

The returns to occupation-specific human capital. Evidence from mobility after apprenticeship

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Using a longitudinal dataset based on the PISA 2000 survey, we analyse the incidence of occupational mobility in the transition from apprenticeship to work and its effects on apprentices' wages in Switzerland. The share of occupation changers amounts to about 10 percent of the two-thirds who are employed one year after graduating from apprenticeship. Based on OLS estimates, those staying in their occupational field, but changing firm, earn about 5 percent more than their colleagues who change firm and occupation. Full-time VET school students change occupation more often, but earn less than firm-trained apprentices irrespective of occupational change. While accounting for apprentices' ability does not change the picture, accounting for the endogeneity of occupational change tends to increase the estimated wage differential between occupation stayers and changers. This indicates that occupation-specific human capital is an important component of apprenticeship training.