

***Job mobility and wage mobility at the beginning of the working career:
young European workers escaping from badly-paid jobs***

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ABSTRACT

This piece of work is aimed at studying the rewards to job mobility and whether it is a proper tool to experience wage growth and escaping situations of low-paid jobs. The data-base used will be the European Household Panel Survey (the first seven waves from 1994 to 2000), from which a sample of young people (under 30 in 1994) from thirteen different countries has been drawn. The selected technique will be a fixed-effects model where job mobility endogenous nature is taken into account and where the marginal wage increase for movers is not only determined but also split into different explanatory factors. Results show that, on average, young workers who move across employers (being initially worse paid than the stable ones) achieve a positive increase in their wages vis-à-vis those who remain with the same employer. This would mean that job mobility has a compensatory role on the income of youngsters affected by job turnover. However, this advantage in the wage dynamics is not homogeneous across all types of young workers, being even negative for certain groups. Finally, this wage premium is far more important for those exiting very low-paid jobs than for the rest and, interestingly, is hardly noticeable for those whose initial wage is in the second quartile of the earnings distribution in their country. This calls for further research on what type of youths they are and what kind of jobs they work in.

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