

SPECIAL ISSUE

SKILLS, JOBS AND MISMATCHES

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1 Differences in horizontal and vertical mismatches across countries and fields of study

Dieter VERHAEST, Sana SELLAMI and Rolf van der VELDEN

Based on early career data on graduates in Europe and Japan, the authors investigate whether full job mismatch (i.e. field-of-study mismatch and over-education), mere horizontal mismatch and mere vertical mismatch can be explained by differences in institutions and labour market imbalances. Mere horizontal mismatch is lower in countries with stronger employment protection, higher unemployment benefits and selective educational programmes. Cross-country differences in mere vertical mismatch are largely explained by labour market imbalances. These variables also affect full mismatch, which is positively related to collective bargaining coverage as well. Field-of-study differences in mismatches are similarly determined by educational programme characteristics and labour market imbalances.

KEYWORDS: JOB PLACEMENT, STRUCTURAL UNEMPLOYMENT, UNIVERSITY GRADUATE, EUROPE, JAPAN.

25 Which skills protect graduates against a slack labour market?

Martin HUMBURG, Andries de GRIP and Rolf van der VELDEN

This article explores the relationship between graduates' skills and their risk of over-education and unemployment in 17 European countries. Distinguishing between field-specific and academic skills, the authors find that, as predicted by the crowding-out hypothesis, field-specific skills offer more protection against the risk of over-education when the excess labour supply in the occupational domain of the graduate's field of study increases. Conversely, academic skills have that effect when excess supply in the overall labour market is higher. Field-specific

skills also protect graduates against the risk of unemployment, whereas graduates' level of academic skills appears to be unrelated to the risk of becoming unemployed.

KEYWORDS: OCCUPATIONAL QUALIFICATION, SKILL REQUIREMENTS, JOB PLACEMENT, UNIVERSITY GRADUATE, EUROPE.

45 **Vertical skill mismatch and wage consequences in low-skilled jobs: Evidence from Iran**

GholamReza Keshavarz HADDAD and Nader HABIBI

Using microdata from Iran's Household Income and Expenditure Survey, the authors investigate the incidence of over-education over the period 2001–12 and show that the ratio of workers with post-secondary education increased steadily in many low-skilled jobs that required lower educational attainment. Their econometric analysis shows that the odds of over-education were higher for women than for men and that the likelihood of over-education also had a strong negative association with a worker's experience. Additional econometric tests reveal that over-education had a negative impact on workers' wages in the private sector but that the opposite was true for public sector jobs.

KEYWORDS: SKILL REQUIREMENTS, STRUCTURAL UNEMPLOYMENT, SKILL ANALYSIS, WAGES, ISLAMIC REPUBLIC OF IRAN.

73 **The fear of failure: Youth employment problems in China**

Günter SCHUCHER

Media reports about the employment situation of China's youth have been somewhat contradictory. Low unemployment rates coexist with heightened concern over this issue among China's leadership and population. The author addresses that contradiction by investigating the employment situation of young people in China and demonstrating that they complain about inadequate employment rather than about unemployment per se. In particular, tertiary education graduates, who represent approximately half of all the young people entering the Chinese labour market every year, are concerned about unsatisfying job opportunities, lower-than-expected starting salaries, and declining chances for upward mobility.

KEYWORDS: YOUTH EMPLOYMENT, EMPLOYMENT OPPORTUNITY, CAREER DEVELOPMENT, LOW WAGES, CHINA.

99 **Determinants of graduates' job opportunities and initial wages in China**

Jun KONG

Based on a sample of new graduates in the Beijing area, this study examines how college prestige, major and sex affect their job search prospects and initial wages. Using a parametric survival approach and a Heckman selection model, it shows that graduates find jobs faster if they come from prestigious universities, signalling ability and qualification. They also receive higher initial wages than graduates from other tertiary education institutions. Engineering and business graduates find jobs more easily than law and science graduates, but liberal arts and social science graduates receive higher wages. Female graduates find jobs faster than male graduates, but they earn less.

KEYWORDS: OCCUPATIONAL QUALIFICATION, JOB PLACEMENT, WAGES, UNIVERSITY GRADUATE, TRANSITION FROM SCHOOL TO WORK, CHINA.

113 **The skill premium effect of technological change: New evidence from United States manufacturing**

Sushanta K. MALLICK and Ricardo M. SOUSA

Using the NBER-CES Manufacturing Industry Database, the authors identify a positive relationship between total factor productivity and the skilled-to-unskilled labour and wage ratios. Highlighting the skill premium for skilled workers, they find that technology has become more favourable to skilled labour since the 1980s. The productivity differentials between skilled and unskilled labour increase relative demand for the former when they are imperfect substitutes. The authors show that the relationships between technology and both ratios are positive in science-based

and production-intensive industries, and negative in supplier-dominated industries, suggesting industry heterogeneity in technological knowledge. From a policy perspective, governments should promote science-based innovation.

KEYWORDS: TECHNOLOGICAL CHANGE, SKILLED WORKER, MANUFACTURING, INPUT OUTPUT ANALYSIS, USA.

133 **Employee training practices and unions: Perspectives from Quebec**
Abderrahman HASSI and Roland FOUCHER

Based on a survey of 301 small and medium-sized enterprises in Quebec, this article explores the influence of unions on employee training in these firms. While unionization is generally found to have an influence on employee training practices, the authors' focus on the inclusion or non-inclusion of specific training clauses in collective agreements shows that such clauses establish a regulatory framework for certain forms of learning and training support at the workplace, which enhances union influence. Overall, however, the inclusion (or absence) of training clauses in collective agreements does not necessarily translate into higher (or lower) participation in actual training activities.

KEYWORDS: TRAINING OPPORTUNITY, TRADE UNION ROLE, SMALL ENTERPRISE, REGIONAL LEVEL, CANADA.

Communications

145 **Indian Society of Labour Economics: 59th Annual Conference and call for papers**