

CHAPTER 2

Social Background and Labour Market Careers of Young People

A Comparison of Two Cohorts of Finnish Young People not in Employment, Education or Training (NEET)

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In the course of recent decades, education has become an extremely strong predictor of one's occupational attainment and labour market career, and the linkage between educational attainment and occupational placement has become crucial in the social stratification process in post-industrial societies (Kerckhoff, 2000). The increased educational level of the population has led to educational inflation in many countries, which has further strengthened the connection between educational qualifications and occupational positions (Gangl, 2003; Aro, 2014). While the significance of educational qualifications in shaping one's labour market career has increased, the societal situation of those with a minimum level of education has weakened the most. Research in different countries suggests that early school leavers, those who leave school at

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16, are more likely to become unemployed, stay unemployed for longer time, have jobs with less employment security and more part-time work, have lower earnings and accumulate less wealth over their life course. They are also less likely to return to education and training later in life. Further, they also more often experience poor physical and mental health, have higher rates of crime and less often engage in active citizenship. In addition, they are more likely than other citizens to draw on welfare and other social programmes throughout their lives (Dale, 2009; Lamb, 2011).

As the role of education in structuring and shaping the life courses of individuals is becoming more and more significant, from the point of view of social equality and justice it is important to ask whether the risks and consequences of dropout and educational exclusion are equal for all social groups. Even though life courses might have been individualized in many respects (Beck & Beck-Gernsheim, 2001; Côté, 2002), there is evidence that people's locations within power structures still strongly affect their life chances and thus the formation of their life courses (Iannelli & Smyth, 2008; Furlong, 2009). The impact of one's social background on educational aspirations and attainment has proved to be one of the most consistent findings in the sociology of education (Reay, 2010; Weis, 2010). Research has regularly shown how advantages and disadvantages associated with social background are associated with the educational and labour market outcomes of the individuals including dropout (Vanttaja & Järvinen, 2006) and completion of upper secondary education (Kallio, Kauppinen & Erola, 2016).

One must note, however, that social background does not have a determining effect on the life-course transitions and trajectories of individuals. Life courses consist of life phases and transitions that are always constructed in a reciprocal process of political, social and economic conditions, welfare state regulations and provisions and biographical decisions and investments related to changing living circumstances. Historical conditions (e.g. economic cycles, wars) and institutional arrangements (e.g. education systems, labour markets and welfare provisions) influence the shaping of individual biographies. Hence, life-course transitions and trajectories are constructed differently in different socio-historical, structural, cultural and institutional settings (Heinz et al., 2009).

Long-term studies, such as those by Breen, Luijkx, Müller and Pollak (2009, 2010) have shown that class-based inequalities in educational attainment have declined over the 20th century in many European countries. Improved living conditions and standards of living have made working-class children less disadvantaged in terms of health and nutrition and have increased the probability of their children being able to continue to higher levels of education. The prolongation of compulsory schooling and reduced tracking of students that have taken place in many countries have delayed the critical points of educational division and selection. Furthermore, the transformation from an agricultural and industrial society to a service and information society has led to an increase in the number of jobs where education is essential. This, in turn, may

have resulted in a narrowing between classes in the importance they attach to education in gaining employment chances (Breen et al., 2010).

Looking at the relation between social origin, education and destinations in the UK during the years 1991–2005, Devine and Li (2013) argue that the reduction of social class effects upon educational attainment and occupational destinations has been rather weak. Instead of narrowing the gap between the top and the bottom, the changes mainly concerned the middle ranges of the class hierarchy. Finnish long-term studies on the relationship between social background and educational attainment have mainly concentrated on the class-based differences in participation in university education. Due to the use of different data and methods, the results are mixed. Kivinen, Hedman and Kaipainen (2012) argue that the differences in the relative chances, as measured by odds ratios between university students from academic and non-academic families, have decreased between the years 1970–2010. However, Karhunen and Uusitalo (2017), who base their analyses on rank correlations, show that the impact of social background on individuals' participation in university education has remained relatively stable or even strengthened in the course of the past 50 years. Compared to the strong interest taken in access and selection to university education, there is a scarcity of long-term studies on the changing relation between social background and exclusion from education.

Educational inequalities and exclusion are constructed differently in different systems. Based on Allmendinger's (1989) typology of education systems, in which countries are clustered on the basis of the levels of stratification and standardization of their education systems, Finland belongs to a group of countries with high-level comprehensive school systems. In the Finnish education system, the degree of differentiation within educational levels (i.e. tracking) is low and there are no dead-end tracks (Rinne & Järvinen, 2011). According to previous studies, high-level comprehensive systems promote educational equality. The earlier students are divided into different tracks based on their abilities or achievement, the more substantial are the effects of family background on their performance level and the formation of their educational careers (Marks, 2005; Horn, 2009).

The first critical transition and selection point in the Finnish education system is the transition from compulsory to further education. At that point, young people must decide whether to continue with academic or vocational studies for upper secondary education. Annually, approximately 50% of compulsory school leavers continue their studies in general upper secondary education, whereas approximately 40% move on into vocational education and training (VET) programmes. Less than 10% of each age cohort leaves school immediately after completing compulsory education. During the past few years the dropout trend has been decreasing, however. In 2010, 9% of compulsory school leavers did not continue in upper secondary education immediately after completing comprehensive school. In 2016, the equivalent share was only 3% (Statistics Finland).

Across Europe, young people not in employment, education or training (NEET) are defined as one of the main target groups of education, employment and youth policies. Increased completion of upper secondary education is being given high priority in the EU and OECD, and reducing the number of NEETs is one of the key benchmarks of the EU youth strategy. Further, governments across Europe have established policies to support young people's school-to-work transitions and thus to reduce the social exclusion of young people (Eurofound, 2012, 2014). In Finland, these transition policy priorities have been increasingly emphasized since the 1990s, particularly after Finland joined the EU in 1995 (Järvinen & Jahnukainen, 2001; Sandberg, 2015).

According to Pohl and Walther (2007), the key dimensions along which transition policies differ from each other is whether their approach to disadvantage and exclusion is individualizing or structural. With regard to the individualizing approach, disadvantage is seen as an individual deficit, whereas in structural approaches the significance of young people's socio-economic background on their career formation is recognized and disadvantage is connected to the lack of societal opportunities, such as lack of jobs. As in many other European countries, the policy changes that have taken place in recent years have changed the approach from structural to a more individualizing one, even in the Nordic countries famous for their universal welfare policies. The studies on transition policies in Nordic countries have revealed that young people themselves are increasingly expected to take extensive responsibility for their own careers and to be self-governing, enterprising and proactive (e.g. Lundahl & Olofsson, 2014).

Research questions and methods

In this chapter, the relationship between social background and the labour market careers of young people, as well as possible changes in this respect, are explored by following up the later labour market careers of two cohorts of Finnish young people not in employment, education or training (NEETs). The comparison is targeted at those who were outside of employment and education immediately after completing compulsory school in 1985 and those who were in a similar situation 10 years later, in 1995. For that purpose, longitudinal data on the later labour market careers of Finnish young people aged 16–18 (excluding those in military service) who were not employed and had not continued their schooling after compulsory school in 1985 ($n=6983$) and 1995 ($n=7508$) are utilized. The research data consist of census register data on NEETs, compiled by Statistics Finland. The sample of the study is cross-sectional, including 50% of all Finnish youths (aged 16–18) without upper secondary education who were unemployed or outside working life for some other reason in the last weeks of 1985 (first cohort) and 1995 (second cohort). Their labour market careers were followed up at five-year intervals up to and including the years 2000 (first cohort) and 2007 (second cohort).

There is a theoretical possibility that some study participants may have been ‘accidentally’ unemployed at that time, but considering the size of the target group this is not a significant problem. In addition, those who had dropped out of upper secondary education during the first semester are included in the data. These youths would possibly have been outside the study if the sample had been based on, for example, an annual average of their main activity. Further, one of the advantages of research based on census data is the very small loss of data compared to longitudinal interview and survey studies. The loss of data, particularly in survey studies, tends to be clearly noticeable in the case of certain ‘risk groups’, such as unemployed young people.

The research questions are as follows:

- What consequences does exclusion from education and work (at the age of 16–18) have on the later labour market careers of young people coming from different social backgrounds?
- Has the relationship between social background and the later labour market careers of NEETs been different for young people belonging to different cohorts (NEET cohorts of the mid-1980s and mid-1990s)?

The comparison of the NEET cohorts makes it possible to explore the relationship between one’s socio-economic background and the consequences of dropout in different socio-historical contexts in Finland, before and after the recession of the early 1990s. This recession caused a rapid change in the basic structure of the Finnish society. Although the international economy slowed down at the same time, the recession was deeper in Finland than elsewhere in Europe. Even though the economy started to recover after 1994, the positive development did not succeed in producing wealth in the same manner for everyone. This, together with the neo-liberal policy changes of the 1990s, promoted increasing inequalities between socio-economic groups (Järvinen & Vanttaja, 2001; Berisha et al., 2017). According to the results of the large research project on the changes of the Finnish society between the years 1988 and 1994 (Blom, 1999), the economic recession of the early 1990s had profound consequences for the Finnish labour market and class structure. Unemployment and long-term unemployment rates increased and so did temporary and part-time employment contracts. Because of these changes, and inflation of the number of education degrees (e.g. Aro, 2014), risks and uncertainties in school-to-work transitions increased and unstable labour market careers became more common. Further, while people from all social groups were affected by economic crises, those already in disadvantaged positions suffered the most in terms of employment prospects and the risk of disengagement. The polarization between different social groups became steeper and social mobility decreased dramatically.

Consequently, the two cohorts of the present study have been outside of education and working life under different socio-historical conditions. The follow-up of the NEET cohort of the mid-1980s begins in 1990, when both general

and youth unemployment rates were still lower in Finland than in the EU and OECD countries on average. However, as a result of the economic recession at the beginning of the decade, the employment situation of young people deteriorated rapidly. In 1994, the youth unemployment rate was 34% in Finland, paralleled in Europe only by Spain. From 1995, the general unemployment rate started to decrease, but the employment situation of young people was still weak. At the last follow-up point, in 2000, the economic situation had already improved, but the youth unemployment rate was still more than twice as high (20%) as it had been in 1990 (Statistics Finland).

When the NEETs of the mid-1990s completed their compulsory education, the employment situation was clearly worse than it had been 10 years earlier, when the cohort of 1985 was at a corresponding stage. In 1995, the youth unemployment rate was as high as 30% and at the first follow-up it was still at a high level, 20%. As for the 1995 cohort, the youth unemployment rate remained high throughout the follow-up period, being 17% in the final follow-up in 2007 (Statistics Finland). In addition, the association between educational degrees and occupational positions strengthened in Finland between the years 1990 and 2007 (Rinne & Järvinen, 2011). Hence, there were fewer opportunities for young people without an upper secondary education qualification to get a foothold in the labour market at the time when the NEET cohort of 1995 left education.

Not only socio-economic but also political conditions influencing school-to-work transitions have been different for these two cohorts. After the recession of the early 1990s, reducing dropout and supporting school-to-work transitions of those defined as 'youths at risk' have been higher on the political agenda and more effort has been put into preventing non-completion of upper secondary education and reintegrating dropouts and early school leavers in comparison with the previous decade (e.g. Järvinen & Jahnukainen, 2001). Hence, the NEET cohort of the mid-1980s dropped out of education when the labour markets were still relatively open even for early school leavers, but the resources targeted at reintegrating early school leavers and NEETs were scarcer in comparison with the situation 10 years later, when the second cohort in this study dropped out of the education system. The educational exclusion of the NEET cohort of the mid-1990s, in turn, occurred in a societal situation where the labour markets were practically closed to early school leavers (Blom, 1999) but reducing dropout and supporting the completion of upper secondary education were placed higher on the political agenda.

The age group of NEETs in this study is different from that by Eurostat, which covers the age group of 15- to 24-year-olds (Eurofound, 2012). In this study, choosing NEETs aged 16–18 as a target group was based on the following facts. First, according to several studies, transition from lower to upper secondary education is a critical stage from the point of view of the educational and social exclusion of young people (e.g. Lamb et al., 2011). Second, difficulties in the early stages in one's labour market career have been found to lead to an increased risk of subsequent unemployment or insecure employment

(Bynner & Parsons, 2002; Korpi et al., 2003). Third, in Finland two main problems related to educational exclusion of young people are young people's dropping out of the educational system immediately after lower secondary school and interruption of vocational secondary schooling (Rinne & Järvinen, 2011). Choosing NEETs aged 16–18 as a target group hence ensured that those Finnish young people who were seen to be at the greatest risk of educational and social exclusion were included in the data. Finally, since the objective of the present study was to follow up the labour market transitions and careers of NEETs from the early stages of their career, the use of an extended age category, such as 15–24 years, would have been an inappropriate decision also from this point of view.

One must note, however, that young people outside education and working life constitute a heterogeneous category that includes both those who are available for work and actively seeking employment as well as those who are not available or seeking work such as those with responsibilities for the care of children (Eurofound, 2012). However, although these different sub-groups may have different experiences, characteristics and needs (Furlong & Cartmel, 2007), they share a common feature of being unskilled, as a result of which they can be expected to have great difficulties in finding their place in the labour market.

To answer the research questions, the labour market careers of NEETs are analysed by combining information gathered from three observation years (cohort 1985: 1990, 1995, 2000; cohort 1995: 2000, 2005 and 2007). The effect of social background, as measured by parents' educational level,¹ on the later labour market careers of NEETs is analysed by using both cross-tabulations and odds ratios based on a logistic regression model. The rationale for choosing parental education as an indicator of social background comes from the result of a previous study on the later life courses of the Finnish NEETs. Here the educational level of parents was the variable with the greatest explanatory value on the positive educational and labour market outcomes of the target group (Järvinen, Vanttaja & Aro, 2007; see also Paananen, Ristikari, Merikukka, Rämö & Gissler, 2012).

The following results section begins with a general overview of the later labour market careers of NEETs, after which the impact of social background on the formation of the careers is analysed in more detail.

Results

Labour market careers

First, to get an overview of the labour market careers of NEETs belonging to different cohorts, eight employment careers were constructed based on their main activity in three observation years (Table 2.1). Two categories of labour market status were taken into account in each observation year: 1) employed/studying and 2) unemployed/outside the active labour force. In Table 2.1, the first two

career types ('Stable', 'Stabilized') represent a successful transition to the labour market, whereas the last two types represent careers with labour market exclusion ('Stagnant I', 'Stagnant II'). The rest of the career types represent different kinds of unstable labour market careers: 'Interrupted', 'Unstable', 'Stuck', 'Recovered'.²

As one can see from Table 2.1, one third of the NEETs of the mid-1980s and a half of the NEETs of the mid-1990s had experienced a successful transition to the educational and labour markets. Further, 28% of those belonging to the stable group and 38% of those belonging to the stagnant group had been either employed or a student in each of the three observation years. In addition, the NEETs of the mid-1980s had had greater difficulties in finding their place in working life: 29% of them had been either unemployed or outside the active labour force in each of the three observation years. The corresponding share among the cohort of 1995 was 21%. Hence, despite the more difficult socio-economic situation and the decreased labour market opportunities for those with low educational qualifications, the NEETs of the mid-1990s had succeeded better in finding their place in working life compared to their counterparts of the mid-1980s.

Table 2.1: The labour market careers of NEETs belonging to different cohorts (%).

| Labour market career | 1 st observation year | 2 nd observation year | 3 rd observation year | Cohort 1985 (n=6983) | Cohort 1995 (n=7508) |
|----------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------|----------------------|
| Stable | Employed /studying | employed/ studying | employed/ studying | 28 | 38 |
| Stabilized | unemployed/ outside the labour force | employed/ studying | employed/ studying | 5 | 13 |
| Interrupted | employed/ studying | employed/ studying | unemployed/ outside the labour force | 6 | 5 |
| Unstable | employed/ studying | unemployed/ outside the labour force | employed/ studying | 11 | 6 |
| Stuck | unemployed/ outside the labour force | employed/ studying | unemployed/ outside the labour force | 3 | 4 |
| Recovered | unemployed/ outside the labour force | unemployed/ outside the labour force | employed/ studying | 7 | 6 |
| Stagnant (I) | employed/ studying | unemployed/ outside the labour force | unemployed/ outside the labour force | 11 | 8 |
| Stagnant (II) | unemployed/ outside the labour force | unemployed/ outside the labour force | unemployed/ outside the labour force | 29 | 21 |

The significance of social background

In Table 2.2, the connection between one's social background, as measured by parent's educational level, and ending up in different kinds of employment careers is examined. For that purpose, the eight career types presented in Table 2.1 are merged into three as follows: 'stable' career ('Stable'), 'unstable' career ('Stabilized', 'Interrupted', 'Unstable', 'Stuck', 'Recovered') and 'stagnant' career ('Stagnant I', 'Stagnant II').

When looking at the most different careers, 'stable' and 'stagnant', the connection between social background and the labour market careers of NEETs becomes clear. The relationship is, however, different in the cohorts of 1985 and 1995. With regard to the stable group, the connection between socio-economic background and labour market outcomes was linear: the more educated were the parents, the more often their offspring gained 'stable' labour market careers and the more unlikely it was for their children to end up in 'stagnant' careers. Moreover, most of the NEETs whose parents had a higher education degree had ended up in 'stable' careers as adults and the smallest number of them in 'stagnant' careers. In the case of the NEETs whose parents had only a basic education, the results were the opposite: most of them had ended up in 'stagnant' careers and the smallest group of them in 'stable' career (Table 2.2).

In the case of the 1995 cohort, the relationship between socio-economic background and labour market careers was not as straightforward as it had been in the case of earlier cohort. Among all three groups, the largest number of the young people had ended up in the 'stable' career and the smallest number in the 'stagnant' career. However, although the differences between groups were small, young people with highly educated parents were most likely to end up in the 'stable' career group, while young people coming from low educational backgrounds had the highest proportions of those who ended up in 'stagnant' careers.

Table 2.2: The labour market careers of NEETs by parents' educational level (%).

| Career type | Parents' educational level | | | | | |
|-------------|----------------------------|-----------------|--------------------|-----------------------|-----------------|------------------|
| | Cohort 1985 (n=6,983) | | | Cohort 1995 (n=7,508) | | |
| | Basic education | Upper secondary | Higher education * | Basic Education | Upper secondary | Higher education |
| Stable | 25 | 32 | 41 | 38 | 39 | 45 |
| Unstable | 32 | 34 | 33 | 33 | 34 | 28 |
| Stagnant | 43 | 34 | 27 | 30 | 26 | 26 |
| Total (%) | 100 | 100 | 100 | 100 | 100 | 100 |

*The category of 'higher education' includes bachelor's and master's degrees, as well as second stage of tertiary education (ISCED 1997 levels 5A and 6).

In Table 2.3, the *relative chances* of NEETs from different educational backgrounds gaining ‘stable’ labour market careers are calculated using odds ratios. The calculations are based on a logistic regression model, which estimates the influence of independent factors on the dichotomous variable (gaining ‘stable’ labour market career vs. not gaining ‘stable’ labour market career) (see e.g. Kivinen & Rinne, 1995; Marshall & Swift, 1999). In the table, the odds ratios describe the chances of the offspring of parents with upper secondary education, bachelor’s degrees and master’s degrees relative to the chances for the offspring of parents with basic education. The probability for those whose parents had a basic education standardized at 1.0. In Table 2.3, calculations have been made concerning both the NEETs of the mid-1980s and mid-1990s. This makes it possible to estimate whether the relative chances of NEETs from different educational backgrounds gaining a stable employment career have changed over the course of time.

However, while odds ratios can be considered valid indicators of the statistical chances of individuals from different categories being and not being members of other categories, they are not intended to measure any other kind of inequality (Marshall & Swift, 1999; see Marks, 2004). Bearing that in mind, and by comparing odds ratios at different points of time, we can see that the relative chances of young people belonging to the NEET group gaining a successful labour market career are higher for those whose parents have completed either upper secondary or higher education than those whose parents have only basic education. However, although this held true both in 1985 and 1995, the differences in the relative chances of young people from different social origins gaining ‘stable’ labour market career have diminished over time. In 1985, the probability of NEETs whose parents had master’s degrees gaining ‘stable’ careers was 2.18 compared to those whose parents had only basic education, while the corresponding figure was only 1.56 in 1995. The trend in regard to other educational levels is similar (Table 2.3).

Table 2.3: Odds ratios of NEETs gaining ‘stable’ labour market career by parents’ level of education (cohorts of 1985 and 1995 compared; parent with basic education=1.00).

| Parent’s educational level | Odds ratio of gaining a ‘stable’ labour market career | |
|---|---|----------------|
| | cohort of 1985 | cohort of 1995 |
| Upper secondary | 1.38 | 1.07 |
| Higher education/bachelor’s degree | 2.18 | 1.48 |
| Higher education/master’s degree [*] | 2.18 | 1.56 |

^{*}ISCED 1997/level 6 included (Second stage of tertiary education).

Table 2.4: Odds ratios of NEETs ending up in ‘Stagnant II’ labour market career by parents’ level of education (cohorts of 1985 and 1995 compared, parent with higher education/master’s degree=1.00).

| Parent’s educational level | Odds ratio of ending up into ‘Stagnant II’ labour market career | |
|------------------------------------|---|----------------|
| | cohort of 1985 | cohort of 1995 |
| Basic education | 2.42 | 1.22 |
| Upper secondary | 1.58 | 0.96 |
| Higher education/bachelor’s degree | 1.52 | 1.17 |

In Table 2.4, the connection between parent’s educational level and the labour market careers of their offspring is analysed from the opposite point of view, paying attention to those NEETs who had dropped out of education and working life altogether (‘Stagnant II’). One can see that the protective role of parental education has decreased over time. In the mid-1980s, the odds ratio of NEETs ending up in ‘Stagnant II’ labour market careers among those whose parents had basic education compared with those whose parents had a master’s degree was 2.42, while the corresponding figure was only 1.22 10 years later (Table 2.4). Hence, the significance of social background in determining the labour market integration of the NEETs in terms of both labour market inclusion and exclusion had decreased in the course of 10 years.

Discussion

In this study, the consequences of dropping out of the Finnish education system before and after the economic recession of the early nineties were analysed. Particular attention was paid to the relationship between social background and the later labour market careers of NEETs, and whether this relationship had changed over time. The socio-economic circumstances, particularly in terms of labour market opportunities available for young people, were different for the two cohorts compared in this study. In the mid-1980s, when young people belonging to the first NEET cohort completed compulsory education, youth unemployment was not a big problem in Finland and there were more work opportunities even for early school leavers in comparison with the situation 10 years later, when the second NEET cohort arrived at this first critical educational transition point. However, in 10 years, the objectives of reducing the number of early school leavers and reintegrating NEETs had risen higher on the political agenda, meaning that there was more political will and resources for supporting school-to-work transitions of those defined as being at risk of educational and social exclusion.

The findings of this study show that, although the societal situation, in terms of youth labour market opportunities, was more favourable for the NEETs of the mid-1980s, the NEETs belonging to the later cohort had more often succeeded in entering into stable labour market careers. One explanation for this finding may be that under favourable economic conditions with relatively good labour market opportunities, including for early school leavers, those who remain outside of education and work for a long period are most likely the ones who need special support to be employed or to continue in education. Under a more difficult economic situation, the social composition of the group of NEETs may be more mixed, including those who have relatively good chances of getting back on track as times get better. The results can also be explained by the fact that since the beginning of the 1990s much more effort has been put into reducing dropout, early school leaving and interruption of upper secondary education. Since early experiences of labour market exclusion may lead to subsequent labour market marginality and social exclusion (Cieslik & Simpson, 2006), the availability of supportive institutional resources is crucial particularly at the early stages of one's labour market career.

Based on the results of this study, the consequences of dropout and educational exclusion are not equal for young people coming from different social backgrounds. This held true with both cohorts. Those coming from more advantaged social backgrounds, in terms of parental education, had more often succeeded in ending up in stable employment careers compared to the offspring of the less well educated parents.

The fact that educational attainment and outcomes in large part are linked to one's social class background is one of the repeated findings in the sociology of education. This finding has been theorized from different and often contradictory viewpoints. In the course of the past few decades, there has been an increase in the utilization of conceptual approaches which attempt to overcome the theoretical divide between structure and agency (e.g. Bourdieu, 1977; Giddens, 1984; Evans, 2007) present in the conflicting views of structuralist (Althusser, 1971; Bowles & Gintis, 1976) and rational action theories (e.g. Breen & Goldthorpe, 1997). Consequently, class-based educational inequalities are nowadays seen as resulting from the complex interaction between family resources, schooling processes, institutional arrangements and individual agency and identity construction.

In the case of later inclusion and exclusion of the NEETs, one of the crucial issues is their willingness or unwillingness to attend second-chance education. In a qualitative study by Cieslik and Simpson (2006) on the school-to-work transitions of young adults with poor basic skills, there were many instances where young adults participating in the study did not take up the employment or training opportunities that were available and offered to them. The conditions preventing the young people to seize the opportunities were formed by structural and agency factors. Hence, the study by Cieslik and Simpson (2006) calls for a theoretical approach where both willingness and unwillingness to

participate in various forms of education is explored as a life-historical process, and as an outcome of the interaction between structure and agency.

Drawing on Bourdieu, and his concept of 'habitus' in particular, Hodkinson and Sparkes (1997) argue that educational decisions, including not to participate in education, can only be understood in terms of the life histories of those who make them, wherein identity has evolved through interaction with significant others and with the culture in which the subject has lived and is living. Habitus, as conceptualized by Bourdieu (1977, pp. 82–83) is 'a system of lasting, transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciations, and actions.' The basic structure of habitus consists of the beliefs, values, meanings and principles of action that an individual has internalized in his/her social and cultural environment, during the years of primary socialization in particular. It is, hence, predisposing individuals from different classes toward certain actions and choices (Biggart, Järvinen & Parreira do Amaral, 2015).

Based on Bourdieu's conceptualization of habitus, Hodkinson and Sparkes (1997) speak of *horizons for action*, which both limit and enable our view of the world and the choices we can make in it. These are segmented, in that no one considers the whole range of possible opportunities in education or the labour market. Within their horizons, people make *pragmatically* rational decisions. This means that the decision to participate in education can be a rational decision in a certain cultural and life-historical context. The more distant the values and cultural practices of a given form of education are from those of the individual's own social and cultural background, the more difficult it is for him/her to experience participating in education as a subjectively significant and meaningful choice (Järvinen & Vanttaja, 2011). Thus, attending second-chance education may be a more attractive option for NEETs from families with highly educated parents in comparison with their working-class counterparts (Reay, 2010). Not only are educational aspirations influenced through parental education (Biggart, Järvinen & Parreira do Amaral, 2015) but higher-educated, middle-class parents have also more social and economic resources (Weis, 2010), which they can utilize to smooth their offspring's employment and get them 'back on track'. On the other hand, attending second-chance education and its successful completion may also widen the horizons for action of those coming from disadvantaged social backgrounds.

As noted earlier, the relationship between the social background of the NEETs and their later labour market careers was different before and after the economic recession of the early 1990s. In the mid-1980s, dropping out of education had very different consequences to young people coming from different social backgrounds. In 10 years, however, the impact of social background on the later labour market careers of NEETs had declined. One explanation for this may be the political investments in second-chance education and training opportunities with the aim of reducing educational and social exclusion. Since difficulties in school-to-work transitions largely occur because of young

people's lack of educational and social resources (Cieslik & Simpson, 2006), these investments are likely to have benefitted NEETs coming from low-educated, less resourceful families.

While this study highlighted the importance of social class background in educational and labour market exclusion of young people, the other important factors contributing to the formation of individual life courses and careers, such as gender and immigrant status, had to be left out of the analyses because of the limited space of one chapter. Concentrating solely on the effects of social class background can mask the importance of other background factors on the educational and labour market outcomes of individuals. Across Europe, social class background is strongly connected to the level of education achieved, while gender has a stronger effect on the field of study selected. Countries, however, vary in the extent to which gender and social class background affect young people's labour market outcomes (Iannelli & Smyth, 2008). While gender differences in educational attainment have disappeared or even reversed in recent years in many European countries, including Finland (Iannelli & Smyth, 2008), it has been demonstrated in several studies (e.g. Kolehmainen, 2002; Kivinen & Nurmi, 2009) that education is not an equal resource for men and women in Finland. Men tend to reach a higher socio-economic status and a better salary than women with a similar level of education. Moreover, international long-term studies have shown that the significance of social class background on the educational attainment of young people may be different for males and females. Moreover, how social class and gender are intertwined in the reproduction of class position takes different forms among different social classes and in different socio-historical contexts (Breen et al., 2010).

At present, the integration of immigrants is an emergent issue across Europe, including Finland (see also Chapter 5). Until these days, however, the number of immigrants—that is, the population of foreign-origin residents—has been relatively low in Finland. Due to this, it has been rather typical that, in studies on educational transitions and trajectories of young people, first- and second-generation immigrants, that is, young people who were themselves born abroad and those whose parents were born abroad, respectively, have been treated as one group (e.g. Kalalahti, Varjo & Jahnukainen, 2017). In these cases, terms such as *young people of immigrant background* or *immigrant-origin youths* have been used to refer to both first- and second-generation immigrants. These studies have shown that young people of immigrant background have more difficulties in educational transitions and they drop out of education more often than their Finnish-origin counterparts (Järvinen & Vanttaja, 2013; Kalalahti, Varjo & Jahnukainen, 2017). Although the number of immigrants in Finland has been and still is considerably lower than in comparison with many other European countries, it has been rising rapidly in recent years. At the time when the follow-up of the first cohort of this study began, in 1985, immigrants constituted only 1% of those living in Finland (Järvinen & Vanttaja, 2001). In 2017 the equivalent share was 7% (Statistics

Finland). While the number of immigrants has increased in Finland, young people of immigrant background, because of the difficulties they face in educational and school-to-work transitions, have been defined as one of the special target groups of Finnish education, employment and youth policies. At the same time, the analysis of Finnish policy documents on lifelong learning policies between the years 2006 and 2016 reveals that one important aspect of Finnish policy that texts do not discuss at all is the class structure and inequitable life opportunities for young people coming from different socio-economic groups (Rinne et al., 2016). Further, despite the gender inequalities that have been shown as existing in education and working life (e.g. Brunila & Ylöstalo, 2015), gender issues are not particularly emphasized in the above-mentioned policy documents either.

This study shows a still significant but declining relationship between social class background and the labour market careers of young people by using results from two cohorts of Finnish NEETs as an example of this relationship. However, paying attention to the years before and after the economic recession of the early 1990s means, that in the future, the strength of this relationship should be tested by utilizing more recent data. Recent policy changes in Nordic countries, including Finland, may have led to an increase of inequalities between the life opportunities for young people coming from different social backgrounds. The success of reintegrating disadvantaged young people is dependent not only on the available resources and supportive measures but also transition policy priorities. Since NEETs tend to come from disadvantaged social and cultural backgrounds, and also tend to have histories of school failure, the challenge for the educational system is to find ways to deal not only with pupil diversity but also with educational inequality (Lamb, 2011). The existence of good quality second-chance education and training opportunities that pay attention not only to the special needs of young people but also to their social and cultural background is a crucial way to improve the life chances of young people coming from disadvantaged backgrounds.

In Finland, as in other Nordic countries, the education system has traditionally been viewed as part of an egalitarian, redistributive welfare model, where education has been considered as a means of reducing social inequalities. The focus in education policy has been on developing common schools and inclusive programmes (Markussen, 2011; Berisha et al., 2017). However, as a comparative study on Swedish, Danish and Finnish transition policies of the last two decades (Jørgensen, Järvinen & Lundahl, 2019) shows, the current policies in these three countries in many cases diverge from many features ascribed to a Nordic welfare model and transition regime (see Walther, 2006). In all three countries, the transition policies aimed at reintegrating NEETs and early school leavers have shifted towards an individualizing policy approach (Pohl & Walther, 2007) by increasingly adopting coercive measures, reducing social support and making young people individually responsible for their

successful transitions. To make young people coming from disadvantaged social backgrounds responsible for their own employment and inclusion is at the same time one of the best guarantees of maintaining inequalities between social classes in terms of educational, employment and life opportunities for young people.

Notes

- ¹ Either mother's or father's education, depending on who was the most educated parent in the family.
- ² A similar classification of young people's employment careers first emerged in Nyysölä's (1999) study, in which the employment careers of one age cohort of Finnish young people (n=140,135) was followed from 1980 until 1993.

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