

## **UNEMPLOYED AND SCARRED FOR LIFE?**

Longitudinal Analyses of How Unemployment and Policy Changes Affect  
Re-employment Careers and Wages in the Netherlands, 1980-2000

How are individuals' employment careers and wages influenced by unemployment and by changing unemployment insurance policies? A twofold strategy addresses this research question. First, a longitudinal approach traces how early life course conditions such as unemployment and restrictions in UI reforms shape the later employment careers and wages of workers. Second, a quasi-experimental approach disentangles whether and how inequalities in individuals' employment careers and re-employment wages potentially increase as they interact with changing UI benefit policies. This approach took advantage of the ability to examine a range of policy reforms in UI benefits enacted during the 1980s and 1990s in the Netherlands. The empirical evidence presented in this book illustrates that unemployment 'scars' the subsequent employment and wage outcomes of individuals. Multiple job loss and the most recent unemployment experience are identified as the key determinants shaping inequalities in workers' re-employment careers and wages. The negative impact of unemployment was even more intensified in periods of more restrictive UI reforms in the level, duration and eligibility of benefits. This negative effect of restrictive reforms was particularly significant for women and highly-skilled workers, but also larger when undertaken in depressed labor markets.