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### «The Traineeship Generation» - Myth or Reality?

An Analysis of the Swiss Graduates Survey 1991 to 2005

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# Table of contents

1 Introduction	5	5 Long-term effects of traineeships	21
2 Data	7	5.1 Transition from traineeship to regular employment	21
3 Changes in the rates of trainees	8	5.2 The public service: a popular employer of former trainees	23
3.1 Traineeships becoming more frequent among university graduates and women	8	5.3 Salary development slightly lower among former trainees	24
3.2 Traineeships: A phenomenon concerning specific fields of study	11	6 Conclusion	25
3.3 Traineeships in the public service and the private sector compared	14	Literature	26
3.4 Differences in the rates of trainees according to economic region	15		
4 Profile of traineeships	16		
4.1 Traineeships as a means of gaining experience	16		
4.2 Traineeships as further education or temporary jobs?	17		
4.3 Trainees unhappy with their salary	18		
4.4 Eternal trainees: myth or reality?	19		



# 1 Introduction

«The Traineeship Generation» (or «*generation-p*»- the precarious generation) —Buzzwords or reality? The expression «*traineeship generation*» refers to the generation of young, highly educated graduates of tertiary education institutes who, despite strong motivation, fail to find permanent employment and find themselves in a situation of repeated traineeships instead of developing a career path. More and more graduates appear to be starting their careers with a traineeship as an alternative strategy, or, as a stepping stone to permanent employment. It is not the traineeship as a stepping stone for entering the labour market, as such, which is being criticized here, but rather the supposed exploitation of graduate trainees in terms of low pay and short-term employment with no career prospects. Instead of being granted fair entry into the labour market, highly qualified graduates are allegedly being exploited under the pretext of a traineeship.

The general debate on atypical and precarious employment conditions began back in the early 1980s in light of an increasing number of forms of employment which deviated from the «standard employment relationship»<sup>1</sup>, for example, part-time work, fixed-term work, sub-contracting and dependent self-employment. In economic terms, the concepts of «precarious», «precariousness» and «increasing precariousness» are closely linked to a loss of material security, increasing uncertainty regarding the ability to plan for the future, and breaks in a worker's employment history featuring alternating periods of employment and unemployment (Beck 1996, Castel 2000). «Precarious», «precariousness» and «increasing precariousness» are, moreover, strongly related categories linked to the idea of standard employment relationships prevalent in society (Brinkmann et al. 2006, Merton 1995).

Global processes of technological and economic change have led to changes in many employees' employment situation. On the one hand, new communication technologies have accelerated the decentralization of work processes and business relationships, and on the other hand, increasing pressure from competition, globally and nationally, promotes more flexible employment conditions. Businesses are increasingly responding to this change with restructuring, with outsourcing of business units (spin-offs), or by showing a preference for flexible workers during production peaks (Brinkmann et al. 2006).

Young higher education graduates have always been more strongly affected by processes of change in the labour market than the working population at large. This phenomenon is due to the fact that they find themselves having to enter the labour market for the first time; a life-process known to involve a certain degree of friction (cf. Schmid & Storni 2006, Schönfisch & Schmidlin 2005, Schmidlin 2005). Young graduates are integrated into the labour market only gradually, after shorter or longer periods of initial stepping stones. Here, the following rule generally applies: the longer a person has been in the work process, the more likely it is that, that person will obtain a permanent position. Furthermore, young graduates belong to an age group which, to a great extent, prides itself as being flexible, and views temporary employment as an opportunity to gain work experience in a number of different areas.

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<sup>1</sup> «Standard employment relationship» is generally taken to mean permanent full-time employment with a relatively regular distribution of working hours across the workdays.

Entering the labour market via a traineeship is not a problem in itself. Traineeships are, by definition, designed to provide practical experience in the future profession or field of activity and enable graduates to develop problem-solving skills. The situation only becomes «precarious» if the traineeship fails to fulfil its original purpose and becomes a stopgap in a graduate's individual career path. The assumption that young graduates are finding it more and more difficult to enter the workforce has recently led to the coining of the term «*traineeship generation*». The term refers, in particular, to those graduates who drift from one traineeship to another, between completing their studies and labour market entry, and only manage to enter the labour market—if at all—after a lengthy period spent in the precarious status of a trainee (Neue Zürcher Zeitung 2007, Grün & Hecht 2007, Mörchen 2006, Die ZEIT 2005).

Although the phenomenon of a *traineeship generation* has aroused a great deal of interest among the general public and the media, there is no reliable data as yet in this country to confirm the assumption of an increasing number of graduates beginning their professional careers via a traineeship. This report aims to bridge the information gap in statistics on Switzerland and empirically substantiate or invalidate speculation and jumping to conclusion regarding the so-called *traineeship generation* which has emerged of late.

The various aspects of a traineeship will now be examined in three parts. The first part looks at the evolution of traineeship rates during initial stepping stones in the labour market over the past ten years and makes a comparison of graduates, according to the type of tertiary institution. The second part examines the quality of traineeships, focusing on graduates' subjective perceptions. The third and final part takes a look back and compares the situation of former trainees five years on in the labour market, with that of graduates who entered the job market in the «normal» way.

## 2 Data

This report is based on the data collected by the Federal Statistical Office (FSO) in the surveys of graduates of tertiary education institutes, which include the universities and federal institutes of technology, as well as the universities of applied sciences (Fachhochschulen) and universities of teacher education (Paedagogische Hochschulen). A university graduates census has been conducted at regular two-year intervals since 1977. In 1993, these surveys were extended to include graduates of the then-known higher technical schools<sup>2</sup>, and in 2001 to graduates of universities of applied sciences<sup>3</sup>. The main focus of these surveys is on graduates' transition into the labour market, highlighting aspects such as their employment situation, salary and form of employment. Information on their professional position **one year after completion of studies** enables the empirical operationalisation of the trainee status. The long tradition of graduate surveys in Switzerland provides us with data stretching back over a relatively long period of time, enabling us to follow the development of the subject in question over a span of more than ten years.

In 2002, the Federal Statistical Office carried out its first longitudinal study, whereby all graduates who had taken part in the first survey (one year after completion of studies) were questioned a second time, four to five years after completion of studies. These panel studies, too, have been carried out every two years since then. The longitudinal data enables us to analyse the situation of former trainees after entry in the job market by looking at whether they have succeeded in obtaining regular employment after their traineeship, whether, four to five

years after graduation, they hold professional positions similar to those held by their former fellow students who entered the labour market directly, without completing a traineeship, and whether languishing trainees can be identified.

### Method

#### *Weighting*

Since the 1999 graduates survey, it has been possible to weight the data. This was done because the response behaviour of the interviewed population cannot be considered to be random a priori. Systematic errors occur as a result of higher non-response rates of certain subpopulations in comparison with others. In order to minimize these systematic errors, consecutive stratification, which is usually applied in random sampling, was used. The data was weighted accordingly based on information provided by the Swiss Higher Education Information System (SHIS).

#### *Standard deviation*

In addition to possible systematic errors, non-responses can lead to random variability in the findings. Under highly simplifying assumptions (non-respondents constitute a simple random sample), a standard deviation of 2% at the most emerges for the individual years under examination for shares relating to university graduate trainees.

<sup>2</sup> The survey was initially restricted to graduates of higher schools of business and administration (Hoehere Fachschulen fuer Wirtschaft und Verwaltung, HWV) and higher schools of engineering (Hoehere Technische Lehranstalten, HTL). In 1995 it was extended to include graduates of higher schools of social work (Hoehere Fachschulen fuer Soziale Arbeit, HFS), and since 1997 it has included higher schools of design (Hoehere Fachschulen fuer Gestaltung, HFG).

<sup>3</sup> Under the Swiss Federal Decree of 6 October 1995, the Swiss tertiary education landscape was extended to include the following seven Swiss universities of applied sciences: Haute école spécialisée de Suisse occidentale (HES-SO), Berner Fachhochschule (BFH), Fachhochschule Nordwestschweiz (FHNW), Zuercher Fachhochschule (ZFH), Fachhochschule Zentralschweiz (FHZ), Fachhochschule Ostschweiz (FHO) and Scuola universitaria professionale della Svizzera italiana (SUPSI).

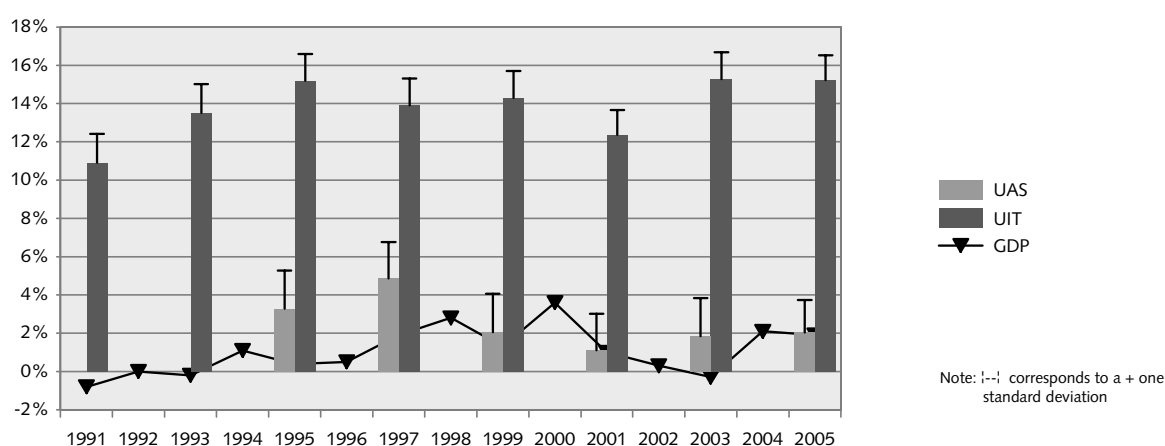
## 3 Changes in the rates of trainees

A «traineeship» is a work-based training programme carried out either during one's studies, or, directly after completion thereof, with the purpose of gaining practical experience in one's future profession and developing problem-solving skills (see definition in Box p. 10). In order not to lose sight of the form of traineeship dealt with in this report, it must be pointed out that the focus here is exclusively on traineeships carried out *after* completion of studies. In addition, the findings and statements presented here refer mainly to graduates who are still in the role of a trainee *one year after completion of studies*. However, some of the graduates may well have entered the labour market by means of a traineeship and become regular employees by the time the survey was carried out. Data on graduates' career paths between completion of studies and the survey, one year later, is available only for 2005.

### 3.1 Traineeships becoming more frequent among university graduates and women

It is a well known fact that universities of applied sciences (UAS) are more strongly oriented towards practical experience, and traineeships are partly carried out during the courses themselves. In contrast traineeships carried out upon entering the job market represent an opportunity for university graduates (UIT) to gain practical experience. Consequently, university graduates are much more likely to enter the labour market through a traineeship. As the change in the rates of traineeships among graduates of the two types of tertiary education institutes show, the percentages among university graduates fluctuate between 10.9% and 15.2% during the survey timeframe of 1991 to 2005. By contrast, the percentages among graduates of universities of applied sciences typically remained below the 5% mark (see Figure 1).

#### G1 Changes in rates of traineeships by type of tertiary education institute 1991 to 2005



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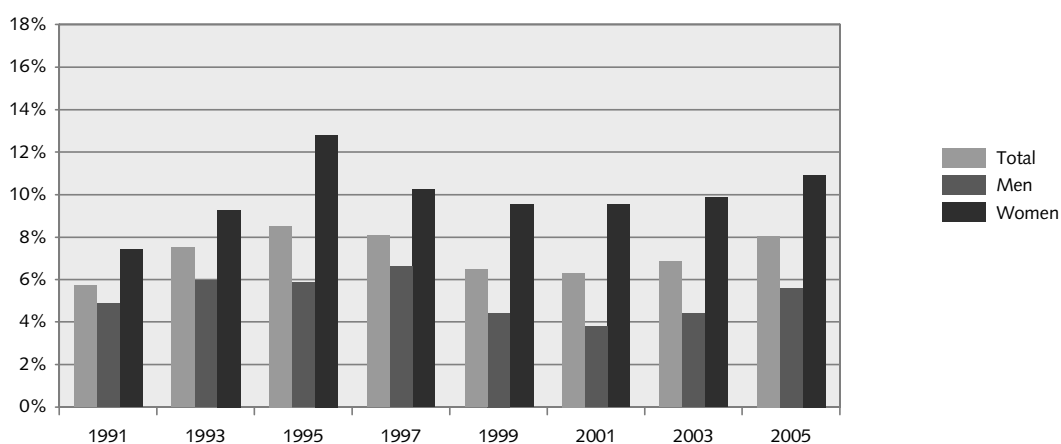
There is no discernible trend in the evolution of the share of graduates who began their professional career by means of a traineeship during the individual years scrutinized by the survey which might indicate a rising percentage of traineeships. The assumption that, young, highly qualified graduates are increasingly pursuing traineeships as a means of entering the labour market cannot be confirmed statistically: the difference in rates of traineeships between the findings of the individual survey years is not significant<sup>4</sup>. However, a relatively weak connection can be made between an unfavourable economic situation at the time of entry into the labour market and a very slight increase in the number of traineeships. It is particularly interesting to note that, among the most recent group of graduates, the share of those who began their career by means of a traineeship was still 15.2% (see Figure 1), despite the improved economic situation.

Women are much more likely to enter the labour market via a traineeship than their male counterparts (see Figure 2). On average, the percentage of women is approximately 4.7% higher than that for men. Furthermore, the percentage of women has increased among the more recent batches of graduates, mainly as a result of the three following factors: (1) the percentage of women has increased among graduates as well as among students;

(2) women more frequently study subjects which involve greater difficulty in finding work later on—in particular Humanities and Social Sciences; (3) women are more likely to be prepared to accept a traineeship or a part-time or temporary job and bear the financial consequences (Federal Statistical Office 2007, Schönfisch 2006, Federal Statistical Office 2006).

However, not all traineeships are the same: the period of practical training is an integral part of further education in certain study programmes. This is particularly the case in Law - in order to be admitted to the bar, Law students are required to complete one or two traineeships at different institutions (for example, in court and at a law firm). Figure 3 shows the share of traineeships excluding Law graduates, whereby the percentages are reduced by 50% in each graduation year, settling at between 5.7% and 8.1%. Again, it is particularly interesting to note the relatively high rates of traineeships for graduates questioned in 2005 (1.2% more than in 2003, despite the favourable economic situation).

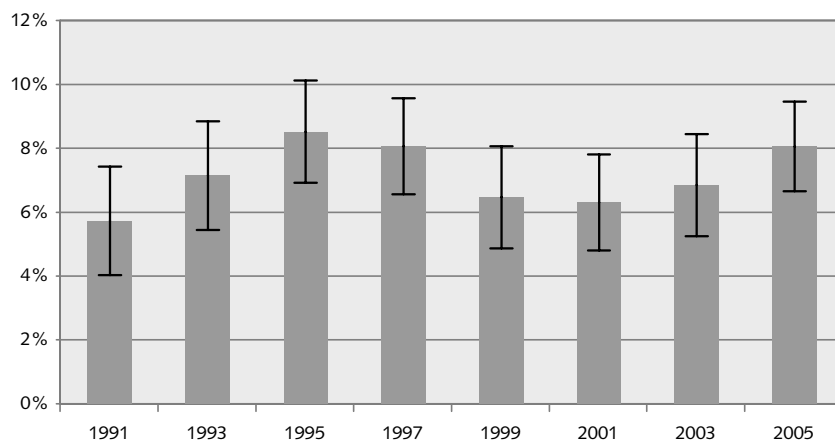
**G2 Changes in rates of traineeships by university graduates by gender (excl. Law) 1991 to 2005**



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<sup>4</sup> The findings illustrated in Figures G1 to G3 refer to the share of trainees among the total population and in the two gender groups for each graduation year

### G3 Changes in rates of traineeships by university graduates (excl. Law) 1991 to 2005



Note: |---| corresponds to a +/- one standard deviation

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Law graduates have been omitted from the survey findings presented below as a result of their special status upon entering the labour market. If this group is nevertheless examined for comparison reasons, this is mentioned explicitly. Graduates of universities of applied sciences have also been excluded from the analyses. The share of traineeships in this group of graduates is negligible.

#### Definitions

##### *Traineeship*

A «traineeship» is a work-based training programme carried out either during one's studies or directly after completion thereof with the purpose of gaining practical experience in one's future profession and developing problem-solving skills. The traineeship has a fixed duration and should last no longer than six months. According to court rulings, trainees are entitled to adequate pay.

This report focuses on traineeships carried out **after completion of studies**. The statements regarding traineeships in this context refer to graduates who are still doing a traineeship **one year after completion of studies**. However, some of the graduates may well have entered the labour market by means of a traineeship and become regular employees by the time the survey was carried out. Data on graduates' career path between completion of studies and the survey one year later is available only for 2005.

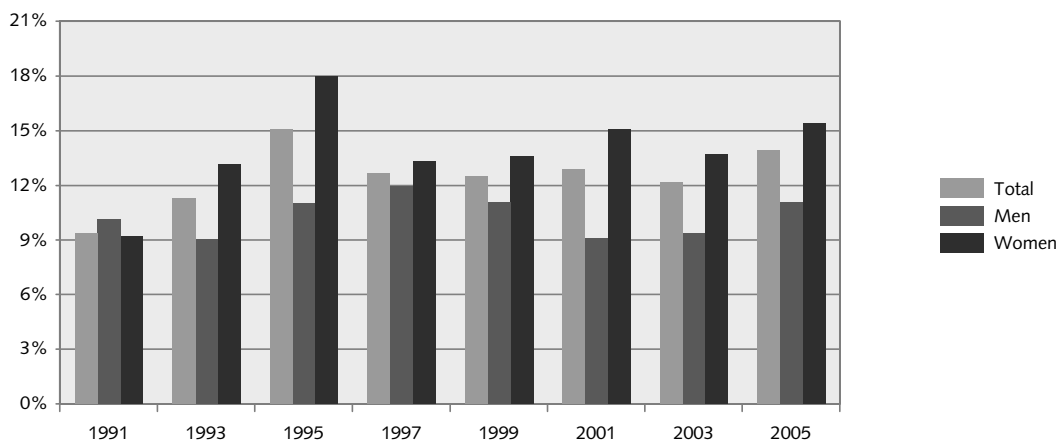
### 3.2 Traineeships: A phenomenon concerning specific fields of study

Like Law graduates, graduates of the Humanities and Social Sciences begin their professional career with a traineeship more frequently than do their fellow graduates. While the high rates of traineeships among Law graduates cannot be interpreted as a reflection of the difficulty of labour market entry (see Figure 5), the relatively high share among graduates of the Humanities and Social Sciences is indeed an indication of the difficulty of making the transition from formal education to work. In 1995, 15.1% of graduates of the Humanities and Social Sciences began their professional careers via a traineeship, after which there was a slight decrease. Ten years on, the figure is again rising (see Figure 4). At the time of

serve as stepping stones to regular employment, whereby the traineeship contract is often subsequently converted to a fixed-term or permanent employment contract.

More than half of all *Law graduates* are still doing a traineeship one year after completion of studies. The high rate of traineeships (50% or higher) among Law graduates indicates that most of the latter study to become lawyers. Depending on cantonal requirements, graduates are to complete one or two traineeships before they may sit their final examination. The percentage differences between men and women are very small and do not indicate a trend, nor do they indicate that either gender pursues traineeships more frequently than the other.

#### G4 Changes in share of graduate trainees in Humanities & Social Sciences 1991 to 2005

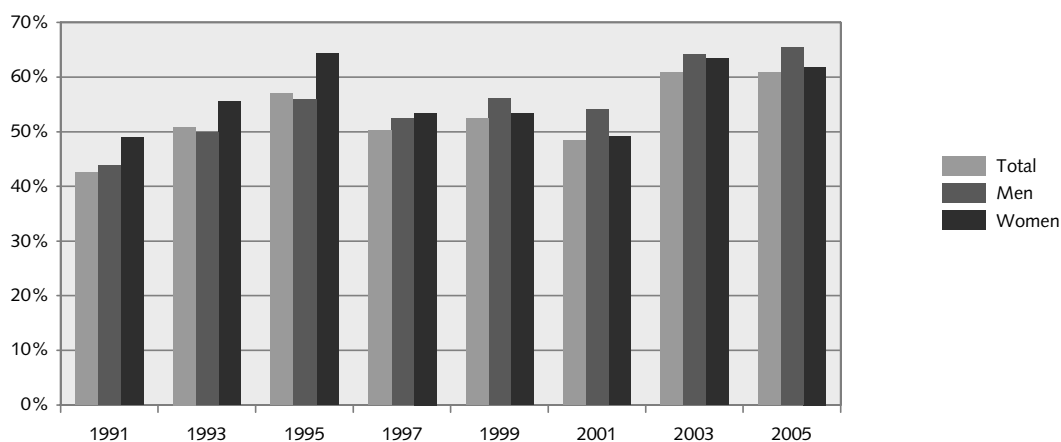


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the survey in 2005, one in seven graduates of the Humanities and Social Sciences were still doing a traineeship one year after completion of studies. As shown by the findings of previous studies, the more a study programme focuses on the future field of activity, the better able graduates are to focus their job search efforts in specific areas and identify relevant job advertisements. Graduates of less profession-oriented programmes are more likely to postpone the process of finding a job (Schmid & Storni 2006: 5). In this case, traineeships often

The data at our disposal does not allow us to determine whether all Law graduates currently doing a traineeship effectively plan to sit the law examination, or whether some of them view the traineeship as a stepping stone to regular employment, as with graduates of other fields.

### G5 Changes in share of graduate trainees in Law 1991 to 2005

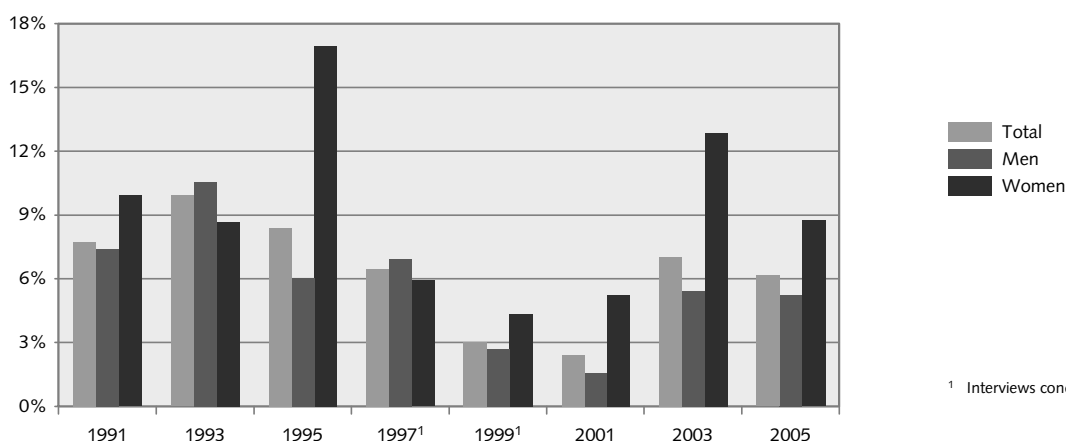


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The evolution among Economics graduates is slightly more marked—although on a lower level. Following a very flat period, the percentage of traineeships has risen sharply again among the two most recent years of graduates questioned compared with 2001 (2003: 4.6%, 2005: 3.8%; see Figure 6). The relatively sharp increase in the share of traineeships in this group can be interpreted within the context of structural and economic changes that have taken place in the financial and insu-

rance sectors and the corresponding difficulties involved in the transition from education to work<sup>5</sup>. The problem affects mostly women, who were almost twice (1.9 times) as likely as men in 2003 to still be doing a traineeship one year after completion of studies. In other words, for every male trainee there were two female trainees.

### G6 Changes in share of graduate trainees in Economics 1991 to 2005



<sup>1</sup> Interviews conducted < 30

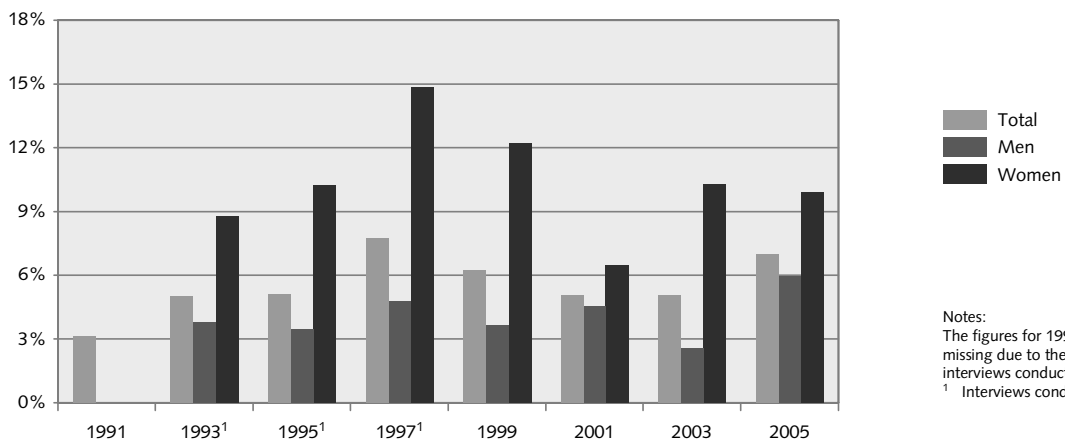
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<sup>5</sup> Both graduation years presented unusually high unemployment rates compared with previous groups of graduates with an Economics degree (Schmid & Storni 2006, Schönfisch & Schmidlin 2005).

The situation is pretty much the same for graduates of the Exact and Natural Sciences. Again, it is women who are more often found still working as trainees one year after completion of studies, with the difference between the genders amounting to between 1.8% and 8.5% depending on the graduation year. While female Natural Science graduates gain practical experience in a trainee-

ship, their male counterparts often pursue doctoral studies. The number of male doctoral students exceeds that of female doctoral students by between 2% and 12% (not shown). Overall, between 5% and 7% of Natural Science graduates pursue a traineeship after completion of studies (see Figure 7).

**G7 Changes in share of graduate trainees in Exact & Natural Sciences 1991 to 2005**



Notes:  
 The figures for 1991 by gender are missing due to the low number of interviews conducted  
<sup>1</sup> Interviews conducted < 30

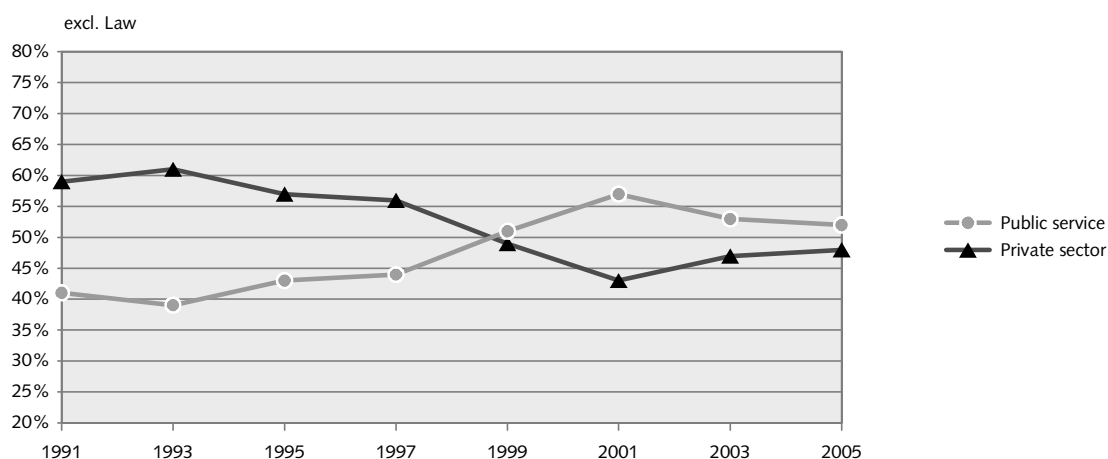
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### 3.3 Traineeships in the public service and the private sector compared

The share of traineeships pursued in the public service and in the private sector has risen sharply since the beginning of the new millennium. While it was mainly the private sector that employed highly qualified trainees throughout the 1990s, in the late 1990s the number of trainees was the same in both sectors and later on saw a reversal of the situation. Since 2001, more than half of all trainees work in the public service (see Figure 8).

We can expect to see over 50% of trainees employed in the public service in the future as well. According to the Federal Council's report on a postulate issued by the Special Committee of the National Council, the Federal Council intends to increasingly promote tertiary level traineeships as well (during studies and after completion thereof) in order to implement the reform of the Swiss educational system (Bologna Reform) (press release of 02.05.2007).

#### G8 Changes in the share of trainees by economic sector, university graduates 1991 to 2005



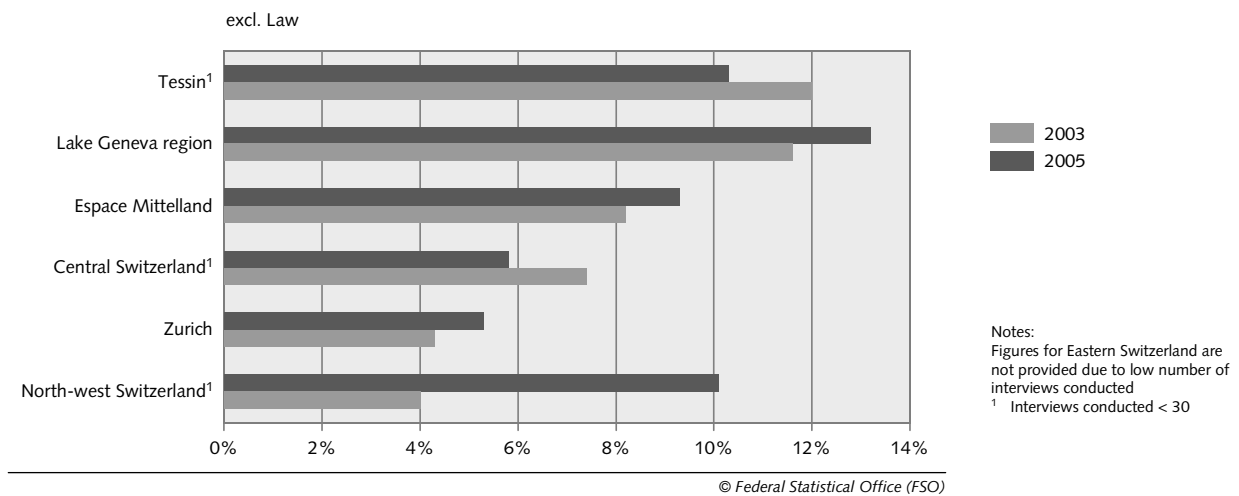
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### 3.4 Differences in the rates of trainees according to economic region

For the 2003 and 2005 surveys, there is data relating to university graduates' places of work. The highest percentages of trainees are to be found in the Lake Geneva region and Ticino with 13.2% and 10.2% (2005) respectively (Figure 9). In the canton of Zurich, the share is 5.3% (2005). The fact that graduates in Latin-language-speaking economic regions more frequently enter the labour market via a traineeship can be put down to three factors: 1) graduates of universities in the German-speaking regions of Switzerland study on average two semesters longer than their French-speaking counterparts. The German-speaking Swiss often complete their

traineeships during their studies or gain practical experience in secondary occupations alongside their studies; 2) the German- and Latin-language-speaking economic regions have different labour market structures: large-scale enterprises, financial institutions and research institutes are located mainly in the German-speaking part of Switzerland; 3) the labour markets in the French- and Italian-speaking regions react more sensitively to economic fluctuations, and graduates in these regions face greater difficulty in labour market entry (State Secretariat for Economic Affairs 2006, Murier 2006, Schmidlin 2003).

**G9 Share of trainees by economic region, university graduates 2003 and 2005**



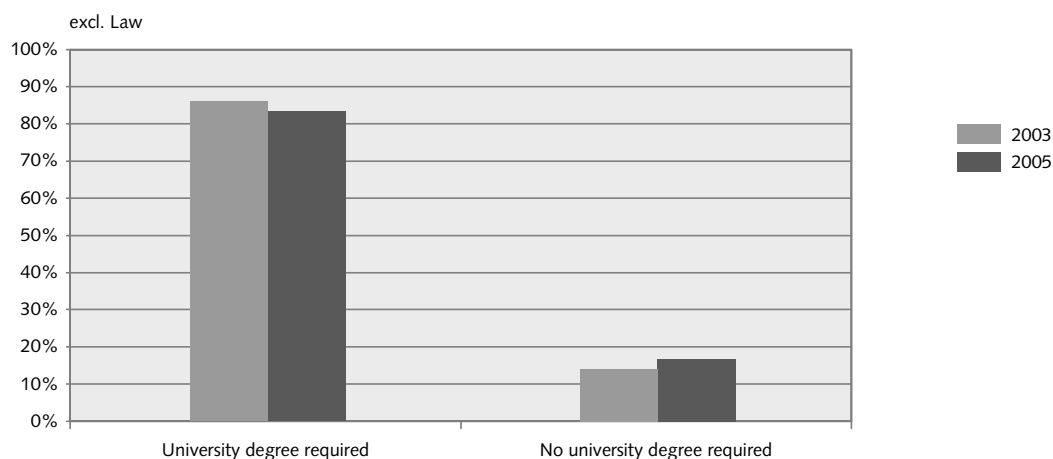
## 4 Profile of traineeships

The main purpose of a traineeship is to provide adequate practical experience, following graduation, in the form of on-the-job training. For this condition to be met, traineeships must be properly supervised and must match the individual's level of education. Traineeships offer university graduates, in particular, an opportunity, before entering regular employment, to gain practical experience for which they often lacked the time during their studies and to put their theoretical knowledge into practice in everyday life. This is only possible if the trainees are given challenging tasks.

### 4.1 Traineeships as a means of gaining experience

As shown in Figure 10, over 80% of trainees held positions or carried out activities for which a degree is required. More specifically, this applied to 86% of trainees in 2003 and 83% in 2005. This finding indicates that the profile of traineeships usually matches the level of education of the graduates. Consequently, most graduates are given a chance to gain the necessary specialist knowledge and problem-solving skills during their traineeships. Nevertheless, on average, one in six graduates completes a traineeship in a position which was not originally intended for graduates.

**G10 Education requirements for traineeships, university graduates 2003 and 2005**



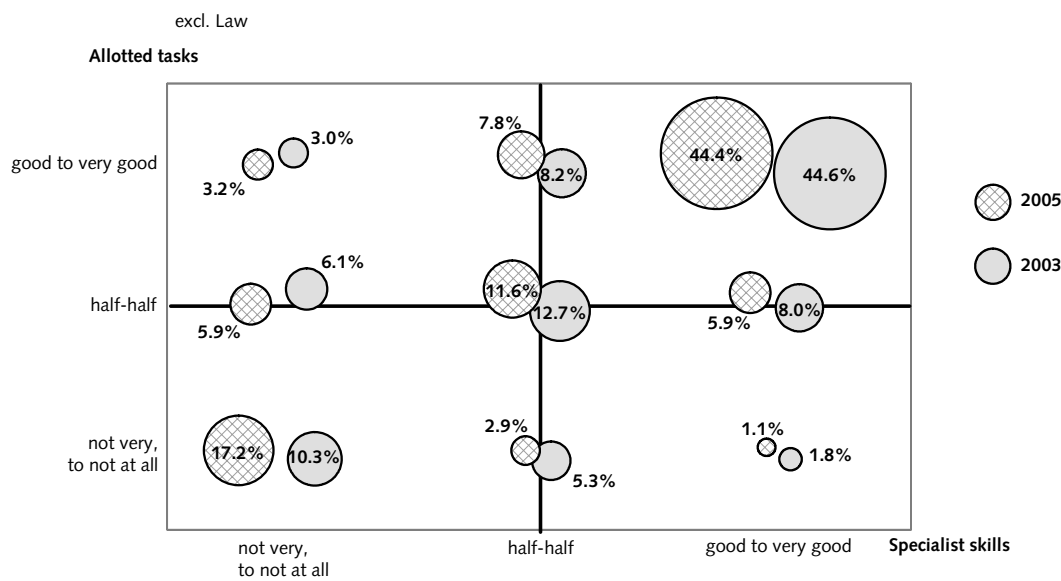
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Another aspect which provides information about the quality of traineeships is the degree of appropriateness of the activities carried out with regard to specialist skills required and tasks allotted. Figure 11 illustrates these two aspects. Forty-four per cent of trainees found that the specialist skills required and tasks allotted are, to a high or very high degree, commensurate with their studies. Around 12% carried out activities during their traineeship that require specialist knowledge only some of the time, as the tasks entrusted to them do not always require a degree. In the 2005 survey, more trainees than in 2003 (17.2% vs. 10.3%) claimed to be under-challenged in their traineeships, in terms of both tasks assigned and specialist skills

#### 4.2 Traineeships as further education or temporary jobs?

Traineeships should not only provide practical experience in the graduate's future occupation: they should also, by definition, be limited in time. On average, a traineeship lasts between three and six months. The following illustrates how graduates rate their traineeships in terms of duration and importance for their future career (Table 1). The vast majority of trainees see their traineeship as an additional period of training or a half-way stop with further opportunities for development and promotion. In the 2003 survey, this was the case for 86.6% of all trainees, and in 2005 for 84.2%. Only between 5% (2003)

**G11 Suitability of the traineeship with regard to specialist skills and tasks allotted, university graduates 2003 and 2005**



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required. Generally speaking, however, the traineeships on offer provide a suitable learning environment which enables a large number of graduate trainees to enhance their specialist skills and apply them in their work. Therefore, on the whole, the quality of traineeships would appear to be favourable. Traineeships offer young graduates an opportunity to gain work experience and to form an idea of the career which they wish to pursue.

and 6% (2005) describe their traineeship as a «temporary job» not linked to their long-term career goals. Approximately 7% see their current occupation as a permanent long-term job. The graduates in this group are likely to be persons who expect to be taken on sooner or later by their employer as regular employees and offered a permanent position. The findings are clear and consistently show that traineeships are primarily interpreted as an introduction to a profession offering on-the-job training and development opportunities.

**T1 Nature of the traineeships, university graduates 2003 and 2005**

(percentage of trainees, excl. Law)

	2003	2005
Long-term, stable professional job	7.1	6.7
Further education/training/half-way stops (with development and promotion opportunities)	86.6	84.2
Temporary jobs (not linked to long-term career goals)	5.2	6.4
Don't know	1.1	2.7

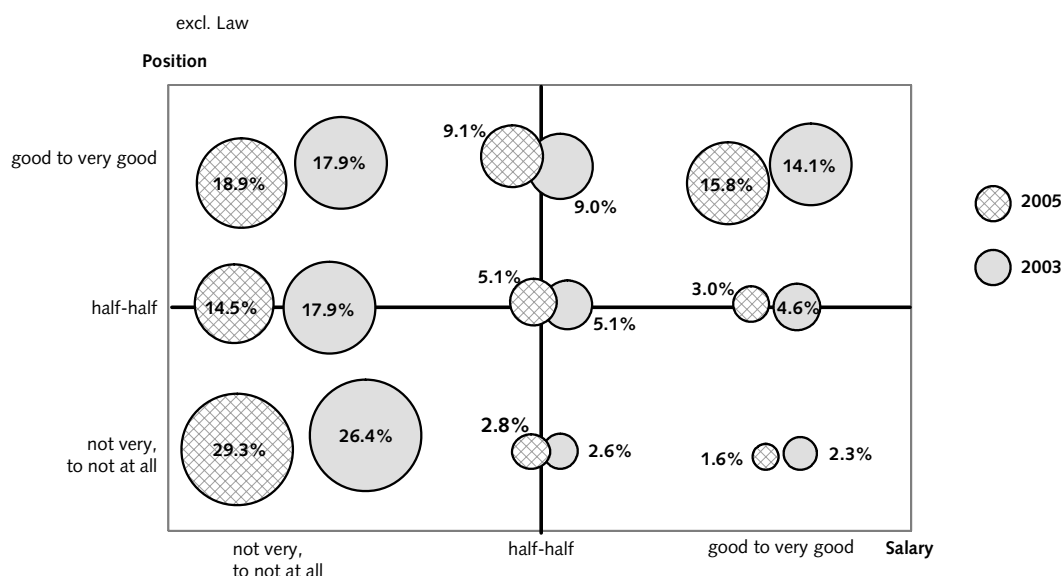
**4.3 Trainees unhappy with their salary**

In principle, trainees are entitled to adequate pay during a traineeship. Nevertheless, traineeships are often reputed to pay low wages and sometimes even none at all. To what degree does trainee status and salary match the education undertaken? How do trainees rate their position and pay in relation to their level of education?

As illustrated in Figure 12, the graduates do not necessarily consider the traineeship unsuitable, but they do see the relatively low pay as a cause for complaint. Just under

two-thirds perceived their salary as a trainee as somewhat, or very, inappropriate in relation to their level of education attained. One-third was not very, or not at all, happy with their position as a trainee. Graduates in this group most probably did not intend to enter the labour market via a traineeship, but had no choice. In addition, one in five considered the pay inadequate for a graduate, but found the trainee position suitable.

**G12 Suitability of the traineeship with regard to position and salary, university graduates 2003 and 2005**



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#### 4.4 Eternal trainees: myth or reality?

In view of the fact that most of the traineeships examined here offer a vocational training environment, with an opportunity to gain work experience, and the fact that the position requires a degree, the trainees' dissatisfaction with their pay should not be seen as a problem. The trainee status only becomes a problem if graduates carry out one traineeship after another, not only remaining on low pay, but also perceiving their career prospects as limited.

The 2005 survey examined graduates' career path between completion of studies and one year on. This information enables us to answer the question as to how many traineeships are carried out and whether graduates remain «eternal trainees». The findings show that this risk does not appear to be present in Switzerland. The vast majority (84.2%) of graduates with traineeship experience had completed just one traineeship within a year of graduating<sup>6</sup>, 13.2% had completed two traineeships, and a smaller share more than two<sup>7</sup>. There appears to be an important link between the number of traineeships completed and the degree of difficulty encountered in finding a suitable job: 61.4% of graduates who had completed one traineeship claimed to have had difficulty entering the labour market as opposed to 65% of those who had completed two traineeships and 78.6% of those who had completed three or more<sup>8</sup>. In contrast, only 39.5% of graduates who did not complete a traineeship reported some degree of difficulty entering the labour market (Table 2).

Traineeships offer an alternative or a solution in cases where entering the labour market turns out to be less smooth than expected. However, it must be emphasized here that a traineeship as a stepping stone to employment should not be seen as a problematic means of entering the labour market, especially due to the fact that traineeships generally last no longer than six months

and are commensurate with the graduates' level of education. Where two traineeships are completed, these are usually two three-month traineeships (see Table 2).

By contrast, the situation is to be considered problematic when graduates find themselves caught between alternating periods of training (one or more traineeships) and unemployment or temporary work. The latter case applies to 19% of graduates with one traineeship and 16.8% of those with two traineeships: within one year of graduating, they have done temporary work for a certain length of time at least once during their traineeship. Of all graduates questioned in 2005, 4.4% were affected by such difficult and delicate transitions.

More frequently, graduates who completed a traineeship experienced further periods of unemployment: 21.9% of graduates who completed one traineeship were faced with one or more periods of unemployment as compared with 16.8% of graduates who completed two traineeships, although the latter may well have opted for a second traineeship instead of unemployment. Of all the graduates questioned, 4.9% were faced with a familiar pattern of alternating periods of training and unemployment in trying to break into a career.

#### Definitions

##### *The Traineeship Generation*

The term «*traineeship generation*» refers to the group of graduates who carry out one or more traineeships after completing their studies or, who remain in a precarious form of employment. The original German expression («*Generation Praktikum*») was introduced in an article in the newspaper *Die ZEIT* (Stolz 2005) and denotes graduates who enter the workforce via one or more traineeships after graduation. Graduates are said to find themselves in a so-called «floundering period» between graduating and entering the labour market—like a flounder caught in a net—during which time they drift from one traineeship to another. The term also implies that the ground rules for labour market entry have changed, whereby graduates often only succeed at entry after a relatively long traineeship period.

<sup>6</sup> 17.9% of the year 2004 graduates had completed one traineeship while 3.4% had completed more than one. This figure differs from the data provided in Section 3 as the vast majority of graduates who entered the labour market by means of a traineeship found regular employment within one year of graduating.

<sup>7</sup> These findings are also confirmed by our longitudinal analysis: As shown by a panel study carried out by the Federal Statistical Office in 2002 for graduation year 1998, between four and five years after completion of studies, 74% of graduate trainees had completed one traineeship, and 26% more than one.

<sup>8</sup> These figures should be interpreted carefully in view of the low number of cases examined.

## T2 Career path between obtaining degree and one year on, university graduates 2005

(in percentage, excl. Law)

Career path	No Trainee-ship	1 Traineeship	2 Traineeships	3 Traineeships
Number of traineeships (all graduates)	78.6	17.9	2.9	(0.5)
Number of traineeships (only trainees)		84.2	13.2	(2.2)
<i>Thereof:</i>				
Besides traineeship 1 casual job	12.2	17.2	16.2	---
Besides traineeship 2 casual jobs	2.1	1.8	---	---
Besides traineeship 1x unempl. /job search	14.1	18.0	16.8	---
Besides traineeship 2x unempl./job search	1.1	3.9	---	---
<i>Difficulties in job search:</i>				
Yes	39.5	61.4	65.0	(78.6)
No	60.5	38.6	35.0	(21.4)
<i>Total length of traineeship:</i>				
1 to 3 months		35.2	32.8	---
4 months		12.9	11.7	---
5 months		13.4	13.3	---
6 months		10.7	11.4	---
7 to 12 months		27.7	30.8	---
Number of months (median)		5.1	6.1	---

( )interviews conducted < 30 ; --- number of interviews conducted too low

## 5 Long-term effects of traineeships

Traineeships carried out during the period of initiation in the labour market should provide adequate practical specialist and problem-solving skills, as well as provide the foundation for the future professional career. The transition from education to work via a traineeship should have a positive, not negative, effect on one's professional career. This section makes a longitudinal analysis of the situation and compares the employment history of former trainees with that of graduates who went straight into regular employment after graduating. Have former trainees succeeded in finding regular employment five years after completion of studies? In comparison with their former fellow students who entered the labour market directly without completing a traineeship, which are the typical forms of employment?

### 5.1 Transition from traineeship to regular employment

Five years after completion of studies, all former trainees have abandoned their trainee status and most of them have managed to enter the labour market. Seventy-nine per cent have found a job. Of these, a quarter hold a permanent full-time position, and a third hold a permanent part-time position. Fourteen per cent hold a temporary full-time position, and 8.6% a temporary part-time position. A further 11.1% have begun either a doctorate or another form of full-time education, and one in ten is unemployed (see Table 3).

Although the vast majority of former trainees have landed a professional job, their situation five years after completion of studies is less stable than that of graduates who entered the labour market directly without completing a traineeship. For example, after five years in the labour market, former trainees are less frequently found in a permanent position compared with their former fellow students who entered the labour market directly into a regular position (56.4% vs. 89.5%). After five years' work experience, former trainees more often hold a temporary position (22.6%), while as few as 13.7% of graduates who made a normal transition have moved from permanent to temporary employment. An unstable employment situation, similar to that of former trainees, is faced by those graduates who began their career path with a temporary job. This group, too, faces a relatively high risk of still being in the insecure situation of temporary employment after five years in the labour market.

### T3 Career path, one year and five years on after completion of studies, university graduates 2005

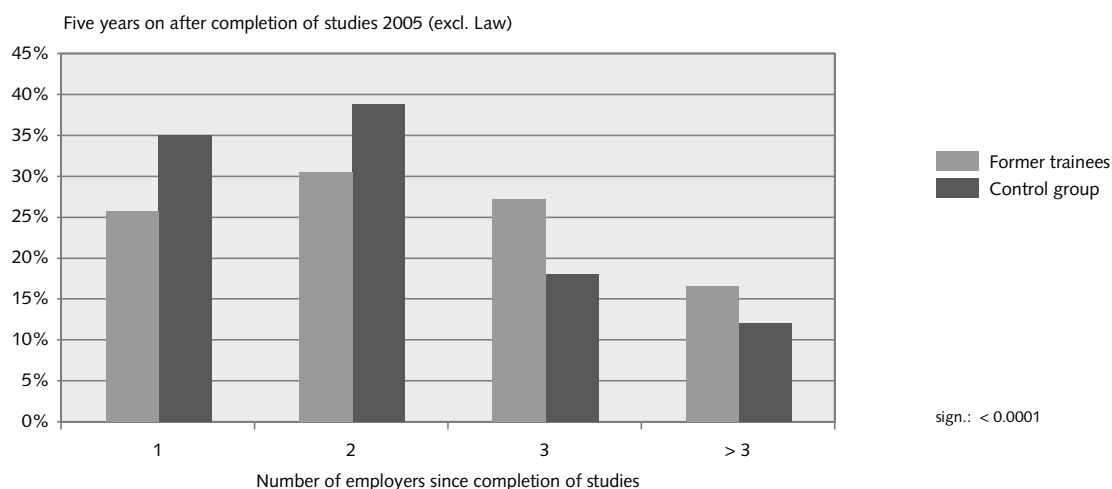
(in order of percentage, excl. Law)

Type of employment one year after completion of studies	Type of employment five years on after completion of studies					
	Employed under contract, full-time and for unlimited term	Employed under contract, part-time and for unlimited term	Employed under limited contract, full-time	Employed under limited contract, part-time	Still studying, preparing doctorate	Not employed
Employed under contract, full-time and for unlimited term	78.2	11.3	2.1	1.6	3.7	3.1
Employed under contract, part-time and for unlimited term	28.5	51.2	3.2	6.8	5.5	4.2
Employed under limited contract, full-time	31.2	10.2	40.3	4.5	7.1	5.7
Employed under limited contract, part-time	22.8	35.8	9.6	15.8	10.4	5.1
Still studying, preparing - doctorate	21.5	7.9	16.7	5.6	40.6	7.5
Not employed	36.3	22.8	9.8	6.3	14.4	9.8
Traineeship	<b>25.5</b>	<b>30.9</b>	<b>14.0</b>	<b>8.6</b>	<b>11.1</b>	<b>9.8</b>

The slightly more frequent job changing among former trainees appears to be a direct result of the relatively unstable employment situation which they face more frequently than graduates who did not complete a traineeship. Just under a quarter of all graduates who completed a traineeship changed jobs three times, and just under one in six persons changed jobs more than three

times within five years of graduating<sup>9</sup>. Among graduates who did not complete a traineeship, the figures are much lower (18.1% vs. 12%). However, one or two job changes occur more frequently in this group (35% vs. 38.8%), while 25.7% of former trainees report changing jobs once, and 30.5% twice (see Figure 13).

### G13 Job-swapping, former trainees and the control group



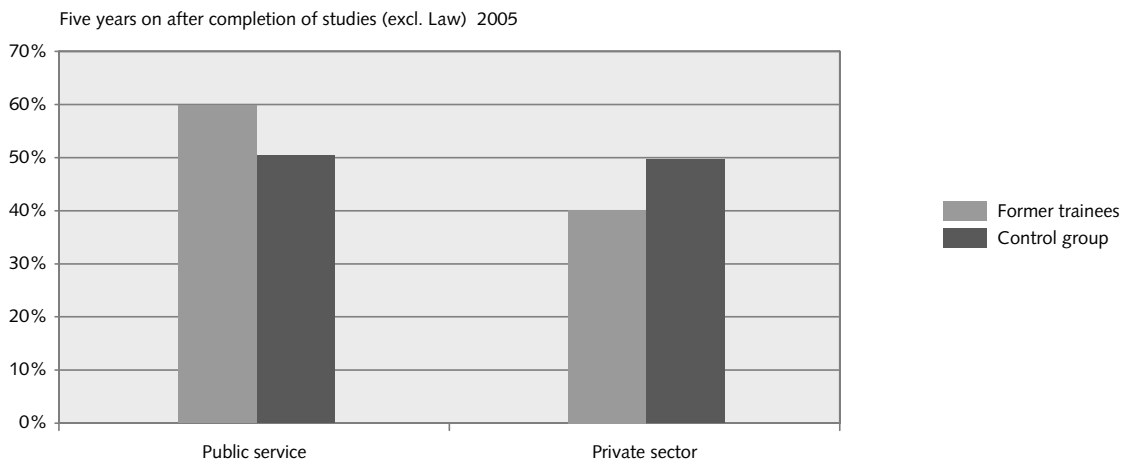
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<sup>9</sup> This data does not allow us to establish whether former trainees counted their abandonment of the status of trainees as a change of employer.

## 5.2 The public service: a popular employer of former trainees

Sixty per cent of former trainees who were employed at the time of the second survey five years after completion of studies were regularly employed by the Swiss Confederation, the cantons or the municipalities, while 40% had found a job in the private sector. By contrast, at the same point in time, half of all graduates who did not begin their career by means of a traineeship, were employed in the public service and half in the private sector (see Figure 14). Based on these findings, we could assume that the chance of converting a traineeship into regular, temporary or permanent, employment at the end of the traineeship, is greater in the public service than in the private sector. In addition, it should be noted that the public service is a potential employer mainly for graduates of the Humanities and Social Sciences, and this group begins their professional career with a traineeship more frequently than others.

### G14 Comparison between former trainees and the control group based on economic sector 2005



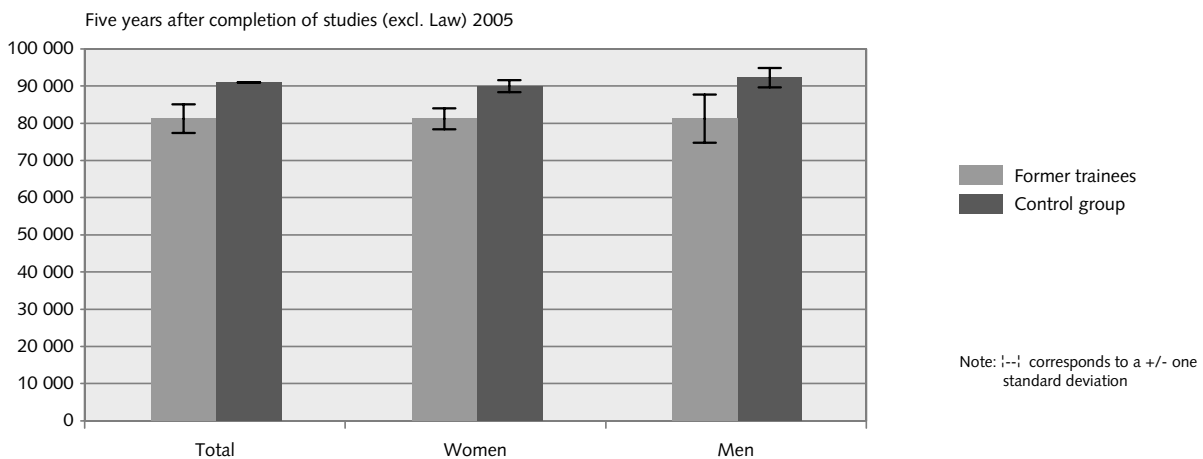
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### 5.3 Salary development slightly lower among former trainees

What are the effects of entering the labour market via a traineeship? After five years' work experience, do former trainees earn the same salary as their counterparts who found regular employment within one year of completing their studies?

At first glance, the standardised gross annual salary (median), of former trainees five years after completion of studies seems slightly lower than that of the control group (see Figure 15). However, the difference is statistically significant only in relation to the total group figures. One cannot, therefore, assume a priori, that traineeships have a negative effect on salary development. If one looks at the salaries of the two gender groups separately, there is no longer a significant difference between women with and without a traineeship or men with and without a traineeship, as the ranges within which the salary of the two groups (trainees vs. control group) fluctuate, overlap.

**G15 Salary comparison among former trainees and the control group, median**



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## 6 Conclusion

Students, graduates and journalists have recently become haunted by the alleged ghost of the so-called *traineeship generation*— a phenomenon which began in Germany and France and has lately raised its head in Switzerland (*Neue Zürcher Zeitung* 2007, *Travail Suisse* 2007, *Grühn & Hecht* 2007, *Beobachter* 2006, *Die ZEIT* 2005). However, the postulates and assumptions formulated are based primarily on individual reports; quantitative confirmation is largely lacking.

The findings presented in this report with regard to changes in the rates of traineeships indicate neither an upward trend nor a mass phenomenon. The share of university graduates carrying out traineeships (excl. Law) has hardly changed over the past fifteen years (remaining between 6% and 8%). As these figures refer to the situation one year after completion of studies, the possibility cannot be ruled out that the share of graduate trainees was higher straight after completion of studies. One year after completion of studies, the situation stabilized for the vast majority of graduates, who found themselves in regular employment.

Traineeships appear mainly to be a phenomenon concerning specific faculties; graduates in Humanities & Social Sciences begin employment much more frequently with a traineeship. One reason is that the jobs available to these graduates do not require a specific profile and include various areas of responsibility. For these graduates, traineeships offer an opportunity to identify the career path that they wish to follow and help them relate their studies to the workplace.

One year after completion of studies, graduates in the French-speaking region of Switzerland and Ticino find themselves more frequently in a traineeship than their counterparts in the German-speaking region of the country. This is due to differing labour market structures and employment opportunities available. Moreover, labour markets in the Latin-language-speaking economic regions are more sensitive to economic fluctuations.

The job profile of traineeships generally matches graduates' level of education in terms of both the specialist skills required and the tasks allotted. We cannot, therefore, speak of a new type of transitional unemployment. The vast majority of graduate trainees consider the traineeship as further vocational training, or, as a half-way stop with development and promotion opportunities.

Eighty-four per cent of trainees complete a traineeship lasting five months on average. The vast majority of graduates who complete a traineeship do not languish as an «eternal trainee». The traineeship becomes problematic as a means of entering the labour market, only when there are gaps in the graduate's career path, with alternating periods of training and unemployment or temporary work. The latter situation affects 19% of graduates who have completed a traineeship, while the former phenomenon concerns 22%. These are the real problem cases. Of all university graduates questioned in 2005, 4.4% and 4.9% were faced with such difficult and discontinuous transitions.

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