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Increasing Employment Instability Among Young People in France?

Labor Market Entry and Early Career since the Early 1990s

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ABSTRACT

Labor market entry and establishment processes in the early career turn out to become more complicated in European societies over recent decades. Because of an increasing economic competition on the European and global level, nation states are exposed to many reforms in their institutional settings. With regard to the labor market, the present situation among youths is characterized by a rise in insecurity due to their employment instability. Immediately entering a continuous full-time position becomes less probable in the initial phase than working under a series of fixed-term contracts, interrupted by phases of unemployment.

The aim of this chapter is to investigate how young people in France manage to become established on the labor market despite these increasing burdens. The analyses are based on longitudinal datasets that are provided by CEREQ (*Centre d'Études et de Recherches sur les Qualifications*). The data are collected retrospectively, and for each individual there is monthly information available about his or her labor market activities. The observation window covers the first three to five years after leaving the educational or vocational training system. This makes it possible to thoroughly investigate the school-to-work transition and the early employment career. To capture shifts that occurred over the recent decades, three of these longitudinal datasets are combined to enable a comparison between different school-leaver cohorts, namely from 1992, 1998, and 2001.

The transition from school to work proceeds relatively quickly in France. The speed has even increased over the past two decades. More problematic however are the initial job characteristics, i.e. the quality of the first job. Although clearly worsening trends cannot be demonstrated in these respects, young people relatively often start with a fixed-term contract or are overqualified with regard to the job requirements. Particularly affected are young women and people with a migrant background. The amount of temporary contracts facilitates in some respects a smooth transition between jobs, so that a continuous employment biography is more likely, whereas unemployment spells can be avoided at the same time. However, the likelihood that a series of fixed-term contracts leads to an established job position in the future where job mismatches in the initial phase of labor market entry are also leveled out, strongly depends on the educational qualification.

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INTRODUCTION

Over the recent decades high and persistent youth unemployment has become one of the major challenges on the political agenda in France. Between January 1990 and February 1994 the total unemployment rate in France rose from 9 percent up to 12.3 percent where it remained relatively stable and above 11 percent until April 1999. Then a decline appeared (with unemployment at 8.6 percent in early 2001) followed by a new rise (with unemployment around 10 percent between mid-2003 and mid-2005). During the same period, youth unemployment has showed the same trend but on a much higher level. Between January 1990 and May 1994 the unemployment rate among those aged less than 25 jumped from 17.5 percent up to 25.8 percent with a maximum of 26 percent in December 1996. Unemployment decreased steadily afterwards, reaching the lowest rate in March 2001 (17.6 percent). Since then it has increased again to 22.5 percent in June 2005. Compared with the OECD average, the French youth unemployment rate has always been higher as well.

What are responsible for these shifts are prior and complex exogenous causes, notably the influence of globalization and internationalization of markets. At the same time, the degree of unemployment is a manifestation of the corresponding reply to these exogenous developments in the French institutional context. Indeed, recent French research has recognized that, as new entrants on the labor market, young people are especially sensitive to adjustments due to economic circumstances and change in norms of employment relationship (Fondeur and Minni 2005). Measures on the national level that are able to reduce youth unemployment are, for instance, reforms in the educational system aiming to improve the transition from school to work, measures undertaken by government to enhance productivity and employment as well as flexibilization strategies used by employers and firms to respond quickly to economic changes.

For more than three decades, French successive governments have undertaken large-scale initiatives in support of the integration of young people on the labor market. Youth employment programs have become more diversified and even more numerous in France, while public spending on active labor market programs (including youth measures) has doubled between 1985 and 1996

(Martin 2000). According to a recent assessment, a majority of all those boys and girls who left secondary school in 1994 without passing the *baccalauréat* have participated at least once in a public program to support their employment, over the next six years (Giret and Lopez 2005).

At the same time, youths have been especially affected by employment flexibilization strategies. In the French context that has been often described as an insider-outsider labor market, insiders (mostly mid-career men) are relatively well protected, while outsiders (young labor market entrants, older workers and also prime-age women) are more vulnerable and may be less protected by dismissal protection legislation, networks and seniority. Thus, young people are most concerned by any kind of flexibilization, like unemployment, the diffusion of fixed-term contracts, or the attenuation of employment protection legislation. In 2005 for instance, the introduction of the *Contrat Nouvelle Embauche* has authorized firms with up to 20 employees to recruit new employees with the possibility to terminate the employment contract without giving any specific justification within the first two years. And the French government also tried to introduce the *Contrat Première Embauche*, a similar contract for youths under 26 and firms with more than 20 employees. The present situation young people face in their early employment career is indeed more often characterized by a series of relatively short-term contracts possibly punctuated by periods of unemployment (Jamet 2006; Bruno and Cazes 1998). Therefore, the question arises what impact these more precarious and flexibilized circumstances have for labor market entry processes: do they inhibit the establishment into a secure job position throughout or may they serve for some youths as a bridge in terms of facilitating the initial transition? It is often argued that more precarious jobs constitute an alternative to unemployment, especially for low skilled workers and young workers with low education levels (Jamet 2006: 19).

In fact, the debate on youth unemployment in France is mainly focused on two issues: qualification on one hand and labor costs on the other. While the match between school and work is less clear-cut than in some other countries (Maurice *et al.* 1986), the emphasis on vocational education and apprenticeship training is comparatively weak. Thus, the educational qualification is the most important passport to the labor market. The aim of this chapter therefore is to investigate whether young school leavers have faced more difficulties at labor market entry since the early 1990s that are related to economic and social changes and, if so, how they have managed to become established after a while.

INSTITUTIONAL CONTEXT

Educational system

As most other European countries, France has experienced large changes in its educational system over the last decades. Since the mid 1970s, in response to economic demands and concerns about social inequality, lower secondary

schooling has been unified and has become an almost universal good. Consequently, upper secondary education has become more accessible to a steadily increasing proportion of the population. Thus, from the mid 1980s, upper secondary education has been diversified and tertiary education has also substantially expanded. The share of a generation holding an upper secondary school diploma (*baccalauréat*) doubled between 1985 and 1995 from 29 percent to 63 percent. We may therefore wonder whether educational expansion became an inflationary trend with the consequence that young people more often start in job positions where they are overqualified. Simultaneously, labor market chances of low-educated pupils have worsened so that youth unemployment among the least qualified has become a major political concern (Bruno and Cazes 1998).

The French educational system can be characterized as highly standardized. This is predominately related to the centralized structure of the French administrative system. Curricula and diploma are organized and coordinated at the national level (Goux and Maurin 1998). Stratification starts after two years of lower secondary school (with a progressive disappearance in the 1990s) and again at the end of lower secondary school. Each selection is directed towards a general or a vocational track. The educational system has a strong emphasis on general and theoretical education, whereas vocational or practical training confers a relatively low level of prestige (Brauns *et al.* 2001). With regard to the less clear-cut match between school and work, employers have to screen job candidates on the basis of their level of education rather than, like in Germany, their vocational qualifications. So, the correspondence may be relatively low between skills demanded by employers and qualifications supplied by formal schooling. Job-specific skills are gradually acquired with training within firms and are therefore highly firm-specific. But access to training strongly depends on firm size, skill level, and the worker's age and gender (Fougère *et al.* 2000): "workers who actually receive training generally work in relatively skilled jobs in large firms" (DiPrete *et al.* 2001: 237). In contrast, low skilled and younger workers have fewer chances to receive training in France. Hence, firm-specific training and the acquirement of firm-specific skills make job mobility between firms more complicated, and can therefore constitute a barrier especially in the early phase of labor market establishment.

Sectoral change, technological progress, the development of a European labor market, and the economic crisis followed by increasing unemployment, especially for youths, have made vocational training reform an important issue in France (Brauns 1999: 58). The development of higher-level vocational and technical training therefore became a key element of education policies over the last two decades, first as a reply to the growing demand of specialized workers, second as a way to reduce skill mismatches between the educational system and the economy. Examples are the creation of the *baccalauréat professionnel* diploma in 1985 and the development of the *Brevet de Technicien Supérieur* diploma at the tertiary level, both of which can also be obtained in the context of apprenticeship training.

Employment protection legislation and flexibilization of employment relationships

In the French system of employment relationships that is somewhat typical of an insider-outsider labor market, employment protection legislation is rather strict for senior employees who are in a secure job position, but relatively low for outsiders (DiPrete *et al.* 2001). Because of high firing costs and restrictive dismissal procedures, employees holding a permanent contract receive a high level of protection against labor market risks. With regard to recent developments, an OECD study has described France as "one of the few OECD countries where employment protection legislation concerning permanent contracts has increased from the mid 1970s to 2002, due both to new legislation and to jurisprudence" (Jamet 2006: 14). However, fixed-term contracts allow some flexibility around the rules of the permanent contract that is the reference one in the Labor Code. While these temporary contracts represented less than 5 percent of dependent employment in the mid 1980s, their share reached 12 percent by 2004, close to the OECD average. As a consequence, labor market dualism has increased in France, with the majority of workers benefiting from permanent contracts and high protection, while a growing number alternate between unemployment and short-term contracts, with young labor market entrants being over-represented in the latter category. The recent introduction of the *Contrat Nouvelle Embauche* can be seen as an attempt to weaken the strength of employment protection legislation and to reduce this dualism.

Compared to other European countries, numerical flexibility does not play a very substantial role in the debate on labor market flexibilization in France. This is partly related to the fact that temporal flexibility is fostered as a measure for job creation and reduction in precarious forms of employment (Malo *et al.* 2000). In 1996, the *de Robien* Law offered reductions in employers' social contribution rates to create new jobs or preserve existing ones through work-sharing by reducing working time. Temporal flexibility also provides firms with the opportunity to adapt their working hours to their prevailing needs and changing market demands. Since 1982, legal working time has been reduced twice and is now significantly lower than the European Union average. After a sharp increase until 1998, the share of part-time jobs has stabilized, partly as a consequence of the 35 hours per week legislation.

Wage flexibility is another important aspect. Even if collective bargaining takes place at various levels in France, wages are predominantly determined at firm level and are therefore a decentralized issue. Enterprise-level bargaining has strongly developed since 1982 (*Auroux* Laws) and this tendency has been reinforced by the 35 hours legislation. The individualization of wage setting at the firm level on the basis of personal characteristics, performance and firm activity has also developed in France (Malo *et al.* 2000: 253). Wage formation of low-paid workers is determined by the minimum wage (SMIC) that especially concerns labor market entrants and low-skilled workers. However, in practice, several mechanisms can bring youth wages below the SMIC level (Bruno and

Cazes 1998). Finally, local wage determination tends to raise mobility barriers around organizations and may therefore enhance labor market segmentation.

Generally speaking, compared to other industrialized countries, the degree of flexibilization and deregulation has remained relatively moderate in France over the last decades and the challenges are therefore more characterized by path dependencies than by extensive structural reforms (Malo *et al.* 2000).

Activating employment measures

Active labor market policies have become an important issue in France since unemployment started its increase in the mid 1970s. The measures are aimed at persons who are unemployed or who face the highest risk of unemployment, such as young people or older workers. In the mid 1990s, at more than 3 percent of GDP, spending on labor market programs in France was higher than the OECD average, but lower than in Germany, the Netherlands or the Scandinavian countries; 1.3 percent was used for active labor market policies (Martin 2000; Jamet 2006). A rise in expenditure on active labor market measures as well as a growing number of participants can also be observed over time.

The main instruments for active labor market policies in France are direct employment subsidies on one hand and incentives for human capital investments on the other hand. Almost any mixture of these two components can be found within French employment policies targeted to young workers, aged between 16 and 30. However, three main types of public interventions are of special interest: first, job creation in the public sector; second, promotion of training programs in the private sector; third, reduction of total labor costs in the private sector (Fougère *et al.* 2000).

The *Contrat Emploi-Solidarité* (CES) that existed between 1990 and 2005 belongs to the first type. Directed to the low-educated jobless youths and long-term unemployed, it was a part-time (20 hours a week) fixed-term (from 3 to 12 months) employment contract that might be renewed two and even three times for some categories of recipients. Employers were public institutions, local administrations and non-profit organizations. Young people in CES were paid by subsidies from the State on the basis of the legal hourly minimum wage. In 1996 CES recipients were mostly women (62 percent) and low-educated persons (84 percent).

The apprenticeship contract and the *Contrat de Qualification* are representative programs of the second type that include classroom education and on-the-job training to enhance labor market experience and human capital. In the French apprenticeship system, which is for long a training track parallel to vocational schooling, and was recently enhanced, young people between 16 and 25 work part-time in a firm and receive part-time education in a public training center, with both general and occupation-specific components. The total duration varies between 1 and 3 years and corresponds to the preparation of a national diploma. The wage is calculated as a fraction of the minimum wage level. The

total number of apprentices in France has grown from 294 thousands in 1995 to 362 thousands in 2003; about 70 percent are males. The *Contrat de Qualification* that existed between 1984 and 2004 was close to the apprenticeship contract, but was established to provide unskilled or long-term unemployed youths with recognized occupational skills. This on-the-job training program was a fixed-term contract with length between 6 and 24 months. At least one-fourth of the contract period had to be devoted to training and wage was again a fraction of the SMIC, with the employer being exempt from Social Security contributions.

Finally, the reduction of total labor costs in the private sector is another measure to increase the labor demand for unskilled workers. Since 1994, reductions in labor costs took essentially the form of payroll tax subsidies for minimum wage workers.

RESEARCH DESIGN: STUDYING LABOR MARKET ENTRIES AND EARLY CAREERS IN FRANCE

Our framework for studying the challenges of labor market entry and early career chances in France since the early 1990s is subdivided into two parts: first, the transition from school to work; second, the phase of establishment on the labor market.

As regards labor market entrance, we will analyze first the *duration of search for a first significant job*, second the *quality of that first job*. For several reasons, it is hypothesized that the duration until first employment is relatively low in France and may have diminished across cohorts. First, a shorter duration may be linked to the increase of fixed-term contracts for labor market outsiders, as youths are. Second, during the period under observation, active labor market measures were enhanced, especially for youths. Third, the economic cycle has also improved over the period. However, we do not expect the same trend with regard to the smoothness of school-to-work transition. Considering the quality of the first job, it is hypothesized that young labor market entrants more often start in precarious jobs, i.e. that they receive fixed-term contracts or work part-time more frequently, and we suppose an accelerating trend across cohorts. Regarding *job adequacy*, we assume that there will be many mismatches at the beginning of the career, because of a less clear relationship between education and work on one hand, and the emphasis on schooling instead of vocational tracks on the other hand. Taking all this into account, finding a first job is not the main difficulty, but it is more a problem of what type of job it is, in terms of the relationship between individual skills (like educational qualifications and previous job experiences) and occupational status. Because of the educational expansion and the growing number of youths holding tertiary level diplomas, we also suppose that over-education occurs more frequently than under-education, i.e. that young people more often obtain job positions that normally require lower diplomas than they possess (Nauze-Fichet and Tomasini 2002).

With regard to the *early career*, our central research interest relates to the question when and how young people enter a secure job position where they can call themselves as 'being established on the labor market'. In the French context, being established is defined as working in a full-time position with a permanent contract. Due to the fact that France has an insider-outsider labor market, we hypothesize that the phase of establishment is rather long and has probably become longer across cohorts. Because of the lacking institutional link between education and work, employers have to screen their employees intensively before investing in training or giving them permanent contracts. We presume that the ease in providing fixed-term contracts increases the phase of establishment to a greater extent because these contracts are adequate instruments for employers to extend the screening phase by avoiding any firing costs at the same time. Another difficulty for moving into a secure and adequate job position may relate to the prevalence of internal labor markets in France (Brauns *et al.* 2001) that set up mobility barriers and make employment careers across firms more complicated. Thus, *job mobility* is expected to be high in the early career because of many mismatches between education acquired and occupational status on one hand, the large number of precarious jobs on the other hand. This also implies that the early career may be characterized by a sequence of serial matching between workers and jobs with possibly short intervening spells of unemployment (DiPrete *et al.* 2001). Within our research design we aim at investigating whether these turbulences in the beginning of the occupational career serve as bridges or as traps that help or forbid young employees to move into a secure job position.

HYPOTHESES: THE STRATIFICATION OF RISKS

French youths typically face a lack of professional skills and experiences at labor market entry that makes them vulnerable to dismissals in an insider-outsider labor market. Employers also often lack information about their vocational skills. We therefore assume that labor market entrance and establishment is a highly stratified process that depends not only on institutional conditions, but also on individual observable characteristics.

Educational qualification and class background

We expect that, in the French context, educational qualification is the most influential variable in the transition from school to work, i.e. that it creates large differences between the best qualified and the poorly educated youths that also tend to increase across cohorts. A higher-level diploma presumably affords several advantages: a decreased duration of first job search, better chances to get a job including permanent contract and full-time work, better job adequacy, a reduced risk of unemployment after the first job, finally less job mobility in the early career. Positive effects are also expected for those who got their diploma in the context of apprenticeship. Despite this overwhelming effect of education, we

do not believe that class background will entirely lose its own influence, i.e. we also assume that belonging to a family with at least one of the parents in the higher service class (Erikson and Goldthorpe 1992) or in a self-employed or employer position positively affects the transition from school to work.

Gender
Consistently with previous research (Goux and Maurin 1998), we expect that, even with the same educational qualification, women encounter less favorable prospects than men in the process of labor market entrance and establishment. A plausible and historical explanation might lie in the family-oriented and male-breadwinner character of the French welfare regime (Esping-Andersen 1990): even if family planning is not intended in the early career, it may be the case that employers favor men for some kinds of job. How the gender difference has recently evolved remains, however, an open issue: the fact that military service, which was compulsory for men, was abolished in 2001 may have affected the relative situation of men and women in the labor market entry process.

Migrant background
Young men and women in France whose at least one parent was born in a foreign country disproportionately belong to working-class families. As a consequence, they often get relatively low educational qualifications. Controlling for education, we will examine whether youths with a migrant background experience any specific handicap in the process of entrance and establishment on the French labor market.

Firm size and other variables
The prevalence of internal labor markets in France and the predominant determination of wages at the firm level might result in a specific effect of the firm size. We assume that labor market entry processes and early career prospects are better in larger firms, but it is difficult to develop more precise expectations about the typical numbers of employees that will make a difference. Finally, some other variables such as branch (or sector) and region will be introduced in the analysis for descriptive purposes and we do not develop any specific hypothesis about them.

DATA AND METHODS

Our analyses are based on a series of three nationally representative surveys conducted by CEREQ (*Centre d'Études et de Recherches sur les Qualifications*). Using computer-assisted telephone interviewing, these surveys collected monthly retrospective information among large samples of youths who left the educational or vocational training system (including apprenticeship) at any level for the first time in a given year (without going back to education in the subsequent year). In 1997, the "Génération 1992" Survey interviewed 26,359

young men and women who left school, apprenticeship or university at any level in 1992. Similarly, the "Génération 1998" sample of 22,021 youths were surveyed in 2001, then 2003. Finally, 13,987 youths were interviewed in 2004 in the context of the "Génération 2001" Survey that therefore affords an observation window of only three years, compared to five years in the first two surveys. In the introduction, we highlighted that economic circumstances and unemployment rates have unevenly evolved since the early 1990s. Our analyses will therefore benefit from the fact that these three school-leaver cohorts (1992, 1998, 2001) have experienced contrasted situations during the years of their labor market establishment.

Focused on the labor market entry process and the early employment career, the questionnaires contain a calendar to describe the respondent's activity month by month as one of the following situations: under any employment contract, unemployed, inactive, in training, back in education, in military service, employed for a holiday job, or on holiday. Detailed information is collected about each episode that consists of a sequence of successive months with the same activity: for a job episode for instance, type of contract, detailed occupation, income perceived and so on are available. Beyond this longitudinal information, additional questions collect data about various socio-demographic characteristics of the interviewee. Designed in the same way, the three surveys are highly comparable, except on a minor point. Holiday jobs are separated from other jobs in the questionnaires for the last two cohorts, but not for the first one. In the latter case, we therefore applied approximate rules to implement the distinction and achieve satisfactory comparability.

Before analyzing the duration of search for a first significant job with product-limit estimation and piecewise constant exponential models, we applied a specific treatment to persons who started with military service or training within three months after they left the educational system. More precisely, we decided that, for those cases, the observation window should start from the end of the military service or training episode. The assumption is that people do not really look for a job if they know that they will begin with one of those activities very soon, so that the previous months must be seen more as waiting loops than as a real searching period. Because of the high quality of the calendar data, we abstained from any other restriction to define the first significant job, i.e. we selected the first episode that corresponds to an employment contract and is not defined as a holiday job. In particular, we did not introduce any minimum duration of the first job episode: descriptive analysis shows that, in each cohort, less than 14 percent of the sample got a first job that lasted three months or less. As regards the quality of the first job, using logit models, we investigate, first the risk of getting a fixed-term contract (versus a permanent contract), second the risk of working part-time (versus full-time). Finally, for each job episode described in the "Génération" Surveys, a specific question asks whether the person was employed at, below or above his or her own level of competence. On the basis of this subjective assessment for the first job, we therefore analyze the risk of over-qualification (versus matching adequacy and under-qualification)

using logit models (after excluding all youths at the lowest educational level for whom over-qualification cannot occur).

As regards the early career, we first consider all those who got a first job and model the risk of unemployment afterwards, using piecewise constant exponential models. Then, for the 1992 and 1998 cohorts that correspond to a five-year observation window, we analyze job mobility between the first job and the last job. More precisely, using logit models, we model upward mobility (respectively downward mobility) defined as an increase (respectively decrease) of at least 10 percent of the occupational score measured on a French socioeconomic scale (Chambaz *et al.* 1998).

RESULTS

LABOR MARKET ENTRY SINCE THE EARLY 1990S

Transition to the first job after leaving the educational or vocational training system

Product-limit estimations for the three school-leaver cohorts (see figure X.1) confirm what we expected in our hypotheses about the duration of search for a first significant job: the rate is generally relatively high in France. That means that young school-leavers do not face any big problems related to entering the labor market relatively quickly. The results show that more than half of the youths immediately get a first job. Afterwards the likelihood decreases continuously. Looking at the three cohorts separately, we observe different shapes with regard to the survivor functions: the speed of school-to-work transition has enhanced across cohorts. This improvement is mainly explained by the economic cycle, which considerably ameliorated at the end of the 1990s and the beginning of the 2000s, and offered thus better starting conditions for the two latter cohorts.

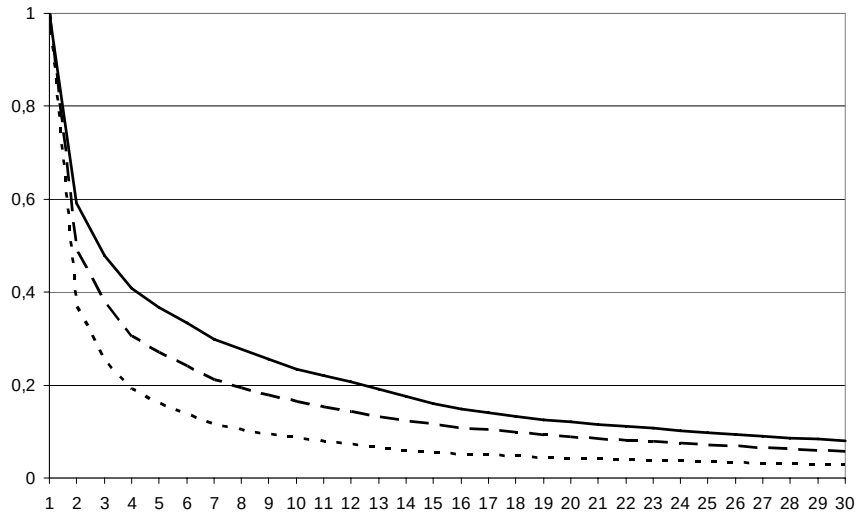

Figure X.1 Transition to the first job after leaving the educational system, by cohort (product-limit estimations)

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: The upper curve, the curve in the middle and the lower curve respectively correspond to the 1992, 1998 and 2001 school-leaver cohorts.

A closer look at the French picture of school-to-work transition given by the piecewise constant exponential models (table X.1) shows that women as well as young people with a migrant background are generally disadvantaged compared to young men and children of natives as regards the speed in finding a first job. As hypothesized, educational qualification is the most influential variable. Young people having obtained a lower tertiary (often vocational) certificate are in the best position compared to all other groups. The most disadvantaged youths are those who only got elementary education. Previous job experiences however improve the labor market entry process and have a positive impact on school-to-work transition. People who prepared their diploma by apprenticeship also strongly benefit from their acquired vocational skills. The certificate presumably gives employers concrete information about their professional acquirements and, furthermore, may be interpreted as a positive signal that school-leavers have been already integrated into some jobs and are therefore motivated to work (Béduwé and Giret 2001). Comparatively and after controlling for education, originating from a service class or employer/self-employed family improves the speed of the transition only slightly. Finally, with regard to geographical aspects and region of the last school, the chance for a fast labor market entry is highest in Île de France and in the East, whereas the lowest speed in school-to-work transition can be observed in the North. This has to be related to the economic

context: the total unemployment rate is below the average in the former regions, above in the latter.

Table X.1 Transition to the first job after leaving the educational system since the early 1990s (piecewise constant exponential models)

	1	*2*	*3*
Periods			
up to 3 months	-0.94**	-0.47**	-1.04**
3 to 6 months	-1.55**	-1.10**	-1.61**
6 to 9 months	-1.90**	-1.45**	-1.95**
9 to 12 months	-2.16**	-1.71**	-2.21**
12 to 24 months	-2.36**	-1.89**	-2.39**
24 and more months	-2.95**	-2.51**	-2.97**
Gender (Women = ref.)			
Men	0.19**	0.19**	0.16**
Migrant background (No = ref.)			
Yes	-0.13**	-0.11**	-0.12**
Cohort (1998 = ref.)			
1992	-0.22**		-0.22**
2001	0.25**		0.25**
Educational qualification			
Elementary education (1ab)	-0.76**	-0.81**	-0.75**
Basic vocational education (1c)	-0.12**	-0.18**	-0.26**
Intermediate vocational education (2a)	-0.29**	-0.35**	-0.26**
Intermediate general education (2bc)	-0.26**	-0.26**	-0.25**
(Lower tertiary (3a) = ref.)	-	-	-
Higher tertiary (3b)	-0.16**	-0.13**	-0.16**
Yearly average unemployment rate		-0.005**	
Region (Île de France = ref.)			
Parisian Basin			-0.09**
North			-0.26**
East			0.08**
West			-0.06**
South-West			-0.12**
Center-East			-0.03+
Mediterranean			-0.16**
Degree by apprenticeship (School = ref.)			0.38**
High parental occupational status			0.03**
Parental employer/self-employed status			0.08**
Previous job experiences			0.24**
Events	56,901	56,901	56,901
Total persons	62,338	62,338	62,338
Censored persons	5,437	5,437	5,437
-2*diff (LogL)	33,844	32,210	35,735

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Changes across cohorts

As shown in table X.2, gender and ethnic differences, as well as those related to the family of orientation, have diminished over time, when controlling for education. That suggests that the stratification of risks according to *ascribed* socio-demographic characteristics has declined over the past two decades, or, to put it differently, that the level of educational qualification has become more and more relevant as it is the most important information for employers to screen their job candidates (Brauns *et al.* 2001). Compared with the reference group of youths with lower tertiary education, the speed of school-to work transition has effectively worsened over time for those who got a lower diploma. On the other hand, whereas no significant difference appeared in the 1992 cohort between those with lower and higher tertiary degrees, this shifted for the two younger cohorts in that way that the transition turns out to take longer for those with the highest degrees.

Table X.2 Transition to the first job after leaving the educational system, by cohort (piecewise constant exponential models)

	Cohort 1992		*Cohort 1998*		*Cohort 2001*	
	1	*2*	*1*	*2*	*1*	*2*
Periods						
up to 3 months	-1.33**	-1.44**	-0.92**	-1.00**	-0.57**	-0.64**
3 to 6 months	-1.93**	-2.01**	-1.51**	-1.54**	-1.15**	-1.19**
6 to 9 months	-2.19**	-2.26**	-1.90**	-1.92**	-1.68**	-1.71**
9 to 12 months	-2.43**	-2.50**	-2.16**	-2.17**	-1.99**	-2.02**
12 to 24 months	-2.50**	-2.56**	-2.43**	-2.42**	-2.37**	-2.39**
24 and more months	-3.34**	-3.38**	-2.82**	-2.80**	-2.93**	-2.93**
Gender (Women = ref.)						
Men	0.20**	0.17**	0.28**	0.24**	0.10**	0.08**
Migrant background (No = ref.)						
Yes	-0.16**	-0.17**	-0.13**	-0.10**	-0.08**	-0.08**
Educational qualification						
Elementary education (1ab)	-0.59**	-0.52**	-0.87**	-0.90**	-0.88**	-0.88**
Basic vocational education (1c)	-0.03	-0.09**	-0.28**	-0.54**	0.02	-0.04
Intermediate vocational education (2a)	-0.09**	-0.03	-0.44**	-0.44**	-0.41**	-0.40**
Intermediate general education (2bc)	-0.13**	-0.09**	-0.32**	-0.32**	-0.35**	-0.34**
(Lower tertiary (3a) = ref.)	-	-	-	-	-	-
Higher tertiary (3b)	0.03	0.03	-0.21**	-0.20**	-0.27**	-0.28**
Region (Île de France = ref.)						
Parisian Basin		-0.11**		-0.10**		-0.04
North		-0.29**		-0.30**		-0.17**
East		0.09**		0.06*		0.06+
West		-0.11**		-0.02		-0.07*
South-West		-0.14**		-0.13**		-0.10**
Center-East		-0.02		-0.02		-0.04
Mediterranean		-0.14**		-0.23**		-0.11**
Degree by apprenticeship (School = ref.)		0.33**		0.49**		0.28**
High parental occupational status		0.04*		0.03		0.01

Table X.2 continued

Parental employer/self-employed status		0.09**		0.06**		0.06*
Previous job experiences		0.28**		0.23**		0.20**
Events	22,827	22,827	20,588	20,588	13,486	13,486
Total persons	26,355	26,355	22,009	22,009	13,974	13,974
Censored persons	3,528	3,528	1,421	1,421	488	488
-2*diff (LogL)	10,870	11,692	12,667	13,660	6,487	6,718

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Quality of the first job

We therefore observe an improving trend with regard to the rapidity of school-to-work transition. The median duration within the first job has also increased across cohorts: whereas it was 13 months for the 1992 school-leaver cohort, it raised up to 17 months for the 1998 cohort and up to 19 for the 2001 one. Working part-time in the first job has also diminished from 29 percent of the youths in the first cohort to 15 percent in the last one. On the contrary, other indicators reveal a more problematic integration on the labor market: in each cohort, the share of those with a fixed-term contract reach at least 60 percent and around 30 percent feel overqualified when they compare their competences and the requirements of their first job. For these indicators, table X.3 presents detailed analyses of the determinants of quality of the first job.

Even if women are disadvantaged on both objective aspects of quality of the first job, the gender effect is considerably higher for the risk of part-time work than for the risk of getting a fixed-term contract. Migrant background has no substantial effect on any aspect, but social background enhances the circumstances: originating from a service class or employer/self-employed family significantly raises the probability of a permanent contract. However, this is again educational qualification that matters most. Generally speaking, the higher the educational level the lower the risk of working with a fixed-term contract or in a part-time job. A degree prepared by apprenticeship is also a positive and powerful asset for both aspects. Moreover, each one is also associated with contextual characteristics of the job such as firm size, branch or region: the latter variable again highlights that especially positive situations concern the Île de France and East regions. Finally, a longer duration of first job search (measured in months) that probably reveals a more difficult search is also associated with a worse job quality, i.e. with a higher probability of working part time or with a fixed-term contract.

Moving from objective indicators of the job quality to the subjective assessment of over-qualification reveals both differences and similarities as regards the effects of socio-demographic and contextual variables. Contrary to what we observed above, it is striking that men and youths with a migrant background, more often than women and children of natives, feel that they are employed below their own level of competence. It is also noticeable that all regional differences have vanished. People who work in very small firms feel overqualified less often than others and this is also the case for employees in the social sector compared to those working in other branches. The feeling of over-qualification generally peaks among youths with an intermediate general (secondary level) education. Again, apprenticeship has a positive influence, i.e. it protects against over-qualification, whereas an opposite effect characterizes those who had job experiences during their studies. Finally, class background and duration of first job search have effects similar to those exhibited on objective dimensions: an advantaged or self-employed class background protects against over-qualification while a longer search favors that feeling.

Table X.3 *Fixed-term contract, part-time work and subjective assessment of over-qualification (excluding all those with elementary education) in the first job after leaving the educational system (logit models)*

	Fixed-term contract			*Part-time work*			*Over-qualification*		
	1	*2*	*3*	*1*	*2*	*3*	*1*	*2*	*3*
Constant	0.88 **	0.08	0.78 **	-1.63 **	-2.34 **	-1.39 **	-0.65 **	-1.84 **	-1.08 **
Gender (Women = ref.)									
Men	-0.19 **	-0.20 **	-0.12 **	-1.13 **	-1.14 **	-0.74 **	0.24 **	0.23 **	0.14 **
Migrant background (No = ref.)									
Yes	0.01	0.01	0.04	0.09 **	0.05 +	0.09 **	0.29 **	0.28 **	0.25 **
Cohort (1998 = ref.)									
1992	-0.18 **		-0.21 **	0.49 **		0.57 **	0.12 **		-0.01
2001	-0.22 **		-0.24 **	-0.23 **		-0.32 **	-0.32 **		-0.29 **
Educational qualification									
Elementary education (1ab)	0.37 **	0.35 **	0.52 **	1.27 **	1.40 **	1.35 **			
Basic vocational education (1c)	-0.06 +	-0.08 *	0.34 **	0.74 **	0.85 **	0.91 **	-0.66 **	-0.61 **	-0.51 **
Intermediate vocational education (2a)	0.34 **	0.32 **	0.44 **	1.06 **	1.21 **	1.09 **	-0.23 **	-0.17 **	-0.31 **
Intermediate general education (2bc)	0.23 **	0.24 **	0.33 **	0.88 **	0.91 **	0.92 **	0.21 **	0.22 **	0.10 **
(Lower tertiary (3a) = ref.)	-	-	-	-	-	-	-	-	-
Higher tertiary (3b)	-0.67 **	-0.67 **	-0.66 **	0.38 **	0.41 **	0.34 **	0.00	0.00	0.07 *
Yearly average unemployment rate		0.01 **			0.01 **			0.01 **	
Firm size (0-9 employees = ref.)									
10-49 employees			-0.03			-0.05 +			0.26 **
50-199 employees			0.14 **			-0.20 **			0.41 **
200-499 employees			0.29 **			-0.43 **			0.36 **
500 and more employees			-0.03			-0.91 **			0.11 **

Table X.3 continued

Branch (Social services = ref.)									
Extractive			-0.34 **			-1.07 **			0.53 **
Transformative			-0.07 *			-1.41 **			0.56 **
Distributive services			-0.35 **			-0.52 **			0.73 **
Producer services			-0.36 **			-0.75 **			0.36 **
Personal services			-0.67 **			-0.11 **			0.66 **
Region (Île de France = ref.)									
Parisian Basin			0.35 **			0.08 +			-0.01
North			0.29 **			0.20 **			0.00
East			0.10 **			-0.13 **			-0.02
West			0.56 **			0.13 **			-0.01
South-West			0.33 **			0.21 **			-0.05
Center-East			0.30 **			0.11 *			-0.05
Mediterranean			0.30 **			0.20 **			0.04
Degree by apprenticeship (School = ref.)			-0.61 **			-0.37 **			-0.38 **
High parental occupational status			-0.18 **			-0.05			-0.16 **
Parental employer/self-employed status			-0.27 **			-0.05 +			-0.20 **
Previous job experiences			0.05 *			0.03			0.16 **
Duration of first job search			0.02 **			0.02 **			0.02 **
Number of cases	56,513	56,513	56,513	54,251	54,251	54,251	44,788	44,788	44,788
-2*diff (LogL)	7,368	7,328	9,447	22,615	21,954	25,846	4,396	4,274	5,796

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Changes across cohorts

Getting a fixed-term contract, working in a part-time job and feeling overqualified are three different indicators of a somewhat problematic integration on the labor market. Contrary to our hypotheses, table X.3 demonstrates that, over our school-leaver cohorts, they have followed trends that do not correspond to a clearly worsening picture. The risk of working part time instead of full time in the first job is not very much pronounced in France among young labor market entrants and it markedly declined between the 1992 and 2001 cohorts, possibly as a consequence of the reducing working time legislation. Starting the employment career with a strong feeling of over-qualification was indeed more likely in the first two cohorts than in the last one. Only the likelihood of holding a precarious fixed-term contract instead of a permanent one has evolved in a more complex way as it reached a peak for the 1998 school-leaver cohort. When cohort dummies are replaced by the yearly average unemployment rate in the general population (at the time the person starts with his or her first job), positive, significant, but moderate coefficients are estimated, thereby suggesting that change in levels of indicators of first job quality are correlated with the economic cycle. Table X.1 also reveals a similar result by showing that a higher unemployment rate in the general population slows down the school-to-work transition of young labor market entrants.

For the main indicators of first job quality, table X.4 examines how the socio-demographic and contextual determinants have evolved between the two extreme cohorts. It is worth emphasizing that the advantage of young men over young women as regards the access to a permanent contract has increased over time, but this is also the same for the gap between the former and the latter as regards the feeling of over-qualification. Clear shifts also characterize the labor market chances of the different educational groups. First, the relative position of those without any tertiary education has worsened across cohorts for the risk of getting a precarious contract and change is especially substantial for those who only got elementary education. Second, although higher tertiary graduates are still better off in the most recent cohort, they have lost their clear lead over those with lower tertiary degrees: the gap between these groups for the risk of starting with a temporary contract has strongly reduced and the former group now feels overqualified significantly more often than the latter. Youths with higher tertiary qualifications therefore do not remain unaffected by societal and economic changes. Moreover, a degree prepared by apprenticeship has recently gained additional importance for holding a permanent contract. All these shifts must probably be understood as a consequence of the marked educational expansion in France at the tertiary level. Finally, regarding the changes that occurred within the branches it can be ascertained that, for the 1992 cohort, a fixed-term contract was much more likely in the social sector. That shifted for the 2001 cohort in that way that the risk is now higher in all of the other branches, except for that one of personal services.

Table X.4 Fixed-term contract and subjective assessment of over-qualification (excluding all those with elementary education) in the first job after leaving the educational system, by cohort (logit models)

	Fixed-term contract				*Over-qualification*			
	Cohort 1992		*Cohort 2001*		*Cohort 1992*		*Cohort 2001*	
	1	*2*	*1*	*2*	*1*	*2*	*1*	*2*
Constant	0.73 **	0.95 **	0.43 **	0.12 +	-0.22 **	-0.68 **	-1.23 **	-1.80 **
Gender (Women = ref.)								
Men	-0.11 **	0.01	-0.26 **	-0.27 **	0.12 **	0.07 *	0.33 **	0.22 **
Migrant background (No = ref.)								
Yes	-0.06	-0.03	0.07	0.11 *	0.26 **	0.19 **	0.36 **	0.34 **
Educational qualification								
Elementary education (1ab)	0.22 **	0.29 **	0.67 **	0.78 **				
Basic vocational education (1c)	-0.12 *	0.25 **	0.30 **	0.49 **	-0.86 **	-0.67 **	-0.57 **	-0.50 **
Intermediate vocational education (2a)	0.29 **	0.32 **	0.61 **	0.63 **	-0.53 **	-0.52 **	0.13	-0.11
Intermediate general education (2bc)	0.17 **	0.22 **	0.56 **	0.54 **	-0.05	-0.08 +	0.49 **	0.23 **
(Lower tertiary (3a) = ref.)	-	-	-	-	-	-	-	-
Higher tertiary (3b)	-0.77 **	-0.93 **	-0.30 **	-0.29 **	-0.41 **	-0.27 **	0.27 **	0.30 **
Firm size (0-9 employees = ref.)								
10-49 employees		0.00		-0.17 **		0.15 **		0.38 **
50-199 employees		0.07		0.02		0.29 **		0.49 **
200-499 employees		0.33 **		-0.03		0.27 **		0.31 **
500 and more employees		-0.24 **		-0.27 **		-0.03		0.05
Branch (Social services = ref.)								
Extractive		-0.72 **		0.37 *		0.49 **		0.65 **
Transformative		-0.60 **		0.53 **		0.46 **		0.57 **
Distributive services		-0.81 **		0.31 **		0.73 **		0.75 **
Producer services		-0.50 **		0.07		0.40 **		0.25 **
Personal services		-0.92 **		-0.32 **		0.62 **		0.72 **

Table X.4 continued

Region (Île de France = ref.)								
Parisian Basin		0.35 **		0.34 **		-0.06		0.05
North		0.31 **		0.26 **		-0.02		0.12
East		0.05		0.19 **		-0.13 *		0.14 +
West		0.51 **		0.59 **		-0.16 **		0.13 +
South-West		0.32 **		0.37 **		-0.03		0.02
Center-East		0.23 **		0.50 **		-0.12 +		0.11
Mediterranean		0.13 *		0.51 **		0.04		0.15 +
Degree by apprenticeship (School = ref.)		-0.49 **		-0.81 **		-0.33 **		-0.34 **
High parental occupational status		-0.13 **		-0.23 **		-0.17 **		-0.18 **
Parental employer/self-employed status		-0.35 **		-0.16 **		-0.26 **		-0.12 *
Previous job experiences		0.05 +		0.08 *		0.11 **		0.22 **
Duration of first job search		0.02 **		0.03 **		0.02 **		0.04 **
Number of cases	22,440	22,440	13,486	13,486	16,110	16,110	12,212	12,212
-2*diff (LogL)	2,760	3,823	1,042	1,585	1,116	1,522	2,190	2,672

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

BECOMING ESTABLISHED ON THE LABOR MARKET

The risk of unemployment after the first job

To get an impression how young people in France manage to become established on the labor market, particularly what kind of difficulties they face in an insider-outsider labor market, we now investigate the phase after they have successfully entered the first job. We hypothesized that the early employment career is more and more characterized by a series of short-term contracts possibly punctuated by intervening spells of unemployment. The risk of unemployment is therefore our next analysis. Descriptive statistics show that the occurrence of unemployment after the first job has decreased from 29 percent in the 1992 cohort to 19 percent in the 1998 cohort, then 18 percent in the 2001 one (with, in the latter case, an observation window of only three years). Conversely, the proportion of youths who stay in their first job, or immediately switch to the next one has steadily increased from 51 percent to 67 and 74 percent respectively.

Table X.5 shows the results of piecewise constant exponential models. If no other covariates are included into the model (model not shown), cohort estimates confirm that the 1998 and 2001 school-leaver cohorts face the lowest risk of unemployment after the first job. However, after controlling for educational qualification, gender and migrant background, the risk of unemployment is indeed higher in the 2001 cohort and, above all, in the 1992 cohort than in the 1998 one (model 1). This can be explained by the economic cycle as the covariate measuring the general unemployment rate at the beginning of the unemployment spell demonstrates that the risk of unemployment strongly rises when unemployment increases in the total population (model 2).

The analysis reveals that young men are much more protected against unemployment than women, and that youths with a migrant background loose "their freshly gained grounds" more often than others. Again, most affected by unemployment are youths with the lowest education while those with tertiary degrees (especially lower tertiary) are most protected. We also observe that youths who have accomplished basic vocational education are better protected than their schoolfellows that went through a general track. With regard to the regional stratification of risks again, unemployment is everywhere more probable than in Île de France and East. Finally, contextual characteristics of the first job also matter. Firm size is a significant factor for explaining unemployment risks: the larger the firm, the lower the risk of becoming unemployed after the first job. In accordance with our hypothesis, that suggests that a continuous employment career is more guaranteed within larger firms that are more able to function as internal labor markets. Not surprisingly, the occurrence of a fixed-term contract in the first job considerably raises the risk of unemployment thereafter while it declines with an increased duration of first job search.

Table X.5 Risk of unemployment after the first job since the early 1990s (piecewise constant exponential models)

	1	*2*	*3*	*4*
Periods				
up to 3 months	-4.77**	-7.68**	-6.06**	-6.43**
3 to 6 months	-4.31**	-7.15**	-5.56**	-5.90**
6 to 9 months	-4.46**	-7.21**	-5.66**	-6.01**
9 to 12 months	-5.09**	-7.76**	-6.27**	-6.61**
12 to 24 months	-5.00**	-7.40**	-6.15**	-6.48**
24 and more months	-5.76**	-7.38**	-6.82**	-7.11**
Gender (Women = ref.)				
Men	-0.35**	-0.34**	-0.34**	-0.28**
Migrant background (No = ref.)				
Yes	0.17**	0.14**	0.16**	0.18**
Cohort (1998 = ref.)				
1992	0.39**		0.48**	0.48**
2001	0.10**		0.19**	0.27**
Educational qualification				
Elementary education (1ab)	0.86**	0.37**	0.64**	0.61**
Basic vocational education (1c)	0.28**	-0.03	0.14**	0.19**
Intermediate vocational education (2a)	0.56**	0.17**	0.36**	0.36**
Intermediate general education (2bc)	0.36**	0.08**	0.20**	0.20**
(Lower tertiary (3a) = ref.)	-	-	-	-
Higher tertiary (3b)	-0.04	-0.12**	0.13**	0.14**
Yearly average unemployment rate		0.33**		
Firm size (0-9 employees = ref.)				
10-49 employees			0.09**	0.07**
50-199 employees			-0.04+	-0.07**
200-499 employees			-0.13**	-0.15**
500 and more employees			-0.27**	-0.28**
Branch (Social services = ref.)				
Extractive			0.74**	0.75**
Transformative			0.41**	0.38**
Distributive services			0.39**	0.37**
Producer services			0.45**	0.41**
Personal services			0.55**	0.55**
Fixed-term contract			1.28**	1.22**
Part-time work			0.11**	0.05*
Duration of first job search				-0.17**
Region (Île de France = ref.)				
Parisian Basin				0.20**
North				0.26**
East				0.04
West				0.23**
South-West				0.22**
Center-East				0.17**
Mediterranean				0.20**
Events	12,962	12,962	12,962	12,962
Total persons	56,901	56,901	56,901	56,901
Censored persons	43,939	43,939	43,939	43,939
-2*diff (LogL)	5,509	22,310	9,798	11,176

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Upward and downward occupational mobility

Even if the risk of unemployment after the first job peaked in the very first cohort and remained below afterwards, the question still exists how and when youths are really established on the labor market. A continuous employment career consisting of a series of fixed-term contracts could have even the same negative effect than unemployment if no "real" establishment on the labor market proceeds after a certain time. We therefore need to have a closer look at job mobility and now investigate upward and downward occupational mobility, how it can be explained and in which way it is affected by initial job characteristics.

Descriptive statistics based on the three cohorts show that nearly one third of those who were successful in finding a first job stay employed in this job until the interview date while two thirds move to another employer at least once. Around 4 percent of young people do not get any second job after their first employment. Finally, among those in the 1992 and 1998 cohorts who had at least two jobs, around 35 percent realize an upward move in their early career, whereas about 15 percent experience a downward move in their occupational status, the rest being characterized by immobility or quasi-immobility.

Logit models displayed in table X.6 compare the first job with the last one as regards occupational status for the 1992 and 1998 cohorts that provide us with a five-year observation window. Both upward and downward occupational mobility are more likely for young men than for women. As the former more often felt overqualified in their first job, this mismatch probably levels out, at least partly, in the further career because of the more frequent upward mobility. The results for the educational qualification variable very clearly illustrate that a successful employment career is strongly related to the educational level. First, even after controlling for occupational class, upward mobility is most likely for youths with a higher tertiary degree, then for those with a lower tertiary degree and those with intermediate general education. This is again the latter group that was most affected by over-qualification in the first job. As a consequence, the likelihood that these youths get an adequate job position in the future that fits better with their educational qualification seems to be reasonably high. Second, the same is true for downward occupational mobility: the lower the educational qualification the higher the risk for a downward move and this is again those who are the least qualified that are most exposed to occupational demotion.

Finally, we do not observe any systematic effect of the firm size on the occurrence of upward or downward mobility. On the contrary, part-time work and a fixed-term contract in the first job seem to promote both events, but much more clearly a downward move than an upward one. For youths who experienced these situations in their first job, downward mobility may often be the only alternative to unemployment.

Table X.6 Upward and downward occupational mobility: comparison between the first and the last job over five years (logit models)

	Upward occupational mobility				*Downward occupational mobility*			
	1992		*1998*		*1992*		*1998*	
	1	*2*	*1*	*2*	*1*	*2*	*1*	*2*
Constant	-3.42 **	-4.08 **	-1.96 **	-2.67 **	-2.40 **	-1.59 **	-0.37	-2.31 **
Gender (Women = ref.)								
Men	0.30 **	0.29 **	0.30 **	0.33 **	0.06	0.14 *	0.21 **	0.29 **
Migrant background (No = ref.)								
Yes	-0.08	-0.10	0.13 *	0.11 +	0.03	0.06	0.06	0.07
Educational qualification								
Elementary education (1ab)	-1.27 **	-1.30 **	-1.44 **	-1.42 **	1.28 **	1.20 **	1.48 **	1.40 **
Basic vocational education (1c)	-1.24 **	-1.28 **	-1.18 **	-1.16 **	0.76 **	0.74 **	1.12 **	1.07 **
Intermediate vocational education (2a)	-0.87 **	-0.93 **	-1.04 **	-1.03 **	0.98 **	0.91 **	1.30 **	1.25 **
Intermediate general education (2bc)	-0.44 **	-0.48 **	-0.40 **	-0.40 **	0.76 **	0.72 **	0.95 **	0.91 **
(Lower tertiary (3a) = ref.)	-	-	-	-	-	-	-	-
Higher tertiary (3b)	0.91 **	0.90 **	0.87 **	0.91 **	-0.66 **	-0.67 **	-0.17	-0.13
Occupational class (Upper service (I) = ref.)								
Lower service (II)	2.50 **	2.50 **	1.04 **	0.95 **	0.31 **	0.18	-0.27 *	-0.32 **
Routine non-manual employees (IIIa)	3.62 **	3.71 **	2.18 **	2.17 **	0.14	0.04	-0.03	-0.20
Lower-grade routine non-manual employees (IIIb)	5.02 **	5.06 **	4.00 **	3.93 **	-0.73 **	-0.82 **	-0.66 **	-0.91 **
Small proprietors, self-employed, farmers (IVabc)	2.38 **	2.77 **	1.61 **	1.83 **	-0.20	0.27	0.98 **	1.10 **
Supervisors, skilled manual workers (V-VI)	3.50 **	3.62 **	2.21 **	2.20 **	-0.56 **	-0.56 **	-0.40 **	-0.51 **
Semi- and unskilled manual workers, agricultural workers (VIIab)	5.15 **	5.35 **	3.98 **	4.01 **	-1.82 **	-1.82 **	-1.56 **	-1.77 **
Firm size (0-9 employees = ref.)								
10-49 employees		0.05		0.01		0.12 *		-0.02
50-199 employees		0.05		0.04		0.09		-0.08
200-499 employees		0.20 *		-0.02		0.12		-0.09
500 and more employees		0.09		-0.19 *		0.07		-0.11

Table X.6 continued

Branch (Social services = ref.)								
Extractive		-0.54 **		-0.40 **		-0.37 *		-0.08
Transformative		-0.30 **		-0.11		-0.21 **		0.24 **
Distributive services		-0.27 **		-0.32 **		-0.17 +		0.48 **
Producer services		-0.32 **		-0.29 **		0.00		0.22 *
Personal services		-0.05		-0.05		-0.03		0.33 **
Region (Île de France = ref.)								
Parisian Basin		-0.10		-0.09		0.11		0.37 **
North		-0.18 *		-0.14		0.12		0.25 +
East		-0.15 +		-0.14		0.21 *		0.38 **
West		-0.08		-0.25 **		0.18 +		0.30 **
South-West		-0.06		-0.12		0.20 +		0.20 +
Center-East		-0.05		-0.21 *		0.05		0.42 **
Mediterranean		0.04		-0.20 +		0.04		0.33 **
Yearly average unemployment rate	-0.01		-0.01 **		0.01 +		-0.01 **	
Fixed-term contract in the first job		0.05		0.17 **		0.31 **		0.38 **
Part-time work in the first job		0.12 *		0.10 +		0.16 **		0.38 **
Duration of first job search		-0.02 **		-0.01 **		0.01		0.02 **
Number of cases	12,844	12,844	12,063	12,063	10,270	10,270	9,045	9,045
-2*diff (LogL)	3,276	3,364	3,246	3,296	3,408	3,492	3,240	3,352

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).

Note: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

CONCLUSIONS

The aim of this contribution was to analyze how young people in France have been affected by economic changes and the implementation of flexibilization measures at their labor market entry and in their early career over the past two decades.

The results show that entering the labor market has become easier across cohorts, what is very much related to the economic cycle that ameliorated at the end of the 1990s and the beginning of the new millennium. In general, finding a first job within a relatively short time is not the main problem in France. What turns out to be more complicated is to find an adequate and secure job position. Although a stratification of risks with regard to gender and ethnic characteristics can be ascertained, it is primarily education that matters. Educational qualification remains the most important passport for a smooth labor market entry and even a successful establishment process in the early career.

But in times when unemployment is high, also the chances for the best qualified youths decline in relation to other educational groups. Beyond this, educational expansion leads to an oversupply of higher qualified people, so that being overqualified with regard to the job requirements is a reality that a substantial fraction of youths face within their first job. However, this mismatch seems to be leveled out in the further employment career, because the best qualified groups experience upward mobility most. Starting with a fixed-term contract becomes likewise rather common for all youths, even though the best qualified are comparatively less affected.

Youths with the lowest educational qualifications however face ever increasing difficulties both at labor market entry and in the early career. Finding a first job takes them a longer time and the initial job characteristics they often encounter do not provide them with the best starting conditions. They are also more affected by unemployment thereafter. Finally, this group faces the highest risk of downward occupational mobility in the early career.

Youths who prepared their degree by apprenticeship seem to be in a particularly favorable position. Their chances of a relatively smooth labor market entry have even improved across cohorts. The fact that they profit from their acquired practical and professional skills, and that they were trained in close relationship to firms, gives them a competitive edge. This may be interpreted as a success of the vocational training reform.

To summarize, although some rise in destabilization at labor market entry and in the early career can be ascertained in France over the past two decades, these changes are more dependent on the levels of unemployment and characteristics of the economic cycle than on labor market flexibilization *per se*. The extent to which flexibilization measures were introduced in the institutional system is still comparatively low in France. The shifts that occurred on the labor market are therefore more characterized by path dependencies than by deregulation and destabilization.

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