Skills Dynamics and (the Need for) Longitudinal Data

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Abstract

Our main purpose with this paper and Seminar is to share our concern about the statistical databases available for the study of skill development patterns along life cycles and their impact upon active life cycle trajectories.

Along the past three years we have been carrying some research in this field which enabled us to shed some light on this issue but also made us question the adequacy of Employment Administrative Records (Quadros de Pessoal) databases for that purpose and feel the need for an adequate individual longitudinal database to go deeper in this research subject.

Therefore this paper is organised as follows: after the Introduction (Section 1.), Section 2. discusses the concept of skills (and not the one of ‘qualifications’) and skill dynamics impact upon life cycle trajectories on the basis of some of the most important theoretical approaches in this field; Section 3. resumes the most important results of our previous research; Section 4. sets the requirements databases shall meet in order to be able to adequately depict skills development patterns and Section 5. presents some further research topics and policy implications.

On the basis of the approach we are developing we would like to be able to help decision makers to address some of the more stringent Portuguese labour market problems, such as: training programmes able to compensate for skills obsolescence along employment separations; insufficient knowledge on infraannual mobility flows; higher education graduates’ (re)employment and the corresponding job matching quality; identifying some of the leading factors behind “chimney” and eviction effects, in order to control for long term unemployment in an histeresis framework.

Key words: skills dynamics; longitudinal data; duration models; economic cycle; policy implications; Portugal.

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