklund and M. Jäntti (2000), Intergenerational mobility of socio-economic status in comparative perspective. *Nordic Journal of Political Economy*, 26(1):3.32
- A. Björklund, T. Eriksson, M. Jäntti, O. Raum and E. Österbacka (2002), Brother correlations in earnings in Denmark, Finland, Norway and Sweden compared to the United States. *Journal of Population Economics*, 15(4):757.772
- R. Aaberge, A. Björklund, M. Jäntti, M. Palme, P. Pedersen, N. Smith and T. Wennemo (2002), Income inequality and income mobility in the Scandinavian countries compared to the United States. *Review of Income and Wealth*, 48(4):443.469

Mark Keese is a Senior Economist in the Directorate for Employment, Labour and Social Affairs at the OECD. He has been an observer and/or contributor to **LoWER** since its inception. He is currently in charge of the OECD's thematic review of policies to improve labour market outcomes for older workers. As part of this review, separate country reports are being prepared for around 20 OECD countries together with a synthesis report which should be completed in 2005. Mr. Keese's previous work at the OECD has covered a variety of macro-economic and labour market issues including: productivity modelling and measurement; labour markets in transition in Eastern Europe; low pay and earnings mobility; minimum wages; and the quality of service sector jobs. He was also a member of the taskforce that developed the OECD's Jobs Strategy.

Relevant publications include:

- Keese, M. and Yagi, K. (2004, forthcoming), *Ageing and employment policies: Japan*, OECD.
- Keese, M. and Lee, J. (2004, forthcoming), *Ageing and employment policies: Korea*, OECD.
- Keese, M. (2000), "The Characteristics and Quality of Service Sector Jobs", *OECD Employment Outlook*, June.
- Keese, M. (1998), "Are Statutory Wages an Endangered Species?" in Lucifora, C. and Salverda, W. (eds), *Policies for Low-Wage Employment and Social Exclusion*, FrancoAngeli, Milan.
- Keese, M., Gittleman, M. and Stancanelli, E. (1998), "Making the Most of the Minimum: Statutory Minimum Wages, Employment and Poverty", *OECD Employment Outlook*, June.
- Bardone, L., Keese, M. and Marlier, E. (1998), "Low Income and Low Pay in a Household Context (EU-12)", Eurostat, *Statistics in Focus: Population and Social Conditions*, No. 6.
- Keese, M., Puymoyen, A. and Swaim, P. (1998), "The Incidence and Dynamics of Low-Paid Employment in OECD Countries" in Asplund, R., Sloane P.J., Theodossiou, I. (eds), *Low Pay and Earnings Mobility in Europe*, Elgar, London.
- Keese, M. and Swaim, P. (1996), "Earnings Inequality, Low-Paid Employment and Earnings Mobility", *OECD Employment Outlook*, July.
- Boeri, T. and Keese, M. (1992), "From Labour Shortage to Labour Shedding: Labour Markets in Central and Eastern Europe", *Communist Economies and Economic Transformation*, Vol. 4, No. 3, pp. 373-394.
- Boeri, T. and Keese, M. (1992), "Labour Markets and the Transition in Central and Eastern Europe", *OECD Economic Studies*, No. 18, Spring.

Antje Mertens

is a Research Scientist at the Max Planck Institute for Human Development in Berlin, Germany. She was also an individual member of the preceding **LoWER1** and **LoWER2**. She has worked intensively with other members of the Skills group and will participate in Theme D. Her publications include:

- Mertens, A. & McGinnity, F. (in press). Wages and Wage Growth of Fixed Term Workers in East and West Germany. *Applied Economics Quarterly*.
- Korpi, T., & Mertens, A. (in press). Training and industrial restructuring: Structural change and labor mobility in Germany and Sweden. *International Journal of Manpower*.
- Korpi, T., & Mertens, A. (in press). Training systems and labor mobility - A comparison between Germany and Sweden. *Scandinavian Journal of Economics*.
- Büchel, F., & Mertens, A. (in press). Overeducation, undereducation and the theory of career mobility. *Applied Economics*.
- Büchel, F., DeGrip, A., & Mertens, A. (Eds.). (in press). *Overeducation in Europe: Current issues in theory and policy*. Cheltenham, UK: Edward Elgar.
- Mertens, A. (2002). Regional and industrial wage dynamics in West Germany and the United States. *Jahrbücher für Nationalökonomie und Statistik - Journal of Economics and Statistics*, 222 (5), 584-608.
- Burda, M., & Mertens, A. (2001). Estimating wage losses of displaced workers in Germany. *Labour Economics*, 8 (1), 15-41.
- Mertens, A. (1998). *Labor mobility and wage dynamics - An empirical analysis for Germany in comparison with the United States*. Doctoral thesis at the Humboldt-Universität zu Berlin. Aachen: Shaker Verlag.
- Mertens, A. (1997). Industrielle und berufliche Mobilität - Eine Untersuchung auf Basis der IAB-Beschäftigtenstichprobe. *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung*, 3, 663-670.

Daphne Nicolitsas joined Emporiki Bank of Greece in February 2001 where she currently holds a post as a senior advisor. Prior to that Daphne was a senior economist at the Council of Economic Advisers at the Greek Ministry of Economy and Finance and participated in a number of European Union Council Committees as a representative for Greece. Before returning to Greece in 1998 Daphne worked in the UK as a Research Officer at the Department of Economics of the University of Oxford (1992-1997), focusing on firm performance and labour market issues, and as an economist at Tudor Proprietary Trading LLC (1997-1998).

Daphne graduated from the Athens School of Economics and Business Science in 1986 where she read for a B.A. in Economics. She continued her postgraduate studies in the UK where she completed an MPhil in Economics at the University of Oxford in 1988 and a Ph.D in Labour Economics at the Department of Econometrics of the University of Manchester in 1992. Daphne has published in a number of well-known journals:

- Does doing badly encourage management innovation? (with S.J. Nickell & M. Patterson). *Oxford Bulletin of Economics and Statistics*, Vol. 63:1, February 2001.
- Accounting for strikes: evidence from UK manufacturing in the 1980s. *Labour*, Vol. 43:1, Fall 2000.
- How does financial pressure affect firms? (with S.J. Nickell). *European Economic Review*, Vol. 43, 1999.
- What makes firms perform well? (with S.J. Nickell & N. Dryden). *European Economic Review, Papers and Proceedings*, Vol. 41, Nos. 3-5, April 1997.
- Wages, restrictive practices and productivity (with S.J. Nickell). *Labour Economics*, Vol. 4, No. 3, September 1997.
- Human capital, investment and innovation: what are the connections?* (with S.J. Nickell). Centre for Economic Performance, LSE, Discussion Paper No. 370, October 1997.
- Occupational wage differentials: firm-level evidence for British manufacturing*. Levelhulme Trust Programme, Discussion Paper No. 11, Institute of Economics and Statistics, University of Oxford, October 1996.

Sophie Ponthieux is a researcher at INSEE, France. She contributed to LoWER1 and LoWER2.

Relevant publications include:

P. Breuil-Genier, S. Ponthieux et J-P. Zoyem (2002), Working Poor Labour Market Profiles and Family Characteristics, *Economie et Statistique* No 349-350

F. Dell, N. Legendre, S. Ponthieux (2003), Poverty among children, *INSEE Première* No 896

P. Breuil-Genier, S. Ponthieux et J-P. Zoyem (2002), Profils sur le marché du travail et caractéristiques familiales des actifs pauvres, *Economie et Statistique* No 349-350

D. Meurs et S. Ponthieux (2001), Une mesure de la discrimination dans l'écart de salaire entre hommes et femmes, *Economie et Statistique* No 337-338

Giovanni Russo, of Italian Nationality, he has worked at Utrecht University, Faculty of Social Sciences, Department of Economics since 1997 and will now change to the University of Trieste, Italy. In 1996 he obtained his PhD in Economics at Free University Amsterdam. He holds a degree in Economics of Trieste University (Italy, 1991).

His research interest are firms recruitment strategies. How do firms search for applicants in tight and slack labour markets? Does the availability of different types of job seekers influence firms' choice of the recruitment method. Moreover, the choice of the recruitment method is influenced by the type of skills sought (educational and working experience requirements), and by the type of job offered (temporary vs permanent, full time vs part time). His other research interest concerns females' hiring probability. The focus here is on the effect of the gender composition of the pool of applicants on the probability of hiring an applicant of a given gender. Giovanni will take part in Themes A and C.

Relevant publications include:

Russo, G., C. Gorter, P. Nijkamp, P. Rietveld (2000), Recruitment channel use and applicant arrival: an empirical analysis, *Empirical Economics*, 25,673-698.

Russo, G., C. Gorter, Schettkat R. (2001), Searching, hiring and labour market conditions, *Labour Economics*, 8, 553-571.

Russo G and Van Ommeren J.N. (1998), Gender differences in recruitment outcomes, *Bulletin of Economic Research*,50,155-166.

Van Ommeren J.N., Van Ommeren M, Russo G., De Vries R. (2003), Gender bias in hiring decisions, Utrecht University, Mimeo.

Michel Sollogoub is Professor at the Université de Paris I Panthéon Sorbonne and Director of the Maison des Sciences Economiques, and he is Director of TEAM (Théorie et Applications en Microéconomie et Macroéconomie) at University of Paris I and CNRS. He has also been Professor at the Higher School of Economics (Moscow) since October 1993. He is a consultant to the ILO and was to the OECD. Michel Sollogoub will participate in Theme D, Low Skills.

Selected publications include:

M. Sollogoub (1980), Mobilité intra-cohorte et inégalité longitudinale des revenus, *Revue d'Economie Politique*, no 4

- M. Sollogoub and Olivier Favereau (1988), Structure sectorielle de l'emploi et marché du travail, in *L'enquête sur les forces de travail comme instrument de la politique de l'emploi*, European Commission
- M. Sollogoub (1988), La durée hebdomadaire de travail dans les pays de la CEE : une analyse comparative, in *L'enquête sur les forces de travail comme instrument de la politique de l'emploi*, European Commission
- M. Sollogoub (1994), Salaire minimum, formation dans l'entreprise et emploi des jeunes : une analyse du cheminement des jeunes sortis de l'enseignement secondaire en 1986", Les Dossiers d'Education et Formations, no47
- M. Sollogoub and V.Ulrich (1997), La transition de l'école vers l'emploi : alternance sous contrat de travail (apprentissage) et alternance sous statut scolaire(lycée professionnel), *Education et formations*, n°52, pp. 27-42.
- M. Sollogoub and V. Ulrich (1999), Les jeunes en apprentissage ou au lycée professionnel : une mesure quantitative et qualitative de leur insertion sur le marché du travail, *Economie et Statistique*. n° 323, pp.31-52.
- M. Sollogoub, T.Pénard and V.Ulrich (1999), "The Integration of Youths into the Labour Market and the Type of Employment Contract : a Repeated-Game Theoretical Approach" *TSER Schooling, Training and Transition, Working Paper*
- Comments in "Economic Growth and Institutional development : lessons from economic reform in Russia" EERC third annual conference, Moscou 11 décembre 1999, p.38.
- M. Sollogoub and J. Canada Vicinay (2004), Labour Contracts and Economic performance : Spain and France" Communication au workshop "Schooling, training and transitions" Université de Warwick, Avril 2002 to be published in 2004.

Doris Weichselbaumer has been University Assistant (Assistant Professor) at the Department of Economics at the University of Linz, Austria, since 1996. She is also affiliated with the Gender Studies Department and is a research fellow at the Institute for the Study of Labor (IZA) in Bonn. In her research she has conducted labor market experiments to investigate discrimination based on sex and sexual orientation. In recent papers, she examined methods and rhetoric employed in the literature on the gender wage gap as well as reasons for international differences in the gender wage gap. She will contribute to Theme C, gender.

Publications:

- Weichselbaumer, Doris: Is it Sex or Personality? The Impact of Sex-Stereotypes on Discrimination in Applicant Selection, *Eastern Economic Journal*, forthcoming.
- Weichselbaumer, Doris: Sexual Orientation Discrimination in Hiring, *Labour Economics*, 10 (6), December 2003, 629-642.
- Weichselbaumer, Doris: Gleiche Qualifikation - unterschiedliche Behandlung? Drei österreichische Studien zur Arbeitsmarktdiskriminierung von Frauen, *WISO*, 2, 2003.
- Weichselbaumer, Doris: It's here if you're queer. Arbeitsmarktdiskriminierung aufgrund von sexueller Orientierung, *Kurswechsel*, 1, 2002.
- Weichselbaumer, Doris and Rudolf Winter-Ebmer: *A Meta-Analysis on the international Gender Wage Gap*, Working Paper, University of Linz, 2002.
- Weichselbaumer, Doris and Rudolf Winter-Ebmer: *The Effects of Markets, Politics, and Society on the Gender Wage Differential*, Working Paper, University of Linz, 2002.
- Weichselbaumer, Doris: Sally and Peppermint Patty looking for a job. Geschlechtsspezifische Diskriminierung am Arbeitsplatz, *Linzer Schriften zur Frauenforschung* 11, 1999, 67 – 105.

Patrick Werquin is currently Principal Administrator at the Organisation for Economic Co-operation and Development (OECD) in the Education and Training Policy Division of the Directorate for Education, in Paris. He has a PhD. in Economics. He taught Economics and Econometrics at the *Université de la Méditerranée* (Aix-en-Provence and Marseilles; 1986-98) and at the *École des hautes études en sciences sociales* (EHESS, 1986-1998).

From 1992 to February 1999, Patrick Werquin was a researcher at the French Centre for Research on Education, Training and Employment (*Centre d'études et de recherches sur les qualifications* or *Céreq*) of the French Ministries of Labour and Education. He has published papers and edited books on issues such as the transition from school to working life, including public intervention in the youth labour market, poverty, wage and unemployment.

He was chairman of the European Research Network on Transition in Youth (TIY) from 1998 to 2001 and he is a member of the editorial board of the Journal *Économie et Prévision*, Paris.

At the OECD, Patrick Werquin is working on the role of national qualification systems in promoting lifelong learning, the thematic review of adult learning (with a specific focus on low skilled individuals), literacy, equity and social cohesion, new competencies and assessment of adult skills. He is the OECD representative for the International Adult Literacy Survey (IALS) and the Adult Literacy and Lifeskills survey (ALL). He has contributed to the Third report on the IALS (2000), to the 2001 Education Policy Analysis, a publication prepared for the meeting of the Education Committee at the Ministerial level and *Beyond Rhetoric: Adult Learning Policies and Practices*, 2003. Theme D, Skills, is the field where he will contribute.

In due course, other persons may be invited to become an invited expert to the network

A.4 Funding of third-country participants

Not applicable.