Patterns and changes of young people's labor market entry and early career establishment in France since the early 1990s

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Acknowledgments

major problems was to harmonize all of the three Generation Surveys to make them not only comparable but also analyzable in the same way. The structure of the 1992 Generation Survey differed from that of the 1998 and 2001 surveys in that unemployment periods were not disclosed as separate spells. Hence transforming the data proved to be an extremely complex task, which was carried out by Dr. German Angele (University of Bamberg). He devised a special syntax to extract the unemployment spells. Without his help, I never would have managed this step by myself.

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Abstract

This dissertation thesis investigates patterns and changes in young people's labor market entry and early employment career establishment process in France since the 1990s. Globalization, precarious work forms, and rising unemployment impact particularly on youths at the beginning of their careers when they are still outsiders on the labor market. Youth unemployment has been very high in France for more than 30 years, making it a very sensitive issue on the political agenda (OECD 2009). Numerous labor market programs and incentives for employers have been implemented since then to enhance youths' labor market participation. Additionally, major reforms to the educational system were introduced in the 1980s to strengthen the role of vocational training in response to the growing demand for more highly qualified and specialized workers. Nonetheless, it has continued to become more difficult for youths to gain a first foothold on the labor market and establish themselves in secure and continuous job positions.

The empirical investigation of the school-to-work transition and the first years after employment entry was based on high-quality data on a total of 62,367 youths collected by CEREQ (*Centre d'études et des recherches sur les qualifications*). The data were analyzed in three approaches: first, an individual-level approach to gather information about (mass) trends among large samples of youths; second, a longitudinal design to analyze individual paths of school-to-work transitions and early career establishment processes; and third, comparisons of three cohorts leaving the educational or vocational training system at any level in the years 1992, 1998, and 2001 to capture shifts over time indicating social change.

The core of this thesis contains a conceptual chapter explaining the theoretical background introducing three empirical studies. The first empirical study focuses on general patterns and changes of young people's labor market entry and early career establishment processes since the 1990s. Despite an economic upswing in France during the period under observation, youths increasingly face fixed-term contracts that are difficult to replace by later permanent ones. However, the empirical findings show that the level and type of educational attainment is the crucial determinant of youths' labor market outcomes. The second empirical study is a detailed investigation of the situation of young migrants on the French labor market. The large sample size permits representative analyses of serveral migrant groups (interethnic differentiation) and first- versus second-generation migrants (intraethnic differentiation). Results again show that different human capital resources are

far more responsible for success or failure than ethnic 'penalties' when adequately controlling for ethnicity by interaction effects for educational qualifications and social class. This result applies to all youths except second-generation Maghrebian youths who are the most disadvantaged migrant group in France. The third empirical study addresses the role of vocational training in France. France has a long tradition of general diplomas rather than a dual system as in Germany. This makes it particularly interesting to analyze the outcomes of the vocational training reforms in times of increasing labor market flexibilization. Results show clear advantages for French youths with vocational or apprenticeship degrees: They have a smoother labor market entry and early employment career. However, second-generation Maghrebian and second-generation Southern European youth do not profit from these types of diplomas in the same way as French natives. Results permit first conclusions on the success or failure of these reforms, and suggest that policymakers should continue to strengthen the role of vocational training and apprenticeships, while modifying some measures to better bridge the gap between the French educational system and the changing needs of the labor market in times of new technologies and a knowledge-based society as well as to improve the situation for migrants.

France is chosen for this representative country study because of its strong exposure to increasing globalization and the need to adjust its labor market to make it more flexible. Moreover, the French data provides an exceptionally convenient basis for the application of methods of event history analysis developed by Blossfeld and Rohwer (2002). They permit very detailed analyses of the patterns and the changes of young people's labor market entry and early career establishment process, and deliver empirical results that can be used to deduce very precise policy recommendations and provide an agenda for policymakers.

1   Introduction

Over the past decades, economic globalization has confronted France with extensive economic turbulences in its labor, capital, and product markets. The internationalization and liberalization of markets have forced France to give up its protectionist position and open the country more toward a common European Market and a global economy. The volatility of markets and the rising speed of economic change and technological innovation have generated increasing uncertainty not only on the national level but also for firms and their working staff. In particular, these changes require firms to react more rapidly and flexibly to external forces. As a consequence, employers need more freedom to adjust the number of employees to their current demand. Similar to that of many other European countries, the French labor market has experienced a series of changes and reforms in recent years aiming toward transferring market risks more and more to working staff. Standard employment relationships, that is, long-term full-time jobs, have become less frequent and are being replaced progressively by so-called "nonstandard" forms of employment such as part-time, fixed-term, and own-account self-employment (i.e., without employees).

However, there is also empirical evidence contradicting the idea that long-term employment relationships are disappearing, because average job tenure has not changed substantially over the past two decades in OECD countries (Auer 2006; Doogan 2005). Doogan (2001) refers to the "pervasive sense of insecurity," arguing that because the length of job tenure has been stable, the evidence for job insecurity is weak. Nonetheless, a closer look at the data reveals that considering average job tenure as the only reliable indicator for job security is problematic, because both can exist parallel in the same labor market—stable job tenure and high levels of temporary employment. Indeed, average job tenure has not changed substantially for the majority of workers who are established in secure job positions, but it has become more common for all other groups on the labor market. They are the ones exposed predominantly to fixed-term contracts or other forms of nonstandard employment. Therefore it is more adequate to state that "job tenure increases for some and only temporary employment is available to others" (Conley 2008: 732). Consequently, labor market risks are not spread evenly among workers, but concentrate on those groups that do not belong to the core employees but are the outsiders from a company's perspective. The French labor market is typical for having such an insider–outsider labor market with a majority of employees, mainly people in their midcareer, who are insiders and enjoy secure jobs on the basis of standard employment relationships, and a minority who are confronted increasingly with fixed-term jobs, unemployment experiences, and labor market difficulties.

Young people belong to this latter group of vulnerable outsiders, because, as first job seekers, they are at the very beginning of their occupational careers. Their lack of work experience, relevant networks, seniority, and bargaining power makes it difficult for them to gain a first foothold on the labor market (Blossfeld et al. 2005; Bukodi et al. 2008). In addition, employers more often tend to give them temporary or flexible job positions "in order to screen their work potential, since dismissing employees with permanent "career-type" contracts is usually costly" (Blossfeld et al. 2008: 6).

As recent research has shown, these trends are most pronounced at labor market entry, leading to increasing difficulties for young beginners to successfully complete their school-to-work transition and establish themselves on the labor market (e.g., Blossfeld et al. 2005; Müller and Gangl 2003). The French youth unemployment rate illustrates very clearly how changes to the economic cycle are impacting on young people more than other employees. Youth unemployment started to increase after the first oil crisis in 1973, and since then it has remained on a much higher level than the unemployment rate of the total population (see Figure 2.4 in Section 2.6, p. 24). Moreover, the French youth unemployment rate has always been higher than the OECD average (OECD 2011).

In the same manner, it is also predominately young people who are exposed to shifts in employment flexibility. Instead of continuous full-time work, they are increasingly confronted with nonstandard employment relationships—such as being employed on the basis of a series of fixed-term contracts interspersed with phases of unemployment (Bruno and Cazes 1998; Jamet 2006). Because labor market integration represents the most important aspect of social integration, it is first and foremost through work that the majority of individuals take part in collective life. Work determines how far young people are able to build up and secure a certain standard of living, to establish and maintain their social status, to attain and retain social relationships, and to develop a personal identity (Münch 2001). However, this influences not only young people's employment lives and careers but also their family and childbearing decisions. "The creation of a labor market in which entry was much more turbulent had the potential to generate longer term insecurities that could affect people's later work lives and even their decisions about marriage and children" (Gallie 2008: xviii).

In this thesis, it is assumed that due to increased global competition and the related rise in employment flexibilization, young people's school-to-work transitions and early career establishment processes have changed over the past decades in that more recent cohorts of

education-leavers face increasing difficulties, because flexible and precarious entry jobs are assumed to have become more frequent and unemployment risks in the early career have risen across successive cohorts.

Therefore, the central question is how can young people best manage to establish themselves on the labor market under changing and impeding circumstances? Which crucial factors explain their success or failure?

It is worth mentioning that a successful school-to-work transition is particularly important for first job seekers, because it determines not only their starting conditions but also their subsequent chances of labor market integration in the early employment career (Blossfeld 1989, 1993; Scherer 2005). A "bad" or even a suboptimal entry is assumed to have negative consequences later on, because it becomes difficult to level out these mismatches and follow a smooth labor market career. Therefore, the second question concentrates on the impact of first job quality on further career developments.

Another important question is whether labor market flexibilization measures have a similar effect on all young people, or whether differences can be observed between certain groups. This question refers to social inequality structures based on educational attainment, social origin, migration background, or gender differences.

Because young people with a migration background represent a particularly vulnerable group on the labor market, they are a subject of political concern as well as of scientific research. There is much empirical research on ethnic inequality in access to employment and the question whether their disadvantages relate to ethnic penalties, or whether there are other causes why migrants often do not have the same chances on the labor market. Most findings make labor market discrimination responsible as the most fundamental reason (Belzil and Poinas 2008; Frickey et al. 2004; OECD 2008; Silberman and Fournier 2007; Silberman et al. 2007), but this conclusion is often too hasty. Without considering other important characteristics of human capital resources such as parental social background, educational attainment, or language proficiencies, it is not justified to assume that it is foremost discriminative behavior that explains the disadvantages of young migrants. Vallet (1999b) found that the school results of young migrants are similar or even better after controlling for social origin. To check whether this result also applies to labor market entry chances, one empirical study in this thesis addresses the situation of youths with a migration background. The aim is to compare the standard French pattern of labor market entry and early employment integration paths with that of young migrants. Due to the high quality of

the data used in this thesis, it is possible to distinguish between different migrant groups (interethnic differentiation) as well as between first- and second-generation migrants (intraethnic differentiation).

Although there is a long tradition of apprenticeship and vocational degrees enjoying a lower prestige than diplomas with general emphasis in France, there have been several attempts since the 1980s to enhance the attractiveness of pursuing a vocational track or apprenticeship training and bridging the less clear-cut transition between school and work. Technological and structural changes have led to the implementation of novel processes and products, and this, in turn, has led to a demand for qualified and specialized workers with the attendant competencies. This has turned vocational training reform into an important issue. The French government has undertaken several efforts to provide incentives for employers such as subsidies for youth apprenticeship contracts (OECD 2009). It is therefore interesting to investigate the outcomes in terms of the success or failure of young people pursuing a practical track compared to those with general diplomas. Can they, in times of increasing labor market flexibilization, profit more from the practical skills and job experience acquired before entering the labor market?

But it is not just the educational system that has been influenced by these economic developments and forced to adjust to the qualification needs of the domestic labor market by providing the necessary educational tracks. Other institutions have also experienced a series of reforms in order to guarantee that firms will maintain their economic competitiveness. Thus, employment protection legislation has been modified to enable employers to adjust their working staff more flexibly and immediately to current demand. In this way, employers have shifted their market risks more to their employees with the consequence that unemployment risks and the share of nonstandard forms of employment have increased. This led to greater expenditure on passive labor market measures such as unemployment benefits, unemployment assistance, or disability benefits, and eventually to a restructuring of labor market policies to enhance active employment measures (training, public employment services, job creation) while successively reducing passive measures.

But not every European country proceeded in the same way as France. Institutional settings differ from country to country, thereby serving as specific filters that transfer or even compensate market risks (Mills and Blossfeld 2005). These different institutional arrangements explain the varying permeability and way of handling the impact of

macroeconomic challenges caused by globalization and their outcome for firms and employees.

The databases used for this dissertation thesis are provided by CEREQ (*Centre d'Etudes et des Recherches sur les Qualifications*). Three longitudinal datasets were combined to enable a comparison between the 1992, 1998, and 2001 education-leaver cohorts. In each cohort, monthly information was collected retrospectively about youths' labor market activities over the first 3 to 5 years after leaving the educational or vocational training system (including apprenticeship).This makes it possible to track the youths in each cohort over the first years after employment entry. Additionally, the dataset provides many background variables that allow a control of sociodemographic characteristics such as gender, social origin, ethnic and geographical background, as well as firm characteristics such as firm size or branch. The methods applied to the data are predominantly techniques of event history modeling (Blossfeld and Rohwer 2002) and logistic regression models. The analyses cover both the phase of employment entry as well as the early years of the employment career.

Before presenting the structure of the dissertation thesis and the main research questions for the empirical studies, the specific scientific contribution of this thesis will be explained in more detail.

Scientific contribution of the dissertation thesis

The main emphasis of the present dissertation is to provide very detailed empirical analyses of school-to-work transitions and related early employment career establishment processes as well as their changes since the 1990s in France.

Some analyses of the first empirical study (p. 44ff.) were part of an international project comparing 11 European countries (*flex*CAREER, www.flexcareer.com).[1] Because of its standardized comparability (all using a common conceptual framework and similar research designs), the thesis can be regarded as a contribution to international comparison research emphasizing changes in young people's labor market entry and early career establishment processes.

Beyond this, a special feature of this dissertation is the way it models data. This is the first time that models from event history analysis have been applied to the French *Génération*

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[1]   The study was published in 2008. For more information see the footnote, p. 44.

datasets from CEREQ. This makes it possible to analyze transitions and processes emerging as a function of time and as a result of causal relationships determined by other meaningful covariates (that can, of course, also be controlled for in the models). For instance, school-to-work transitions, that is, finding a first job, are investigated as "events" occurring in time. The duration or the different speed until the event occurs (until a person finds a job), however, is an outcome of a variety of independent variables such as educational attainment, gender, or social origin. Controlling for these covariates in the models makes it possible to distinguish groups of young labor market entrants who are better off and face fewer difficulties than others. Indeed, several studies have reported that the risks of employment flexibility, such as being employed on the basis of a series of fixed-term contracts interrupted by phases of unemployment, vary for different groups on the labor market. Young people belong to this group because they are first job seekers (e.g., Blossfeld et al. 2005; Müller and Gangl 2003). Among young labor market entrants, unskilled and poorly qualified people represent a particularly vulnerable group. Their difficulties have even worsened in the age of globalization, because technological change and the "upgrading" labor market within certain businesses as well as the professional social services demand a great deal of qualifications and highly educated personnel. Consequently, skilled and more highly qualified youths can be regarded as the winners of these employment systems, whereas unskilled young people have increasingly become the losers (e.g., DiPrete and McManus 1996).

Furthermore, the methodology of event history analyses permits the analysis of a series of trajectories in which each trajectory can be regarded as being influenced causally by and thus dependent on the previous process (or history). For example, the duration until first employment can be decisive for the quality of the first job, that is, for the risk of getting a fixed-term contract instead of a permanent one, or of being forced to accept a job for which the person is overqualified (compared with his or her educational qualification and the job requirements). This first job quality, in turn, can have consequences for the chances of becoming established on the labor market in the early years of the employment career. A "bad" or even just suboptimal first job can therefore be prejudicial for further labor market outcomes.

Much research has studied labor market entry and early employment career development, and there are also many studies investigating this issue in France. But, even now, surprisingly little is known about changes in labor market entries since the early 1990s, the

real mechanisms underlying the smoothness of school-to-work transitions, and their impact on further employment career establishment processes.

Some of these studies are cross-sectional and thus unable to capture trajectories as processes emerging over time (e.g., Bowers et al. 1998; OECD 1998; Shavit and Müller 1998; Schönmann et al. 1998; van der Velden and Wolbers 2003). Blossfeld et al. (2005) is an exception, because this study on "Globalization, Uncertainty and Youth in Society" (2005) used longitudinal methods for an international comparative project (Globalife). However, the main emphasis was on understanding the impact of increasing labor market entry insecurities on partnership and family formation. Its scope did not extend to how the smoothness or turbulences of labor market entries determine developments in the early employment career. Moreover, this cross-national endeavor did not include a country study on France.

Other studies focus only on school-to-work transitions, but do not consider the early employment career (Brauns et al. 1999; Ryan 2001; Schoon and Silbereisen 2009; Wolbers 2007). However, most studies focusing on both labor market entry and the early employment career, analyze only the phase of labor market entry and the transitions immediately after the first job, while neglecting the longer time span covering the first few years after employment entry and the trajectories occurring therein. The results of these studies are therefore based on time periods that are too short. Empirical findings on how suboptimal first job quality, that is, a fixed-term contract or overqualification in the first job, influences establishment chances in the early employment career have delivered mixed and even contradictory results. Gash (2004), for instance, found that many people in the UK, Denmark, and France were able to replace their temporary contracts with permanent ones within the first few years after having found first employment. This dissertation thesis focuses on the first 3 to 5 years after leaving the educational or vocational training system. This longer time span permits the investigation of more trajectories and dynamics in the early employment career, thereby reconstructing these processes more precisely.

Over and above this, it is also the first time that three CEREQ datasets (*Génération 1992*, *Génération 1998*, and *Génération 2001*) have been combined and used for a cohort comparison. The empirical studies investigate changes over time by comparing labor market entry and early career establishment patterns between different education-leaver cohorts. This makes it possible to detect social change—in this case, the impact of increasing labor market flexibilization on young people's labor market integration

prospects. However, most of the above-mentioned studies compared birth cohorts in order to investigate different labor market entry chances. But for the purpose of this thesis, it is more adequate to refer to education-leaver cohorts. This allows a comparison of how growing demand for employment flexibility and other changes in institutional settings impact on the employment careers of young people who have left the educational system within the same year. They are confronted with same labor market conditions, which is something that is not necessarily the case for same birth cohorts, because different educational levels require different durations in the educational system (Buchholz 2008; Kurz 2005; Scherer 2004).[2]

Because the data available in France for the research interest of this dissertation project are of the highest quality, very profound and detailed analyses can be performed. This enables the thesis to perform supplementary empirical studies based on the longitudinal methodology of event history analysis.

Structure of the dissertation thesis

This dissertation thesis is divided into two main sections: The first section develops the conceptual and theoretical background; the second consists of three empirical studies. These two core sections are framed by this introductory chapter as well by a concluding section containing a summary of the dissertation thesis and a discussion with some policy recommendations.

The *first section* provides an overview of economic and social developments in France over the past decades as well as changes in the institutional settings and their recent reforms. The thesis starts from the assumption that globalization leads to structural and economic changes within modern societies. The effect on the domestic labor market is that the need for employment flexibility has required a restructuring of institutional arrangements and has consequently led to changes in employment relationships. Employers transfer their market risks more and more to their workers. Because dismissing people with permanent contracts is costly, it is mainly those who belong to the so-called "outsiders," that is, who have not yet become well integrated into the labor market, who face increasing risks of becoming employed on the basis of nonstandard forms of employment. Young people belong to these

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[2] For example, Buchholz (2008: 45) has shown that a university graduate in Germany might enter the labor market up to 10 years later than a person of the same birth cohort who did not acquire any vocationally qualifying education. Therefore, the situation of the university graduate is rather comparable to the situation of an unskilled person from a younger birth cohort.

outsiders and they therefore represent a highly vulnerable group. They are confronted with not only a higher risk of starting with suboptimal and flexible jobs but also increasing difficulties in entering into secure employment within the early employment career. The aim of the first part of this thesis is therefore to explain how globalization has changed the French economy over the past decades and how these developments led to the recent reforms of institutional arrangements. It is particularly the educational system, employment protection legislation, and active labor market policies that frame and influence young people's employment. Therefore these are the focus of this section.

The *second section* presents three separate empirical chapters that analyze the changes in young people's labor market entry and early career establishment processes.

The *first empirical chapter* focuses on the investigation of general patterns of and changes in labor market entry and employment integration paths in the early career. The aim is to work out whether and, if so, how these patterns have changed over the past two decades since labor market flexibilization started to gain momentum. Have these shifts impacted on all youths in a similar way? Or are there observable differences between groups? Whereas the first aspect focuses on social change, the second one refers to the development of social inequality structures.

The *second empirical chapter* is dedicated to young people with a migration background living in France. It aims to analyze and identify whether the patterns of labor market entry and early career establishment of young migrants and French natives are similar or not. Have young migrants with identical educational attainments and social class backgrounds (measured by the father's occupation) the same chances, or are there observable practices of labor market discrimination? Can any differences be detected between migrant groups? Furthermore, do second-generation migrant youths show more successful labor market integration than first-generation youths because their families have been in France for a longer time and their descendants have grown up in this country?

Finally, the *third empirical chapter* focuses on the role of apprenticeships and vocational training in France. It is well known that France does not have a dual system like Germany, and general diplomas have always enjoyed a higher prestige than technical or vocational degrees. But in recent years, it has become apparent that the French labor market lacks specialized workers with job-specific skills not only on lower but also on tertiary level. Therefore, the third chapter investigates whether a vocational or apprenticeship degree can deliver a successful labor market integration for young people especially in times of

increasing labor market flexibilization and despite the low prestige of these diplomas. If so, can young migrants also profit from these attainments?

Each empirical chapter stands by itself and concludes with a preliminary summary and an outlook for further research. But there is a systematic structure in that that the second empirical chapter is derived from the results of the first chapter and the third chapter is an outcome of the first and second ones. Each study ends with preliminary conclusions that not only summarize the theoretical arguments and the most important findings, but also give some policy recommendations and outline an agenda for further research.

CONCEPTUAL PART

2 Globalization, labor market flexibilization, and changes in French institutional settings since the early 1990s

2.1 Introduction

In recent decades, the increasing globalization within national societies has led to rapid and fundamental changes. These global developments are generating an unprecedented level of structural uncertainty in modern societies and having a wide-ranging impact on states, regions, organizations, institutions, and even individuals. Global mechanisms and a rapidly intensifying competition between firms are forcing capital and labor to be increasingly mobile and obliging firms to react faster and even more flexibly to changing market demands. In the past, France was a very protectionist nation that gained its cohesion through the centralistic organization of the French state. The modernization process following World War 2 was also initiated and fostered primarily by government intervention. Thus, France has been very skeptical about the developments triggered by increasing globalization, because these are forcing the country to give up its etatistic economic policy and open itself to a common market with a liberalization of the flow of capital.

As a consequence, the centralistic power of governmental intervention has declined successively in favor of a privatization of firms, banks, and other formerly state-controlled institutions. The decentralization reform (1982) can be regarded as an expression of this development on the geographical level, because local and regional administrations were assigned more decision-making rights and authorities.

The economic challenges and the greater volatility in the labor, capital, and product market caused by technological innovations, increasing global competition, and rapidly changing market opportunities have obliged France to restructure its institutional arrangements. The increasing needs for flexibility on the domestic labor market have led to changes in *employment protection legislation*. The easing of regulations has enhanced the scope of action for employers, but simultaneously reduced employment security from the employees' perspective. This has led to a dilemma over the need for both—flexibility and security. It has often been argued that *active labor market policies* could be an appropriate instrument to substitute weaker job protection by facilitating transitions from unemployment to

employment (OECD 2006). Especially in systems previously predominated by passive labor market policies, as was typical for France, the rising emphasis on active labor market policies can be seen as a measure that has become increasingly important over the past decades in which high unemployment and rising unemployment benefits have overstrained the unemployment benefit systems. Finally, the changing employment structures and the implementation of new technologies create a demand for a workforce with appropriate qualifications. *The educational and vocational training system* has to react to these demands by transforming educational paths and delivering the qualifications required.

The following sections provide an overview of the developments in France triggered by increasing globalization. This background information is essential for an adequate interpretation of the empirical results in Part 2 of this thesis and the covariates applied in the models. This chapter is therefore structured as follows: Section 2.2 starts by explaining the theoretical concept of globalization and how it has empirically developed in France over the past decades. Section 2.3 focuses on the shifts in the private and public sectors. The private sector in France is characterized by its typical dual structure of large and innovative companies and small traditional family firms. This dualism will be integrated into the empirical models by including a covariate measuring firm size. The public sector plays a dominant role in France, because the state has long been an important employer. This section starts be reporting on the decline in the public sector resulting from the privatization policy and its consequences for the workforce, and then goes on to consider the shifts in the three economic sectors—the agricultural, industrial, and service sector (Section 2.4). Although the service sector has developed and diversified strongly in the recent past, trends have not been uniform, and it is necessary to distinguish between different subsectors. This differentiation will be integrated into the subsequent empirical models as the covariate measuring the impact of the sector on job trajectories. Because economic sectors are not spread evenly across the whole of France and there are also territorial disparities in local educational supply, it is necessary to appreciate that the local context impacts on young people's labor market entry and early career establishment chances. Section 2.5 therefore describes the geoeconomic structure of the French territory. The empirical models also include the region in which young people completed their educational track as a covariate. The next section (2.6) depicts how the annual unemployment rate in general as well as that for youth in particular has developed over the past decades. In times of economic recession and high unemployment, young people will inevitably face more problems with job loss, labor market difficulties, and job insecurities. The general annual unemployment rate is included in the empirical analyses as the covariate measuring macroeconomic

developments. The subsequent section (Section 2.7) aims to build a bridge between globalization and labor market flexibilization. It will explain why globalization leads to a rising need for more employment flexibility, and specifies the main instruments for employment flexibilization in more detail. Before considering institutional changes, two sections will describe the dual labor market structure that characterizes the French job market. Section 2.8 concentrates on what is called the 'insider–outsider labor market,' whereas Section 2.9 focuses on the internal labor market structure in France. Both sections are important insofar as they explain the particular challenges young people face in gaining a first foothold on the labor market and establishing themselves within a secure job position with a high level of job protection. This dual labor market structure has a strong influence on both labor market entry and career prospects. The last section (2.10) present the main institutional settings and the recent reforms framing young people's chances both at labor market entry and during their early employment career. The first subsection summarizes the main structure of the educational and vocational training system. Then a description follows of employment protection legislation in France and its recent reforms. Finally, the last subsection explains the role of active labor market policies.

2.2 The theoretical concept of globalization and its empirical manifestation in France

Globalization is widely used as a key concept to explain the increasing speed of economic and social change over the past three decades in modern societies. Blossfeld et al. (2005) define four main characteristics of globalization that are impacting on individuals, firms, and nation states: (a) The internationalization of markets and the decline of national borders; (b) the rapidly intensifying competition between firms as a result of deregulation, privatization, and liberalization within nation states; (c) the accelerated diffusion of knowledge and the spread of global networks connecting all kinds of markets on the globe via new information and communication technologies (ICTs); and (d) the rising importance of markets and their vulnerability to random shocks occurring at any place in the world.

France has experienced the globalization process as a restructuring and deactivation of state intervention toward a more market-oriented economy. In the first half of the 20th century, protectionism and trade only with French colonies characterized the French economy. Small family firms with traditional management structures and a focus on security and stability presented the dominant and typical form of French enterprises until the end of World War 2. These companies were not interested in innovations and any expansion toward new

markets. As a consequence, the modernization process was initially characterized by tardiness and inertia.[3] The French government therefore intervened with an etatistic industrial policy and a centralistically organized *planification* that was mainly autocentrically oriented. Hence, export trade did not play a crucial role in France until 1957, and tariff barriers were extremely strict and closed. However, over the course of the stepwise tariff reduction within the EWG between 1958 and 1962, the French economy started to become more permeable for foreign capital investments, even though Gaullist policy in the 1960s tried to impede any domination of significant and strategic sectors by foreign enterprises (Colletis and Utterwedde 2005). Instead, large enterprises, so called *champions* emerge on the basis of public intervention such as *Saint-Gobain-Pont-à-Mousson, Péchiney-Ugine Kuhlmann, BSN-Gervais Danone, CGE, Thomson, Elf-Erap*, or *Aérospatiale*. "Because most French firms were too small or insufficiently capitalized to compete internationally, the state applied a selective subvention and concentration policy, particularly in the 1960s and 1970s, in order to create French champions: major international companies and market leaders " (Uterwedde 2005: 176, translated). These firms were encouraged to conquer international markets. This led to the emergence of the typical French dual structure with large modern enterprises on the one hand, which were supported financially and politically by state subsidies, and traditional small companies, mainly family firms, on the other hand, acting mainly at the periphery of the business circuit (Münch 2005). "The concentration on a few major enterprises did not succeed in promoting a broad foundation of medium-sized firms. Instead, a dual economic structure emerged, a tense juxtaposition between a modernized and a still traditional economy" (Utterwedde 2005: 178, translated).

In contrast to German or Japanese companies, French firms did not concentrate on centers of competitiveness, but instead on profitable niches within specific branches. The pursuit of this strategy prevented the dissemination and promotion of technological innovations and the formation of interfirm networks—especially between large and medium-sized firms. However, the increasing global pressure of economic competition as well as the implementation of the European Monetary System (EMS) in 1978 confronted France with

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[3]   Münch (2005, 1993) has concluded that the persistence of traditional economic structures is based on the Jesuit doctrine of considering the world as an ordered whole in which the middle classes also have their place within the social structure. Middle class citizens are diligent and virtuous. They have to be satisfied with their moderate wealth. Any attempt to pursue more wealth would disturb the organic harmony of society. This work ethic, however, forecloses the ambition to succeed. Thus, the innovative dynamic that is the precondition for stimulating the modernization process was lacking. As a result, the adherence to traditional values and work practices long dominated the French economy.

Figure 2.1: France: Foreign Trade between 1950 and 2002

%of the GDP

Import quota - - - - Export quota
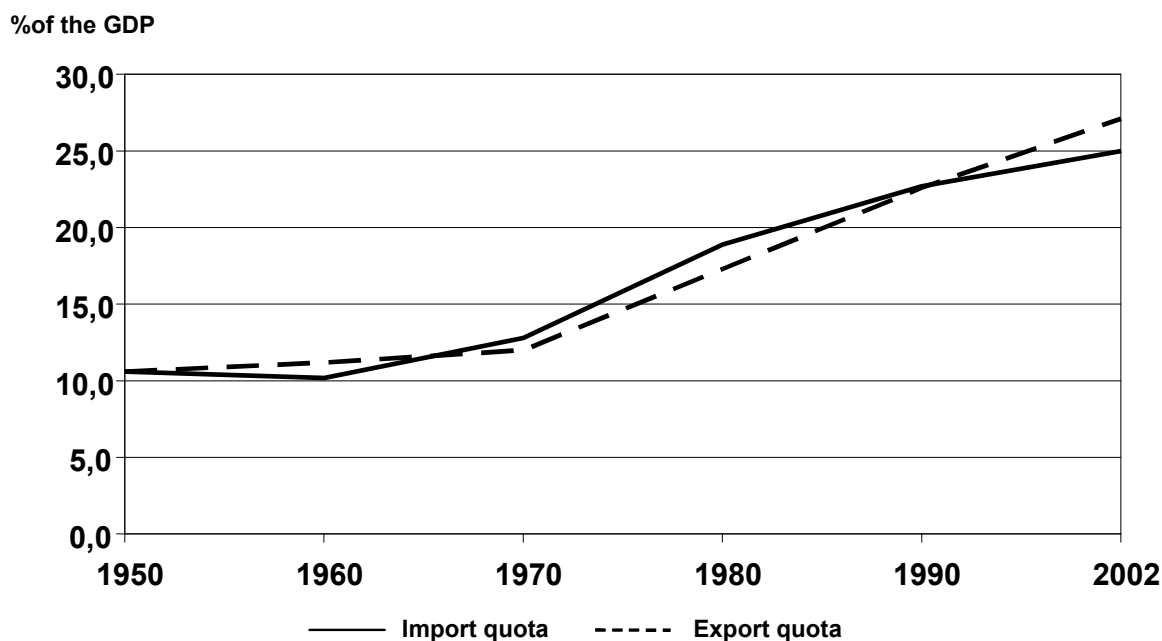
Source: Own illustration, data based on Colletis and Uterwedde 2005: 210.

the dilemma of having to either continue with the previous national economic policy and leave the EMS or to accept the conditions of the European system. President Francois Mitterand decided to follow European policy, and this led to the renouncement of industrial sectoral protectionism, a stepwise economic opening, and especially the complete liberalization of transnational flows of capital.

During the 1980s, further reforms followed such as decentralization (1982), the stepwise privatization of public enterprises (1986), the liberalization of financial markets (1985), and the modernization of the banking and financial sector. Many market regulations were abolished in favor of enabling European competition. The "Auoroux laws" of 1982 extended co-determination rights within firms and intensified collective bargaining.

Figure 2.1 depicts changes in foreign trade between 1950 and 2002. The diagram provides a very illustrative summary of economic development and its political background starting with the phase of protectionism in the postwar period. Afterwards, France started to open itself successively to economic currents by creating the *champions* during the 1960s and by reinforcing the trend toward the internationalization and liberalization of the French economy. Although imports and exports started to increase monotonously in the late 1960s, the export quota did not start to dominate the import quota until the early 1990s.

Since 1985, France has become a net-capital exporter (see Table 2.1) with a particularly dynamic investment impulse between 1995 and 2000. In 2000, the assets of French foreign investments were 465 billion Euro, and France was ranked third after the US and Great Britain (Colletis and Utterwedde 2005: 211). Even foreign investments in France increased, making France an attractive country for business and industry. In 2000, foreign direct investments in France were 277.1 billion Euro, thereby doubling between 1991 and 1998 so that France became the fourth largest receiving country for foreign direct investments after the US, Great Britain, and Germany. "On the whole, international comparisons confirm that French companies are exceptionally good at selling their products throughout the world and adapting their product range to the new growth markets" (ebd.: 213, translated).

Table 2.1:   Direct investments from and to France (in Mio. Euro)

Year	Foreign direct investments in France	Direct investments in foreign countries	Balance
1961–1965	981	479	502
1966–1970	1,393	1,102	291
1971–1975	4,019	2,862	1,157
1976–1980	7,680	6,680	1,000
1981–1985	11,426	14,912	-3,486
1986–1990	35,931	72,798	-36,867
1991–1995	72,841	95,812	-22,971
1996–2000	155,895	408,666	-252,771

Source: Commissariat général du Plan (2003).

However, it is often argued that the French economy has not concentrated sufficiently on technological and innovative products, so that this strategy "cannot permanently replace an approach based on innovation, new products, product quality, and the services this requires. Being competitive does not just mean competitive prices: Selling more cheaply does not make the nation rich" (Debonneuil and Fontagné 2003: 54, translated).

2.3   Shift in the private and public sector

As a consequence of the privatization policy during the 1980s, the internationalization of French enterprises increased, and the globalization of firm activities and cross-ownerships accelerated. The national *champions* of the 1970s thus became global players. In 2002, eleven French enterprises ranked among the top 100 firms worldwide in terms of annual sales (compared to Germany with 13 firms and Great Britain with 4) (Uterwedde 2005:

182).[4] Whereas these large enterprises are established worldwide and supported financially by public subsidies, French small and medium-sized firms in contrast reveal more problems. They show a remarkable lack of the interfirm networks that are such a crucial factor in times of outsourcing and portfolio reduction. Thus, the development of nation-wide cooperations between subcontractors and executive producers as well as between training centers, research institutes for development and innovation, and public administration and enterprises on the regional level has been too marginal (Munier 2006). It has often been argued that French medium-sized firms, and family firms in particular, are still too caught up in traditional structures. The company is dominated by traditionalism and patronalism (Münch 2005: 35). The "patron" dominates the firm, blocks modern company management, and adheres instead to strongly hierarchical structures. Therefore, labor and work organization lack technological innovations, and employers often fail to train and improve the skills of their working staff. "This relates to the way that many French companies—and not just small and medium-sized ones—are fixated on Taylorist work concepts that have no longer been compatible with the requirements of modern competitive production for many years" (Colletis and Uterwedde 2005: 216, translated).

Even today, the French corporate landscape is highly dominated by small and medium-sized firms, and this dominance is much stronger than that in other European countries. Table 2.2 shows that in 2001, every fifth employee worked in a firm with less than 9 employees whereas every second worked in a firm with less than 500 employees.

Table 2.2: Number of employees in enterprises with different firm sizes (2001)

Firms and the number of employees	2001 Number of firms	in %	Percentage change between 1984 and 2001
0–9	2,268,767	92.86	-15.00
10–49	146,702	6.00	+8.30
50–199	21,670	0.89	-14.60
200–499	4,142	0.17	-18.20
500–1,999	1,732	0.07	-20.20
2,000 and more	349	0.01	-31.40
Total	2,443,362	100	-13.90

Source: Insée.

Even if the main dynamics of economic development are emerging in the private sector, the public sector still plays a decisive role in France. In 2004, 4.7 million people were

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[4] These were *France Télécom*, *EDF*, *Total* (*TotalFinalElf*), *Suez*, *Carrefour* (Hypermarkets), *Peugeot-Citroën*, *Veolia*, *Axa*, *BNP Paribas*, *Société Génerale*, *Sanofi-Aventis*; see also the ranking list for the year 2008: http://www.forbes.com/lists/2008/18/biz_2000global08_The-Global-2000-France_10Rank_print.html (September 14, 2011).

employed in public service, and a further 1.1 million employees worked in public enterprises and in social insurance agencies—in sum, about every fourth employee was employed in the public sector (Maurin 2004: 28). However, during the course of the accelerated globalization and liberalization of the European domestic market and the privatization policy since 1986, public employment has gradually declined.

> "The major enterprises have, so to say, 'emancipated' themselves; they operate globally and assert their own commercial logic. The all-encompassing central state that acted simultaneously as entrepreneur, regulator, head comptroller, and financier while also being indispensable for the collective bargaining relationships between the social partners found itself exposed to the pressure of far-reaching changes." (Utterwedde 2005: 184, translated)

Whereas in 1985, a total of 19.3% of employees were employed in public enterprises, the rate declined to 7% in 2000. The same trend can be observed for the development of public and private firms: The share of public enterprises has dropped from 25 (1985) to 11% (2000).

Jobs in the public sector are regarded as an attractive alternative to the private sector, because job security is much higher, thereby increasing the likelihood of receiving a permanent contract with a full-time job than in the private sector. Furthermore, women have more chances of getting a job, because the application procedure is more formal (with acceptance tests) than in the private sector (Goux and Maurin 1998).

2.4   Changes in the economic sectors

France has a long agricultural tradition. After World War 2, the largest portion of the French working population was still employed in the agricultural sector (36% compared to 32% in the industrial and service sector in 1946) (Schild and Uterwedde 2006). However, in the following two decades, the French government started its modernization programs that led to an increased share of industrial employment. Already in 1970, 38% were employed in industrial jobs, whereas the number of employees in the agricultural sector dropped steadily from 6.2 million in 1955 down to 1.3 million in 2000 (Pletsch 2005). Today, about 5% of the GDP comes from agriculture and merely 4% are employed in this sector.

Since the 1980s, the service sector has expanded and the size of the agricultural and industrial sector has declined (OECD 2000). The decline was exceptionally strong for jobs in the traditional textile, leather, clothing, and household goods industries. Figure 2.2 presents these developments since the 1990s. Since the mid-2000s, more than three-quarters of the working population has been employed in the service sector. However, job growth

has not been equal throughout the service sector. Singelmann (1978) and Elfring (1992) distinguish four main service subsectors: (a) the "producer services" (business and professional, financial insurance, and real estate services); (b) the "distributive services" (trade, transport, and communication); (c) the "personal services" (hotels, restaurants, recreation, domestic and other personal services); and (d) the "social services" (government, health, and educational services). Within nonmarket social services, a steady growth of employment can be observed that is related mainly to the expansion of public administration as well as the welfare state benefit system. The market-oriented social services, however, have experienced stronger growth. Mostly, jobs in the producer services such as the banking sector, telecommunications, and consultant services for enterprises show the strongest dynamics. Wholesale and retail trade (distributive services) remained on a relatively high level during the 1980s and have risen only moderately since then. Further growth can be ascertained for transport (distributive services), insurance (producer services), and services for private households (social services).

Figure 2.2: Agricultural, industrial, and service sector value added, 1990–2008 (% of total value added)
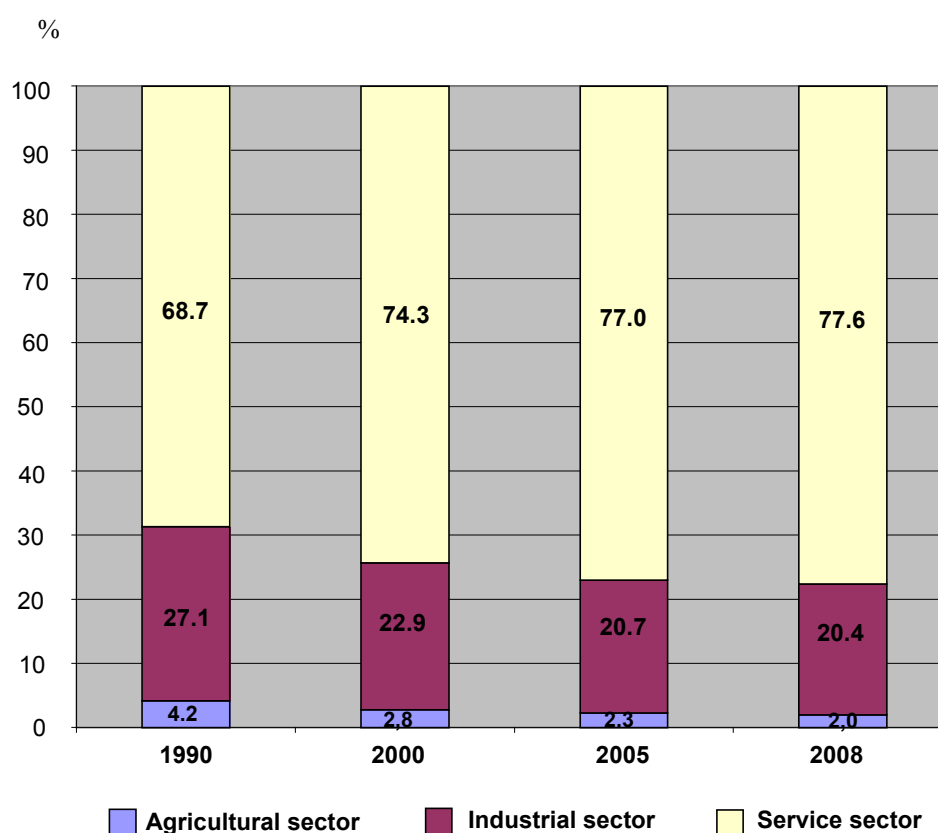
Source: OECD Labor Force Statistics.

As a consequence of increased globalization, research and development, business consultancy, marketing, financial services, and personnel recruitment have grown steadily in importance.

> "This shows that much of the development in the tertiary sector is closely related to the industrial dynamics of the nation. For industrial companies, the technological and structural reform of production resulted in more and more service activities preceding, accompanying, and following the actual production process. These contribute to the growth of 'tertiary' activities within the companies and services to the companies. However, hopes that job losses in the industry can be compensated by even more tertiary jobs in the future attain their limits here." (Schild and Uterwedde 2006: 198, translated)

The job dynamics of certain sectors, particularly business and professional social services, reveal a growing demand for highly educated personnel. Katz and Autor (1999) call this the thesis of "skill-biased technological change," because the labor market experiences an upgrade of jobs with high qualifications. As a consequence, poorly qualified people are successively displaced and become more and more the losers of the "upgrading" labor markets (see, e.g., DiPrete and McManus 1996).[5] Especially for young people with lower educational attainments, it is becoming increasingly more difficult to gain a first foothold on the labor market, whereas for those with higher education, prospects have rather improved (see, e.g., Blossfeld et al. 2005).

But on the other hand, a variety of service sector jobs that require only low qualified personnel, such as cleaners, have emerged over the past decades. These jobs are mainly occupied by women who are paid on the basis of the minimum wage (SMIC). Furthermore, they predominately receive fixed-term contracts or part-time work that is often managed by temporary work agencies. Therefore, these jobs are mainly precarious.

2.5 Territorial disparities in France

> "Absolutism built up the central state; the Revolution and the republics that followed democratized it. The regions lost their status as autonomous power entities and became part of the periphery of Paris. This can be seen not only in the concentration of economic, political, and cultural activities in the Paris basin and the corresponding impoverishment of the provinces, but also in the development of the transport networks that all radiate from the center of Paris like the points of a star. However, the struggle between the center and the periphery continued to determine French politics—up until the decentralization measures of 1982 and their amendments in 1992 and 2003." (Münch 2005: 27, translated)

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[5] However, other theories imply a more complex development in the interplay between economic restructuring, technological change, and the demand for jobs with different qualification requirements (see, e.g., Autor et al. 2003). These theories imply that new technologies lead to an enhanced need for both highly-qualified personnel and less skilled people who are employed mainly in service jobs that require nonroutine manual skills. However, the effect of this new technology is that it is increasingly replacing human labor in the middle field of occupations, especially jobs in manufacturing. According to these arguments, the result should be job growth at both the top and the bottom of the occupational hierarchy. There are empirical studies confirming these changes in employment structure in both the US and Great Britain (see for the US, Wright and Dwyer 2003; for Great Britain, Goos and Manning 2007).

The economic structure of the French territory has been shaped strongly by its political centralization and etatism. In the 18th century, most productive resources and royal manufacturing were concentrated and conducted in and around Paris. Even after World War 2, about 22% of industrial workers, 72% of automobile industrial workers, and 60% of those working in the electrical devices industry were employed in the Île-de-France (Pletsch 2005). Even today, the paradigm of "Paris and the French desert" (Gravier 1947) is still very present. About 11 million people—nearly every fifth person in France—live in the agglomeration around Paris. Hence, the economic potential of the French capital city is increasing steadily with a GDP of 239,000 Francs per capita in 2000. The second economic center is Rhône-Alpes with a GDP of 160,400 Francs in 2000 (Pletsch 2005). But in recent years, something like a "silicon arch" has also developed along the Mediterranean coast (ebd.: 206) with a variety of high-technology centers for aerospace (Toulouse), software technology (Montpellier), and other technology *parcs* such as Château-Gombert, Luminy, Aix 2000, Avignon-Montfavet, Toulon-Technopôle, Manosque-Cadarache, and Valbonne-Sophia-Antipolis.

Economic potentials and sector activities are distributed very unequally in territorial terms. Indeed, territorial disparities are more pronounced in France than in other European countries. Grelet (2004) outlines that "the local context is the substratum of social reproduction, and both are not evenly shaped on the French territory" (Grelet 2004: 1). Because the local context and the local labor market supply substantially frame and determine the chances for young labor market entrants, Grelet (2004, 2006) developed a classification scheme in which she clustered 348 so called "employment zones"[6] into six types of socioeconomic local areas that are geographically not necessarily close to each other, but very similar with regard to content characteristics (Figure 2.3). These socioeconomic areas are defined by the predominant sector of economic activity, thus resulting in the following types (Grelet 2004):

1) *Rural zones with agriculture* (67 zones): This socioeconomic area is widely spread throughout the whole French territory. Agriculture is the primary sector in these zones and employs 13% of the labor force. Manufacturing industries also exist in these areas,

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[6] Today, France is divided politically into 26 regions (since 1964), each subdivided into departments (*Départements*, 96 in total) (since 1790), *Arrondissements* (325 in total), and, on the lowest level, communities (communes, 36,570 in total). The 348 "employment zones" (*zones d'emplois*) are administrative units and have no direct connection to this division. A zone is defined by the criteria that the majority of the residential population has its workplace within this employment zone and that the firms hire mainly employees living in this employment zone.

but these are mainly small firms. On average, the qualification level of the labor force is relatively low.

2) *Rural zones with industry* (56 zones): This type is mainly represented in the northern half of the French territory. Agriculture, manufacturing, and craft industries determine the economic activities in this socioeconomic area. As a result, low skilled manual jobs are predominant.

Figure 2.3: Six socioeconomic areas for the French territory (2006)
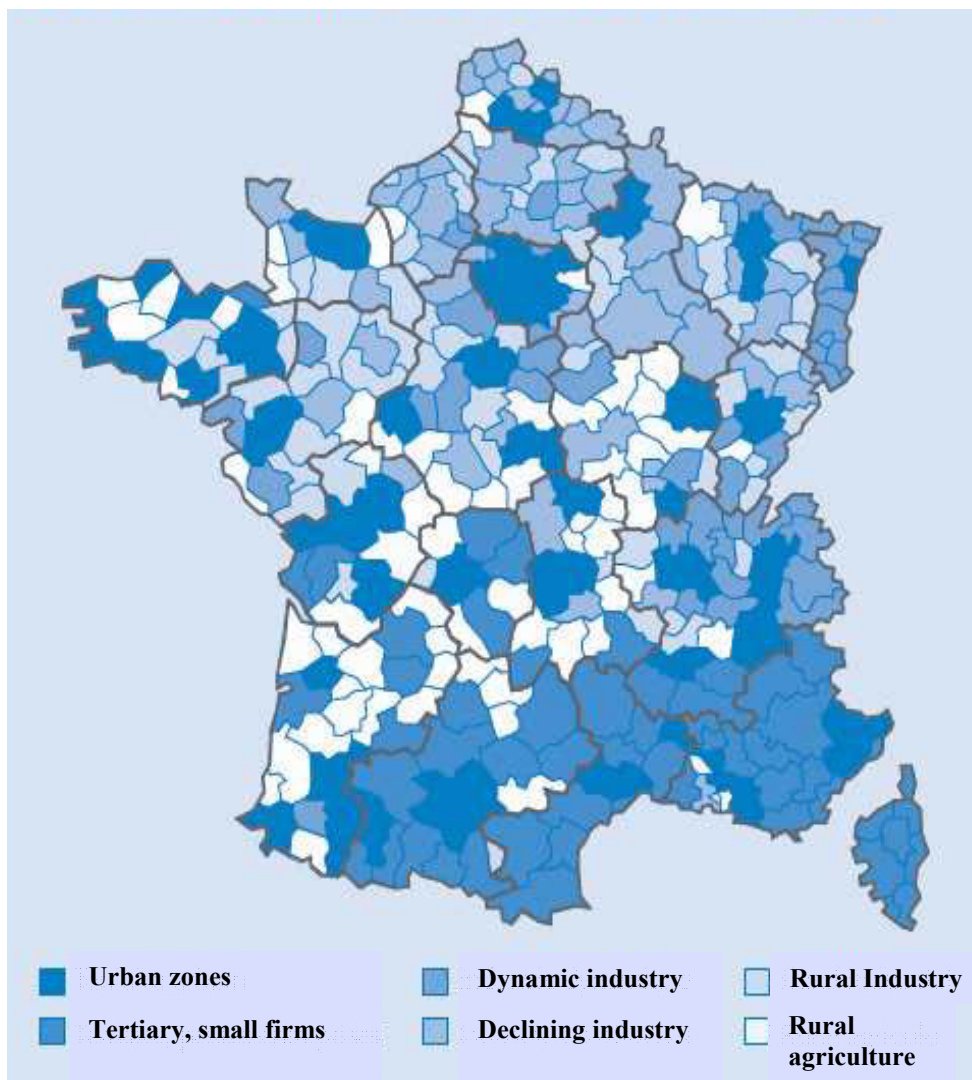
Source: Grelet (2006): 2.

3) *Declining manufacturing industry* (58 zones): This type includes former manufacturing industrial areas. For instance, Lorraine and the northern mining regions belong to this group. At present, they are facing major employment difficulties and have high unemployment rates. Young people enter the labor market relatively early, as is typical

in industrial areas, but after having found a first job, they face high unemployment risks in their subsequent employment career.

4) *Dynamic manufacturing industry* (47 zones): This type is found mainly in the vicinity of Paris as well as in the eastern part of the French territory close to the German and Swiss borders. These regions are characterized by a prospering economy. Large enterprises and therefore a high share of jobs in the private sector are typical. Also fixed-term employment is more frequent, particularly in the secondary sector.

5) *Tertiary activity and small firms* (55 zones): This type is mainly present in the south of the French territory. Small enterprises, mainly family firms characterize the economic structure. Thus, the rate of employers and self-employment is relatively high. The predominant sectors are agriculture, craft industry, and public sector services.

6) *Urban zones* (65 zones): Mainly Paris and its surroundings as well as large regional urban centers are integrated in this type of socioeconomic area. High shares of service sector as well as of managerial jobs are predominant here. Consequently, the qualification level of the labor force is relatively high.

As this classification scheme reveals, labor market opportunities for young people are not the same everywhere. Their employment chances depend strongly on the local context, that is, on what kind of economic activities are prevalent. Furthermore, the regional educational systems, the share of vocational training supply in initial education, and the importance of apprenticeship play a crucial role in framing young people's educational pathways. Since the decentralization reform from March 2, 1982 these territorial disparities have even increased. Although the educational system is very centralized in France (see Section 2.10, p. 30), the decentralization of public vocational training policies has led to an increase of regional discrepancies and specificities in the educational system and in the share of training supply. These discrepancies do not just refer to the distinction between cities in which the whole range of educational choices are available compared to rural regions in which there are fewer possibilities. The availability of educational opportunities is also shaped by the demand of the local labor market and the dominant sector of activity. Thus, educational pathways as well as school-to-work transitions are influenced strongly by the environmental background. As a consequence, young people have the option of either accepting the local labor supply and facing the risk of suboptimal job positions (in relation to their qualifications) or spells of unemployment (Drapier and Jayet 2002), or they may change their place of residence and seek a job elsewhere. Mainly youths with higher

educational aspirations leave their parental home to study at university. This group of youths is also more flexible with regard to regional job mobility (Brutel et al. 2000; Cuney et al. 2003).

2.6 The economic cycle and unemployment rate

Since the mid 1970s, following the oil crisis and the global crash of the monetary system, France has experienced a sharp increase in mass unemployment. Additionally, the modernization process has led successively to the replacement of labor by capital, so that many jobs in industry have become redundant through technology. The impact on youth has been particularly strong: The youth unemployment rate (i.e., those under 25 years of age) rose dramatically and reached its first climax in 1985. During these years, youth unemployment became a major political concern.

Figure 2.4:   General unemployment rate and youth unemployment rate (less than 25 years), 1975–2010
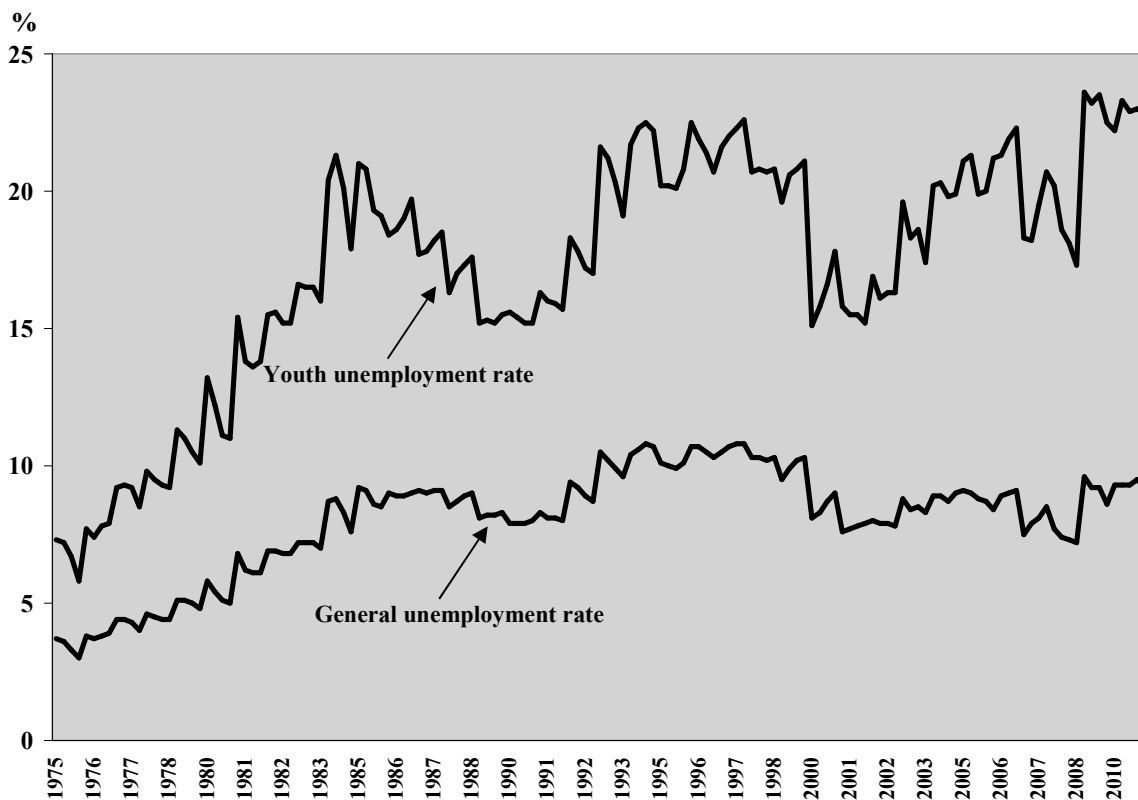
Source: Insée (Base de données)

Many efforts and activation programs were introduced to improve the situation for young labor market entrants (see also Section 2.10, p. 37).

The situation then eased slightly, but started to deteriorate again at the beginning of the 1990s. Between January 1990 and February 1994, the general unemployment rate rose from 9% to 12.3%, and it remained consistently above 11% until April 1999.

The rate then declined (with unemployment at 8.6% in early 2001) followed by a new rise (with unemployment around 10% between mid-2003 and mid-2005). During the same period, youth unemployment showed the same trend but on a much higher level. Between January 1990 and May 1994, the unemployment rate among those younger than 25 years of age jumped from 17.5% up to 25.8% with a maximum of 26% in December 1996. Afterwards, unemployment decreased steadily, reaching its lowest rate in March 2001 (17.6%). It increased again to 22.5% in June 2005. All in all, the French youth unemployment rate has always been higher than the OECD average.

2.7 The impact of globalization on increasing employment flexibilization

Increased global competition has required firms to respond flexibly and rapidly to current demand. Castells (2000) has therefore defined globalization as a major force that demands more employment flexibility, and this, in turn, encourages a weakening of dismissal protection. As a consequence, employers more often try to pass down the risks they face to their employees by offering them flexible job arrangements such as temporary contracts, part-time work, or even employing them as semi-independent workers, for example, as self-employed subcontractors.

Breen (1997) therefore introduced the concept of a "recommodification of risks," indicating that individual market risks that were once accommodated by the welfare state have now been returned to employees. Employers can choose between three types of flexibilization strategies to deal with the growing challenges (Regini 2000): *Numerical flexibility* that allows firms to adjust their number of employees according to the current demand. This can be done by layoffs or even by providing fixed-term contracts. Another possibility that has become increasingly important in recent years is the outsourcing of certain tasks by subcontracting self-employed people who do not receive an employment contract as dependant workers. The second strategy is *wage flexibility* by which employers adjust wages or job-related benefits to changing market conditions. Finally, there is *temporal flexibility* as a measure to increase or decrease the working hours of employees in line with the companies' current order situation.

Because employers make increasingly strong use of these flexibilization strategies, Breen argues that the attractiveness of long-term commitments is declining successively due to the volatility of global markets. It is being replaced by a "contingent asymmetric commitment" in which employers have the option to withdraw from employment contracts at any time and thus remain flexible, whereas employees have no other choice than to accept their employer's decision.

2.8 Insider and outsider: A dual labor market

However, not all employees are exposed to employment flexibilization in the same way, because employers do not spread their market risks evenly across their workers. Doeringer and Piore (1971) were the first to introduce the concept of the so-called *dual labor market* that distinguishes between a primary and a secondary employment segment. The "winners" in the primary segment enjoy mostly stable and long-term employment contracts and are thus relatively unaffected by the implementation of flexibilization measures. Their career opportunities are also largely structured and predictable. It is mainly mid-career men who belong to this group of insiders.[7] In contrast, the "losers" in the secondary market work mostly in jobs with lower skill requirements, under short-term contracts, and in relatively low-paid jobs without any guarantee of social security and little or no prospects of internal promotion (Capelli and Neumark 2004). These jobs can be considered as precarious forms of employment (Kim and Kurz 2003; Kurz and Steinhage 2001; Mills and Blossfeld 2003). Employers use this secondary segment as a buffer to compensate for and balance out their employment uncertainties.

Young people belong to this secondary segment of the labor market, because they are outsiders from the perspective of the firm. They are at the very beginning of their working careers, and still have to gain a first foothold on the labor market. They thus lack work experience, seniority, a lobby, and relevant networks (Bukodi et al. 2008). This makes it difficult for them to gain access to the employment system. To get a first job, they are more exposed to starting in a flexible form of employment. Beyond the flexibility need, employers tend to provide young people with temporary contracts in order to screen their potential working staff before hiring them on a permanent basis.[8] Consequently, young people at their labor market entry and during their early career are more likely to be

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[7] Employees who hold permanent contracts are more protected against labor market risks, because dismissal is usually costly. For a more detailed explanation, see also Section 2.10, p. 32.

[8] For more details see the "screening theory," p. 50ff.

exposed to *numerical flexibility*—"last hired, first fired," especially during periods of economic recession.[9]

2.9   Internal labor market: Reinforcing the insider-outsider dualism

The existence of the French dual labor market with its sharp division into insiders and outsiders is further reinforced by the so-called *internal labor market* structure (Doeringer and Piore 1971; Eyraud et al. 1990, Marsden 1990). This means that employees acquire job-specific skills first and foremost through on-the-job training within the firm. Indeed, the main qualifications they require are within the firm so that "the qualification gap is filled by in-house training and experiences" (Eyraud et al. 1990: 506). 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). As a consequence, the skills acquired within the firm are less transferable to other companies, which, in turn, means that mobility between firms is less pronounced than within one firm. Consequently, if people change to another company, they encounter higher risks of downward occupational mobility (Dupray 2006). In contrast, in countries with occupational labor markets (e.g., Denmark, Germany, or Great Britain), mobility between firms is much more pronounced, because skills are more standardized and related to the specific occupation rather than to a certain company or even a specific job within the firm. For this reason, the rate of interfirm mobility is much higher in these types of employment systems.

On the one hand, employees who have once been hired in internal labor markets and who obtain training are affiliated more strongly with the firm, because employers who invest in the human capital of their working staff intend to employ them on a long-term basis. Their jobs are therefore more protected than in occupational labor markets. On the other hand, they also become more dependent on the firm with increasing job tenure and firm-specific skill training, because the low skill transferability reduces their flexibility for interfirm mobility. Accordingly, wages also increase with job tenure. In France, there is a strong link between earnings and length of firm affiliation, because the value of the worker enhances with increasing experience-based skills acquired with growing seniority in the firm (Doeringer and Piore 1971). Wages are mainly set within firms and not—as is typical in

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[9]   Whereas in countries with insider–outsider labor markets (e.g., Germany, France, Italy, Spain, Sweden, or Netherlands), it is mostly outsiders who are exposed to flexible employment contracts, in so-called deregulated "open" labor markets (e.g., the United Kingdom, the United States, and Denmark) the majority of employees are exposed to labor market flexibility, irrespective of their seniority or experience.

occupational labor markets—by collective labor agreements. Collective bargaining takes place mostly at the industrial level and focuses mainly on implementing general rules that are applicable as the basis for each company. They comprise, for instance, rules about minimum wages, maximum working hours, or even standards of job protection.

Therefore, people who belong to the group of insiders, that is, those who are well established in the firm, work on the basis of permanent and full-time contracts, receive continuous on-the-job training, upgrade their firm-specific skills, and enjoy a high degree of security. In contrast, becoming such an insider is even more difficult in internal labor markets, because outsiders first have to get hired before they have any chance of further training. For young people, this implies that they face more difficulties in gaining access to training as well as in becoming insiders.

2.10 Institutional settings and their recent reforms

Institutional arrangements in modern societies are intercoordinated. They vary with regard to relevant dimensions of institutional settings and the linking of systems (Allmendinger 1989; Doeringer and Piore 1971; Hannan et al. 1996; Kerckhoff 2001; Marsden 1990; Maurice et al. 1986; Shavit and Müller 1998). In France, the internal labor market is an outcome of the *educational system* in that general diplomas enjoy a higher prestige than vocational or apprenticeship certificates. This means that although education leavers often lack job-specific skills, they have more general knowledge when they enter the labor market. However, they still have to acquire specific competencies for their jobs. This takes place in on-the-job training. Nonetheless, in times of high unemployment and greater volatility in the labor, capital, and product markets, the dual and internal structure of the French labor market with its sharp differentiation between insiders and outsiders raises increasing barriers for outsiders—in this case, for young labor market entrants. To lower this barrier, there have been some attempts over the past decades to provide youths with more job-specific skills within the educational system (see p. 30ff.).

As described in the previous sections, the intensification of competition, the speed of technological innovations, and the increased changes in market opportunities have led to rising needs for employers to have greater flexibility with which to make immediate adjustments of capital and labor to fit current demand. These changes refer to the *employment protection legislation (EPL)* in a country. This defines opportunities and sets limits on how far enterprises may implement different types of flexibility. More precisely, the dual labor market in France has emerged as a result of the strict employment protection

legislation in which workers who have permanent contracts, that is, who belong to the group of insiders from the perspective of the firm, enjoy a high amount of job security. Dismissing a worker who is employed on a permanent basis is usually expensive. As a consequence, these contract types remain relatively unaffected by the implementation of labor market flexibilization measures (OECD 2004). Instead, many countries have weakened the regulation of temporary forms of employment (Bukodi et al. 2008: 12). It is mainly labor market outsiders who receive these types of contracts. This has consequences for young labor market entrants in terms of the duration until first employment and the quality of the first job (Scherer 2005). Therefore, one of the next subsections explains in more detail the role of and the reforms to employment protection legislation in France that have occurred over the past decades.

To encounter increasing market risks, there is a dilemma between the firms' need for more flexibility and the employees' need for job security. This is why labor market policies were once implemented to channel employment insecurities. France has long been a transfer-oriented country with a strong emphasis on passive labor market policies aiming to protect the living standard of those who are not active members of the workforce. But because of rising costs for unemployment benefits, passive labor market policies have been successively reduced in favor of more *active labor market policies.* It has often been argued that active labor market policies could be an appropriate instrument to substitute weaker job protection by facilitating transitions from unemployment to employment (OECD 2006). In France, a huge number of active labor market programs have been set up to enhance young people's employment participation and their chances of gaining a long-term foothold on the labor market. About 50 measures have been implemented for youths since 1974, although only 10 programs were still running in the year 2000 (Fougère et al. 2000).

The following subsections focus on these three institutional settings and their recent reforms that are impacting on and framing young people's chances at labor market entry and in their early employment career. The first section describes the French educational system and the changes since the events of 1968 movement. Afterwards, the employment protection legislation is explained and how it has been weakened to provide more labor market flexibility. The last subsection concentrates on active labor market policies, and reports on some employment activation programs for youth.

The educational system in France

Concurrent with most other European countries, France has experienced large changes in its educational system over the past 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 been opened up to a steadily increasing proportion of the population. Since the mid-1980s, upper secondary education has been diversified, and tertiary education has also expanded substantially. The share of a generation holding an upper secondary school diploma (*baccalauréat*) more than doubled between 1985 and 1995, from 29% to 63%. With regard to the upgrading labor market and the expansion of the tertiary sector in the recent past, there is a growing demand for higher education certificates that function as the gatekeepers for many managerial and professional positions. Insofar, persons with tertiary education may be in a particularly good position to get attractive jobs. "Demanding positions tend to be filled directly by highly educated school-leavers, who might be more creative and more appropriate persons in terms of dealing with new technologies" (Bukodi et al. 2008: 8). They might also be more in favor to imply new management techniques (see Goldthorpe 2007).

However, the number of jobs for more highly qualified positions has not increased proportional to the labor supply, so that young people are more often forced to accept jobs below their educational level (OECD 2007, Fournié and Guitton 2008). Overqualification has become a result of educational expansion, because higher qualifications have become an inflationary trend. The question is what chances do young people have to escape from jobs for which they are overqualified and to advance their upward mobility. Do they have even greater difficulties than youths starting in adequate job positions, or does it depend on the kind of job and the given level of educational qualification? These questions will be investigated empirically in the second part of this thesis.

What does become apparent is that educational expansion has led to a worsening of the situation for lower educated youths, because not only have their jobs been replaced partly by better qualified people, but also the number of jobs for industrial or manual workers has generally decreased over time due to the shifts toward the tertiary sector and the outsourcing of jobs to foreign low-wage countries. Youth unemployment among the least qualified has therefore increasingly become a major political concern (Bruno and Cazes 1998).

Consequently, labor market chances might become more unequal and diverge between better and less well-educated people, whereas the relevance of educational certificates and human capital might have become more decisive.

The French educational system can be characterized as highly standardized.[10] This is predominantly due to the centralized structure of the French administrative system. Curricula and diplomas are organized and coordinated at the national level (Goux and Maurin 1998). Stratification starts after 2 years of lower secondary school (with a progressive disappearance in the 1990s) and occurs again at the end of lower secondary school.[11] Each selection is directed toward a general or vocational track.

The educational system places a strong emphasis on general and theoretical education, whereas vocational or practical training confers a relatively low level of prestige (Brauns et al. 1999). All in all, a clear-cut match between school and work does not exist in France. Employers have to screen job candidates on the basis of their level of education rather than their vocational qualifications. This implies that finding the appropriate job candidate for a job position might be time-consuming for both employers and job candidates. For young people, this could result in a series of job changes until they enter an adequate job position. Therefore, high job mobility can be assumed, especially in the first years after employment entry.

The problem of finding an adequate job position is that job-specific skills are gradually acquired with on-the-job training and are highly firm-specific because of the internal labor market structure in France. Therefore, to start with, young people must get a chance to enter a job in which the management agrees to provide them with further training and skill upgrading. The educational level plays a highly relevant role, because "access to continuous training is highly selective: the probability of participation to continuous training increases with the educational level, with the size of the firm, and is higher for technicians and foremen than for other professions" (Fougère et al. 2000: 937). Low-skilled and younger workers have fewer chances of receiving training in France. Because firm-specific training and the acquisition of firm-specific skills make interfirm job mobility more complicated, this can constitute a barrier for young people, especially in the early phase of labor market establishment.

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[10] Standardization is defined as "the degree to which the quality of education meets the same standards nationwide" (Allmendinger 1989: 233).

[11] Stratification refers to the number and type of transitions to the next educational level (Allmendinger 1989: 233).

Sectoral change, technological progress, the development of a European labor market, and the economic crisis followed by increasing unemployment, especially for youth, have transformed vocational training reform into an important issue in France since the 1980s (Brauns 1999: 58). The development of higher level vocational and technical training has become a key element of education policies over the last two decades: first as a reply to the growing demand for specialized workers; second, as a way to reduce skill mismatches between the educational system and the economy. For example, a *baccalauréat professionnel* diploma (*Bac pro*) was created in 1985. Furthermore, the *Brevet de Technicien Supérieur* (BTS) and the vocational competence certificate (*brevet professionnel*, BP) were developed at the tertiary level. All these certificates can also be obtained in the context of apprenticeship training.

Although the educational system is very hierarchical and controlled by the central state, there are strong spatial disparities in the supply of regional educational systems. "Cross-regional comparisons show dramatic discrepancies between the regional educative systems on several dimensions such as: the educational participation rate, the share of vocational training in initial education, or the importance of apprenticeship" (MEN, *Géographie de l'école, 1993, 1999)*. The decentralization reform (1982) has even reinforced these regional discrepancies. As Grelet outlines, these depend on the predominant regional economic structure, which, in turn, determines the local labor market demand (see also the section above on regional disparities, p. 20). "The necessity to take spatial disparities into account when analyzing school-to-work transitions is reinforced by the decentralization reform and the need for the regions to adjust their policies to the often very heterogeneous local contexts" (Grelet 2006: 1). From the perspective of young labor market entrants, this means that they do not all have the same opportunities; instead, their educational outcomes are framed and determined by their local context. This aspect is important to bear in mind when empirically analyzing the school-to-work transition processes in the second part of this thesis.

Employment protection legislation

The ways in which and the extent to which employers are able to make use of flexibilization strategies depend strongly on the country-specific employment protection legislation (EPL). EPL was initially introduced with the intention to enhance workers' welfare and to improve their employment conditions (OECD 2004). It consists of a set of rules governing the process of hiring and firing.

> "The main argument for employment protection relates to employees' security at work, in employment and income, and the advantage of a stable employment relationship that encourages investment in human capital and thereby upgrades the productivity of the worker. Another argument in favour of EPL refers to the willingness of workers to accept technological change and internal job mobility, with a potential increase of productivity. At a macro-economic level, EPL may also be seen as a 'stabilizer', in smoothening labour market adjustment to adverse macro economic shocks." (Cazes and Nesporova 2003: 2)

EPL tends to limit firms' ability to fire workers by raising firing costs. As a result, existing jobs are highly protected against labor market risks, while potential barriers are set up to hiring new workers. Thus, the stricter the EPL, that is, the more costly the firing procedures are, the lower the potential reemployment chances for unemployed workers. Generally speaking, EPL might reduce inflows into unemployment by protecting employees against dismissals, but, at the same time, it may lower outflows from unemployment precisely because of these costs. With regard to young people, strict employment protection legislation has consequences insofar as it may generally prolong the duration of first job search as well as lower the quality of the first job (Scherer 2005). Employers are reluctant to hire new working staff on a permanent basis before testing their real competencies. In this case, they prefer to start by offering fixed-term contracts. Regarding the early employment career, strict EPL impedes job mobility, because it reduces labor market turnover and results in low external vacancy levels (Gangl 2003).

The recent policy debates on the implementation of labor market flexibilization strategies circle around the dilemma of finding a balance between the increasing need for flexibility and the importance of protecting workers against labor market risks (OECD 2004). The way countries currently deal with this problem has been and mainly continues to be to ease the recourse to temporary contracts while leaving existing regulations for permanent contracts almost unaltered. These temporary contracts are also increasingly provided by temporary work agencies that function as an additional buffer to lower the risk of long-term commitments for employers. Indeed, over the past 15 years, one can observe a convergence between OECD countries in the strictness of EPL that mostly takes the form of a relaxation of those rules governing EPL that have proved to be far too strict. But "despite some convergence, the relative position of countries across the overall spectrum of EPL strictness has not changed much since the late 1980s" (OECD 2004: 71).

In the French system of employment relationships, which is typical for 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

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contract receive a high level of protection against labor market risks. 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) (see Figure 2.5).[12]

However, fixed-term contracts allow some flexibility within the rules of a permanent contract, which is the benchmark in the Labor Code. Whereas these temporary contracts represented less than 5% of dependent employment in the mid-1980s, their share reached 12% by 2004, which is close to the OECD average. As a consequence, labor market dualism has increased in France. The majority of workers benefit from permanent contracts and high protection, while a growing number alternate between unemployment and short-term contracts.

Figure 2.5:   Changes in EPL strictness over time (between late 1980 and 2003)
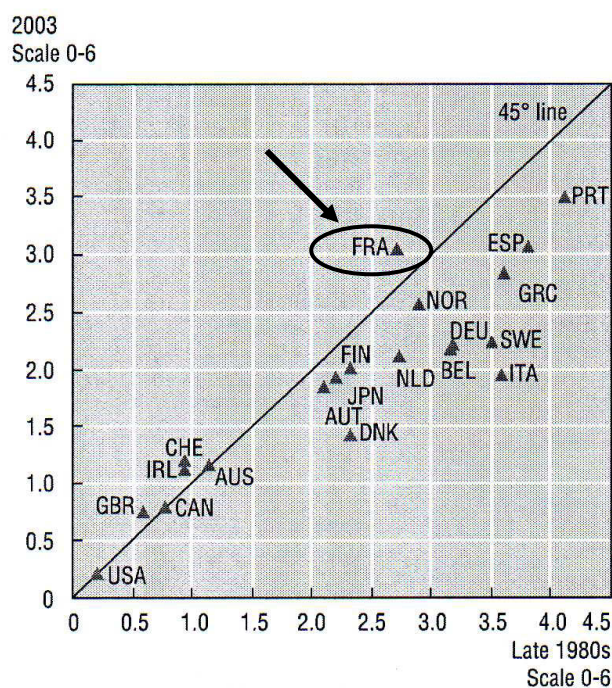
Source: *OECD Employment Outlook 2004: 73*

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[12]   The chart is based on the OECD's "Employment Protection Legislation (EPL) Index": This is a summary standard indicator measuring the overall level of employment protection: It encompasses three main components: protection of regular workers against dismissal, regulation of temporary forms of employment, and requirements for collective dismissals (OECD 2004).

Young labor market entrants are overrepresented in the latter category. The introduction of the so-called Contrat Nouvelle Embauche (CNE) can be seen as an attempt to weaken the strength of employment protection legislation and to reduce this dualism. This contract is a permanent one introduced in 2005. The specific feature of the CNE is that it allows firms with up to 20 employees to terminate the contracts of new employees within the first 2 years without giving any specific justification. The French government also tried to introduce a similar contract for youth under 26 years of age and firms with more than 20 employees. Due to massive public resistance, the Contrat Première Embauche (CPE) was never put into practice. Also the CNE was abolished in 2008, because it violated a labor agreement of the International Labor Organization (ILO).

Compared to other European countries, numerical flexibility does not play a 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 in order 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 particular needs and to changing market demands. Since *1982, the 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 reduction in legal duration of the working week from 39 down to 35 hours per week* introduced in 1997 under the government of Lionel Jospin (1997-2002).

Wage flexibility is another important issue. Even if collective bargaining takes place at various levels in France, wages are predominantly determined at the firm level and are, therefore, a decentralized issue. Enterprise-level bargaining has developed strongly since 1982 (Auroux Laws), and this trend 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 (ebd.: 253). Wage formation of low-paid workers is determined by the minimum wage (SMIC: *salaire minimum interprofessionnel de croissance*).

Figure 2.6:   OECD summary indicators of the strictness of employment protection
                  legislation for temporary and regular employment, late 1980s and late 1990s

☒ Temporary employment, late 1980s ☒ Temporary employment, late 1990s
☐ Regular employment, late 1980s   ■ Regular employment, late 1990s
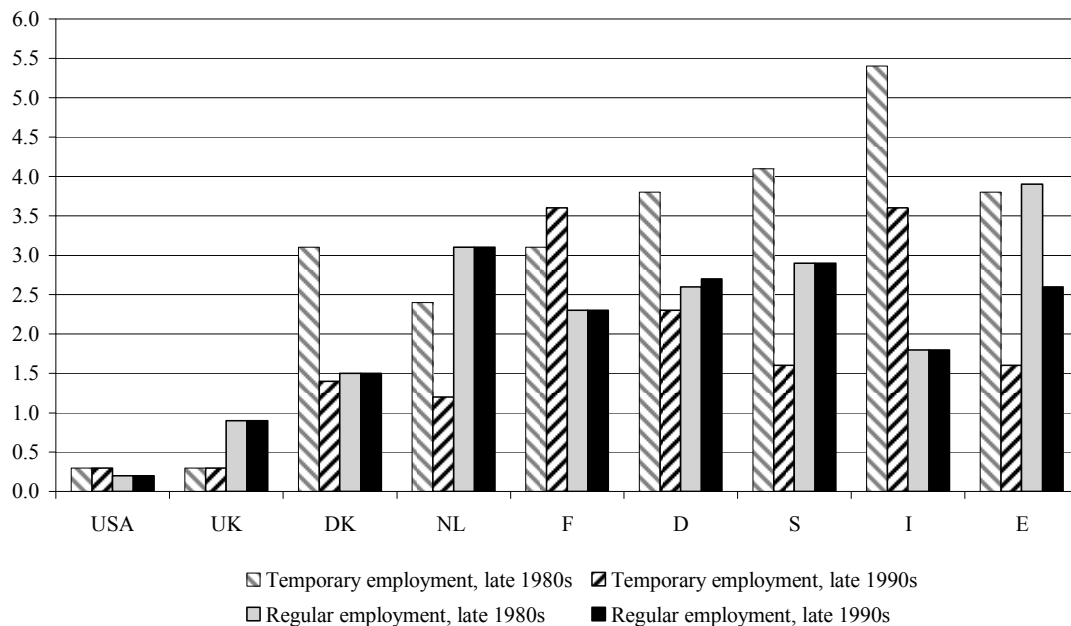
Source: OECD 2004 (index version 1).

This impacts especially on 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.

However, the opportunity to apply flexible forms of employment more easily may result in employers applying these options more rigorously than before. This, of course, influences the speed of young people's labor market entries, the quality of their entry jobs, and their early career trajectories. First, through fixed-term contracts, employers may be more willing to hire a new worker. Second, temporary contracts may increase the speed of the school-to-work transition. This gives young people the opportunity to gain work experience. Nevertheless, after the fixed-term contract terminates, they face a higher risk of becoming unemployed. For this reason, temporary employees cannot yet be regarded as established labor market insiders. Additionally, a fixed-term contract in first employment may have a negative impact on career advancement, because the internal labor market in France reduces job turnover and future mobility chances particularly between firms (Gangl 2003).[13]

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[13]   This argument is part of the entrapment hypothesis (see for more details p. 50ff.).

Additionally, the ease in providing fixed-term contracts in the initial phase of the labor market career enables employers to screen their job candidates intensively before giving them permanent contracts. This is why the discussion in the literature on the increased use of fixed-term contracts is ambivalent: On the one hand, it enhances structural uncertainty for youth in terms of extending the labor market establishment process; on the other hand, for some youth, fixed-term employment constitutes a chance to first enter the labor market and avoid a long search or even a long period of unemployment (OECD 2008). The question who can and who cannot profit from these rising labor market flexibilization measures will be examined in more detail in the first empirical study (p. 44ff.).

In brief, compared to other industrialized countries, the degree of flexibilization and deregulation has generally remained relatively moderate in France over the last decades (Malo et al. 2000).

Activating employment measures

Labor market policies aim to buffer the insecurities of those exposed to unemployment. The two main instruments are passive and active labor market policies. *Passive labor market policies* are designed to further guarantee income security by redistributing from the employed to the unemployed via unemployment and cash benefit systems. However, a certain number of contributory payments during a specified period within a job are necessary in order to be entitled to receive such unemployment benefits. Young people at their labor market entry often do not meet these entitlement conditions.

Active labor market policies are targeted primarily at motivating unemployed people to actively seek work. They also aim to upgrade the qualifications and employability of those who are unable to find their own way back into the labor market (Bredgaard et al. 2005). They come into force during periods of unemployment by requiring unemployed people to participate in activation programs such as education and training measures as well as public job placement.

Active labor market policies have become an important issue in France since unemployment started to increase in the mid-1970s. The measures are aimed at the unemployed or those facing the highest risk of unemployment such as young people or older workers. At more than 3% of GDP, spending on labor market programs in France in the mid-1990s was higher than the OECD average, although still lower than that in Germany, the Netherlands, and the Scandinavian countries. A total of 1.3% of GDP was spent on active labor market policies (Martin 2000; Jamet 2006) (see also Figure 2.7). A

rise in expenditure on active labor market measures as well as a growing number of participants can also be observed over time.

Whereas the first phase emphasized improving the match between training and jobs, labor market policies starting in the mid-1980s were mainly employment-cum-training contracts or specific integration programs. In the late 1990s, a new approach was set up by creating subsidized public jobs, the most prominent program being called New Services – Youth Employment (*Nouveaux services – Emplois jeunes*). The current situation can be characterized as a mixture of all these public interventions. Three types are of special interest: job creation in the public sector; promotion of training programs in the private sector; and reduction of total labor costs in the private sector (Fougère et al. 2000).

An example of the first type is the above-mentioned *Nouveaux services – Emplois jeunes*. Set up in 1997, it ran until 2005. In 2001, more than 150,000 young people were employed in these public jobs. The duration was either limited to 5 years or even unlimited; although, in both cases, subsidies of up to 80% were limited to a 5-year period. Youths entering this type of contract were typically qualified school-leavers with at least *baccalauréat*.

Employment-cum-training contracts, the second type of public intervention, typically set specific rules on, for example, wages, working hours, and training provisions. They also include incentives for employers such as labor cost reductions, and subsidies (exemptions from national contributions). Employment-cum-training contracts are the most numerous type of public intervention.

The *Contrat Emploi-Solidarité* (CES), in force between 1990 and 2005, focused on low-educated, jobless youths and the long-term unemployed. It was a part-time (20 hours a week), fixed-term (from 3 to 12 months) employment contract that could be renewed twice—and even three times for some categories of recipients. Employers were public institutions, local administrations, and nonprofit organizations. Young people in CES were paid by state subsidies on the basis of the legal hourly minimum wage *SMIC*. In 1996, CES recipients were mostly women (62%) and low-educated persons (84%).

The apprenticeship contract and the professionalization contract include classroom education and on-the-job training to enhance labor market experience and human capital. In the French apprenticeship system (which has long been a training track parallel to vocational schooling), young people aged 16 to 25 years spend part of their time working in a firm and the rest of the time receiving a part-time general and occupation-specific

education in a training center. This can last from 1 to 3 years and corresponds to the preparation for a national diploma. The wage is calculated as a fraction of the minimum wage level. The number of apprentices in France grew from 294,000 in 1995 to 362,000 in 2003; about 70% are male. Apprenticeship contracts are given mainly to youths with secondary education, but due to rising number of youths studying for the vocational *baccalauréat* and technical diplomas within apprenticeship schemes, there is also an increasing proportion of apprentices with basic education. The *Contrat de Qualification* in force between 1984 and 2004 was very similar 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 lasting 6 to 24 months. At least one-quarter of the contract period had to be devoted to training, and the wage was again a fraction of the SMIC, with the employer being exempt from social security contributions. Since mid-2004, the *Contrat de Qualification* has been replaced successively by the professionalization contract that can be either permanent or a temporary. Training can be carried out at a training center or within the firm. Young people who start with this type of employment-cum-training contract are usually better qualified than those entering apprenticeships.

Finally, another measure to increasing the labor demand for youths is the reduction of total labor costs in the private sector. Since 1994, reductions in labor costs have essentially taken the form of payroll tax subsidies for minimum wage workers. There has also been a flat-rate tax scheme since 2005. In 2004, 130,000 young people were involved in this type of scheme.

Some research suggests that an optimal policy strategy could compensate the negative effects accompanying the easing of EPL by combining reemployment services and active labor market policies (OECD 2004).

The following three studies will empirically examine how these changing circumstances due to increasing globalization and the related turbulences on the domestic labor market have impacted on young people's labor market entry and success in establishing themselves as employment insiders since the early 1990s.

Figure 2.7:   Public spending on active labor market programs and on unemployment compensation, both in percentage of GDP, 1997
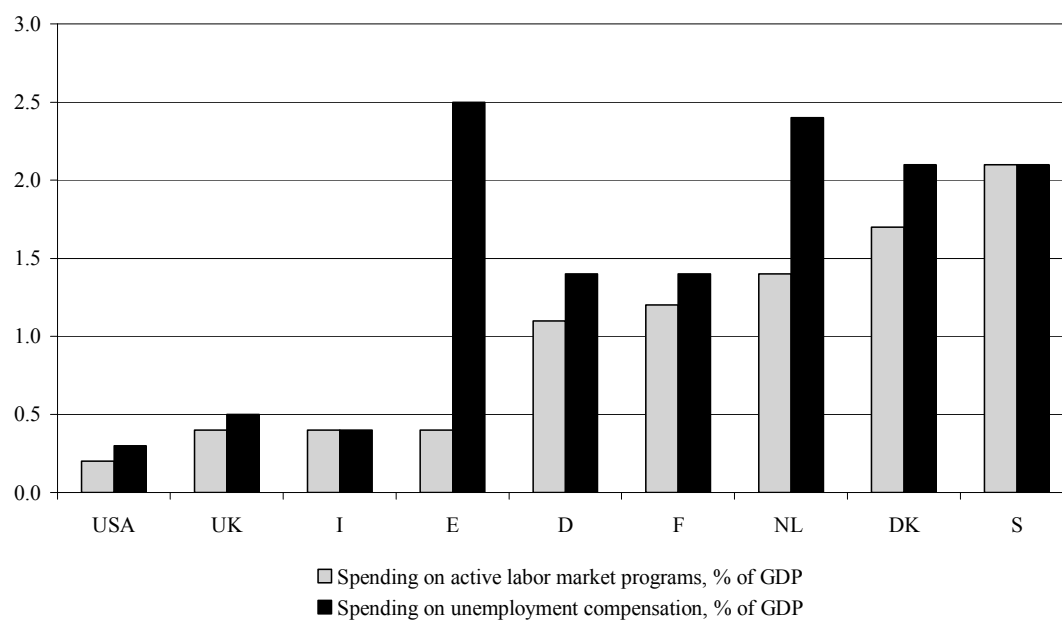
Source: OECD 2009.

EMPIRICAL PART

Preliminary note

The empirical part of this thesis consists of three independent studies that are, nonetheless, organized stepwise so that each study builds on the results gathered in the study before.

In detail, the *first empirical study* aims to provide a general overview of the situation facing young people at labor market entry and in their early employment career since the beginning of the 1990s. My main research interest focuses on general patterns and changes in school-to-work transitions and early employment establishment processes. The first research question asks whether one can ascertain that increasing labor market flexibilization has led to more unstable and insecure job positions both in the beginning and in the subsequent employment career. Have young people's opportunities got worse over time, that is, across cohorts? An answer to this question requires a comparison between different education leaver cohorts. The second question focuses on the impact of a 'bad'[14] employment entry on future employment career outcomes. Does a suboptimal first job increasingly represent a trap for young people so that they are unable to level out these suboptimal starting conditions later on? Can differences be observed between youths in terms of their educational qualifications or other relevant characteristics? Do some youths succeed better than others in becoming established? The third research question refers to social inequality structures. It investigates whether social inequality structures have changed over time, or whether the traditional inequality patterns have remained stable and thus persisted. This last question has often been discussed and studied empirically, but results are controversial (see section 3.2, p. 47ff.).

The *second empirical study* focuses on young people with a migration background living in France. This research interest is triggered by one of the main results of the first empirical study that revealed how young migrants have more problems both in entering the labor market and in establishing themselves later on in adequate and secure job positions. They seem to be confronted with particular problems compared to French native youths. Although much research has investigated the labor market chances of young migrants, both the results and the ways they are explained differ tremendously. The reasons are both data-related and theoretical. First, results depend on the availability, the type, the quality, and the

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[14] The definition of what is called a 'bad' entry job will be explained in more depth in Section 3.2, p. 50ff.

degree of measurable empirical data. This, of course, determines which methods and which kinds of analyses can be applied. Second, the theoretical hypotheses and the interpretation of the data are also decisive. Two approaches are most prominent: One assumes that young migrants are disadvantaged on the labor market because they are confronted with discriminatory practices. The other approach relies more on their lack of the specific 'capital'—mainly human, cultural, and social capital—required by the receiving society. Therefore, the question is whether migrant youths with identical educational certificates and social backgrounds to their French native counterparts are particularly disadvantaged or more exposed to labor market flexibilization measures. If this is the case, can it be assumed that practices of labor market discrimination are at work here? It has to be noted in advance that this last question can hardly be tested because it cannot be measured with the data, and even if differences are observable between French natives and migrant youths, discrimination is only one of the alternative explanations and cannot be claimed definitely as the correct one. Thus, the unexplained heterogeneity has to be interpreted very carefully. Due to the high-quality data I was able to go into further detail and also investigate different migrant groups living in France and see whether they differ in terms of labor market outcomes. The following five groups are distinguished: (a) young people with a Maghrebian background in Morocco, Algeria, or Tunisia; (b) Sub-Saharan African youths; (c) youths with a Southern European background; (d) young people from Indochina; and (e) youths with a Turkish background. These are the five quantitatively largest groups in France. Because my main research interest is in investigating similarities and deviations from the French pattern of school-to-work transition and early employment establishment processes, I compared each of these five groups with French native youths (more information about the research design will be given in Section 3.4, p. 61). In addition, the detailed data make it possible to differentiate between first- and second-generation migrants as well, that is, between those youths who are born in a foreign country and those who are born in France but whose parents were born abroad. This provides an additional precision in data modeling and analysis. A great deal of other research has assumed that second-generation migrants have better prospects on the labor market because of their families' longer duration of stay in France and thus their more advanced social and cultural integration.

Finally, the *third empirical study* draws on a common outcome of both the first and the second study. One of the most striking results from the first part was that young people completing a practical track such as vocational training or an apprenticeship more often achieve a smoother school-to-work transition, have a better first job quality, and have fewer difficulties in establishing themselves in secure and adequate job positions during their

early employment career compared to youths with general diplomas. This is no longer true for education leavers who have gone on to attain tertiary degrees—they are also in the best position to succeed in both labor market entry and early career establishment. One of the main results of Part two is that most of the disadvantages observed in Part one disappeared when controlling simultaneously for human capital assets and migration background (with interaction effects). However, for second-generation Maghrebian youths, some inequalities remain that could not be explained through educational qualifications or parental social background. Thus, there are some hints that they are disadvantaged compared to their French counterparts with similar human capital backgrounds. Taking the results of Part one and two together, the research interest for Part three is deduced by defining the following two research questions: Apart from tertiary diplomas, can a vocational training certificate or apprenticeship improve the situation for young people even in times of high unemployment or increasing labor market flexibilization? If so, can youth with a migration background profit from this in the same way as French natives? As outlined in the first part of this thesis, practical diplomas enjoy only a very low prestige in France. During the 1990s, when globalization entered into national societies and new technologies changed economic structures and domestic labor markets, more specialized working staff was needed. This combined with the persistent high youth unemployment rate since the mid-1970s obliged the French educational system to respond to growing demand and introduce new types of apprenticeship and vocational training diplomas. The third empirical part therefore investigates how successful these vocational training reforms have been in France, and whether young labor market entrants can profit from these new types of diplomas or suffer and regret their decision to pursue a practical track.

The results of the first empirical study are described extensively and in detail in order to provide a general overview. The second and third empirical studies focus more on the specific research questions.

3   Empirical Study 1

General patterns and changes of young people's labor market entry and early career establishment processes[15]

3.1   Introduction

High and persistent youth unemployment has long been a major concern and therefore part of the political agenda in France. For more than three decades, successive French governments have introduced large-scale initiatives to support the integration of young people into the labor market. Youth employment programs have become more diversified and more numerous, and public spending on active labor market programs (including youth measures) doubled between 1985 and 1996 (Martin 2000). For instance, a recent assessment revealed that the majority of students who left secondary school in 1994 without passing the *baccalauréat* participated in at least one public program to support their employment over the subsequent 6 years (Giret and Lopez 2005).

At the same time, accelerating globalization has been forcing firms to react ever faster and more flexibly to changing market demands. They have to adjust their production and working staff permanently. As outlined in the first part of this thesis, employers do not spread their market risks evenly among their workers. The high levels of employment protection legislation make it difficult for them to dismiss employees with permanent contracts. Therefore, any application of flexible employment measures to adjust to current demand is restricted only to the so-called 'outsiders' from a firm's perspective. Young people belong to this group, because they are at the very beginning of their working career and not yet well integrated in the labor market. This makes it even more difficult for them to gain a first foothold. They are often forced to accept more flexible job contracts. In the French context of an insider–outsider labor market with 'closed' employment relations employers predominantly use of numerical flexibilization measures, because these are

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mainly fixed-term contracts. As it has become easier to provide temporary contracts, they have increased steadily between 1990 and 2010 from 38% to 55% of all new employment contracts (see Figure 3.3, p. 50).

Another reason why young employees are more likely to start under flexible employment relationships is that employers use temporary contracts to screen their work potential before employing them on a permanent basis (Bukodi et al. 2008). Especially in France where a large proportion of young people enter the labor market with general diplomas, it is difficult for employers to assess their real qualifications. Because of the less clear-cut match between school and work, they do not know how far the young person fits both the job and the firm (Maurice et al. 1986). This makes fixed-term contracts a useful screening tool.

Taking these considerations into account, it can be assumed that young people face various difficulties both at labor market entry and in the phase of establishment during the following years. Indeed, young people in their early employment career often have to face a series of fixed-term contracts, possibly accompanied by phases of unemployment (Bruno and Cazes 1998; Jamet 2006). This leads to the question whether and, if so, how these more precarious and flexibilized circumstances at labor market entry impact the further career development of youths in France. Do they inhibit the establishment of secure employment completely? It is often argued that precarious jobs have to be accepted as an alternative to unemployment, especially for low-skilled workers and young people with low educational levels (Jamet 2006: 19).

The aim of this study is, therefore, to investigate whether young education leavers face more difficulties at labor market entry since the early 1990s because of economic and social changes, and, if this is the case, how can they best manage to become established after a certain time. Are some youths in better positions than others?

More precisely, I shall empirically test the following three research questions:

1) *The impact of macroeconomic changes on social change and increasing social risks:* Is there an observable increase in labor market flexibilization that reduces young people's opportunities over the past decades to complete their school-to-work transition and establish themselves in their early employment careers?

2) *Changes in the impact of 'bad' labor market entries on early career establishment prospects:* Is a 'bad', that is, a suboptimal, career entry typically a trap, or can it serve

as a stepping-stone toward a smooth employment career and more rewarding jobs? Are changes observable across cohorts?

3) *Changes in social inequality distributions/structures:* Will there be increasing uncertainty, more inequality and instability for all young individuals alike, or can it be assumed that the traditional inequality patterns persist?

The first research question focuses on the economic challenges since the early 1990s and their effect on labor market outcomes for French youths. The main focus is on the interface of changes on the macrolevel and their impact on shifts in the individual microlevel. The second research question concentrates on how the effect of first job quality on early career establishment prospects has changed. It is assumed that young people who either (a) start in job positions that are below their qualification level, (b) hold temporary job contracts instead of permanent ones, or (c) work only part-time instead of full-time will have more later difficulties in improving their job positions and promoting their employment career in terms of upward occupational mobility. The quality of the first job can be decisive, because an inadequate first job may lead to a trap in the early employment career. Or, it may serve as a stepping-stone toward more rewarding jobs. Perhaps both are true with it being a trap for some youths and a stepping-stone for others. But what factors determine the respective outcomes? Finally, the third research question concentrates on changes in social inequality structures. The aim is to investigate whether traditional inequality patterns based on educational qualifications and occupational class persist as assumed by Shavit and Blossfeld (1993), Breen (2004), and Erikson and Goldthorpe (1992) or whether the chances have deteriorated proportionally for all youths alike as Beck suggests (2000).

To answer the three research questions empirically, I combined three longitudinal datasets provided by CEREQ (*Centre d'Etudes et des Recherches sur les Qualifications)* in order to perform a comparison between the 1992, 1998, and 2001 education-leaver cohorts. In each cohort, monthly information was collected retrospectively about youths' labor market activities over the first 3 to 5 years after leaving the educational or vocational training system.

The empirical analyses cover both the transition from school to the first job as well as the subsequent early employment career. Longitudinal methods are applied, predominantly models of event history analysis (Blossfeld and Rohwer 2002) such as piecewise-constant exponential models. These methods permit a dynamic approach that investigates transitions and changes as either trajectories or processes that evolve and develop over time. Events are

analyzed as causal outcomes of the previous employment history. This makes it possible to analyze individual labor-market pathways and integration processes in great depth. Social change will be captured with the help of a cohort comparison design.

The study is structured as follows: In the next section (Section 3.2), I shall discuss different theoretical concepts for the three research questions, before I deduce the hypotheses in Section 3.3. Afterwards, I shall explain the research design in more detail (Section 3.4). Section 3.5 presents the data and methods. The empirical findings (Section 3.6) are subdivided into two parts: the phase of school-to-work transition and the early years of the employment career. The study concludes with a summary and suggestions for further research (Section 3.7).

3.2   Theoretical concepts

Research question 1: The impact of globalization and labor market flexibilization on rising uncertainties

The acceleration of globalization is often considered to be responsible for the increasing labor market flexibilization over the past three decades and the accompanying changes in the forms of employment (Waters 2001). The media, policymakers, and scientists use the term 'globalization' to explain the rapid changes in social and economic processes. Castells (2000) defines globalization as a major force demanding more employment flexibility and thus inducing a weakening of dismissal protection.

According to Blossfeld et al. (2005), there is no doubt that globalization has led to increasing uncertainty not only on the national level but also particularly on the level of firms and their employees. The gathering speed of technological innovations, of real-time communications, of product life cycles, of increasingly incalculable financial markets make it necessary for firms to be as flexible as possible in order to adjust production and labor to meet current demand. Employers therefore have to react more rapidly and immediately. This, in turn, has paved the way for more employment flexibility and a weakening of dismissal protection. As a result, bargaining power has shifted more and more from labor to capital, and this has led to increasing amounts of temporary contracts, part-time employment, and semi-independent forms of employment (Bukodi et al. 2008; Castells 2000).

However, it has also been claimed that globalization has not undermined long-term employment relationships through labor market flexibilization measures. This standpoint is

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based on empirical findings emphasizing that average job tenure has scarcely changed over the past decades in OECD countries (Auer 2006; Doogan 2005).

Figure 3.1:   Average job tenure (in years) between 1995 and 2005

Figure 3.1 shows that average job duration in France actually increased between 1995 and 2005: But this statistic neglects the fact that the values presented are averages that smooth out some remarkable differences between several groups on the labor market. For core employees in secure job positions with permanent contracts, job tenure certainly has not changed substantially in the recent past. But for labor-market outsiders, the pattern is quite different.

Figure 3.2 presents the average job tenure for the whole working population and for youths aged 15–24 between 1992 and 2009. It shows that job tenure for youths is also relatively stable over time, but on a very low level—the average job duration is less than 2 years. In other words, young people more often have jobs with a shorter duration. Especially around the millennium, job tenure decreased for youths. This corresponds to the more widespread use of fixed-term contracts among young people.

Figure 3.2: Average Job Tenure (in years): 1992-2009, France (Youths and Total Workforce)
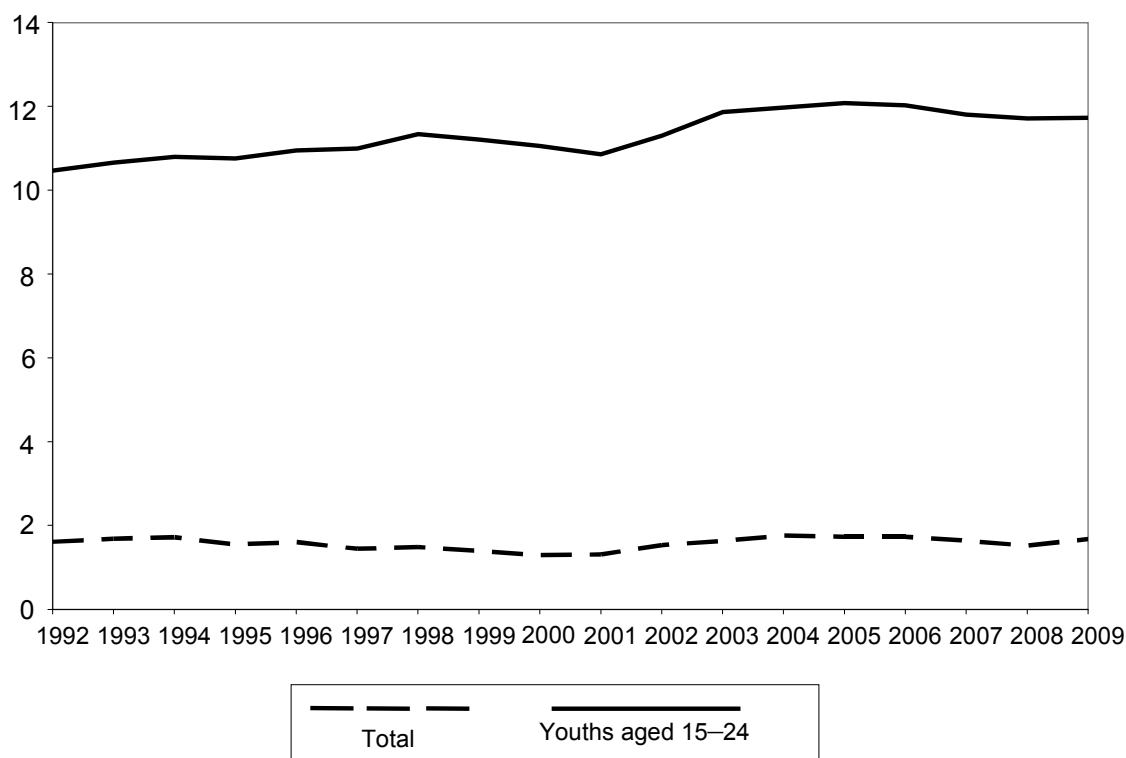
Source: OECD Job Tenure database.

Auer and Cazes (2003: 53 f.) state that

> "the analysis of employment tenure data and separation rates by destination over the 1980s and 1990s does not show any dramatic changes in job stability in most of the industrialized countries under review. […] However, labor markets are better described as being segmented than generally 'flexibilized.' Numerical flexibility (of an involuntary nature) is still very much concentrated on young workers […]."

Indeed, labor market entrants receive temporary contracts to a larger extent than other groups on the labor market. Figure 3.3 shows the shares of temporary contracts between 1990 and 2010 in France. Whereas in the whole working population, the share of fixed-term contracts is about 10% and there are only minor changes on a moderate level over time, the pattern for youths aged 15–24 differs clearly—the level is markedly higher. During the 1990s, the share increased to 55% with a peak around the millennium and a slight decrease afterwards. Since 2004, the amount of fixed-term contracts has increased again.

It can therefore be assumed that the youth group is confronted with higher and peculiar uncertainties than people in their mid-career. Due to increasing labor market flexibilization and the development of the economic cycle, the question arises whether the chances for

Figure 3.3:   Fixed-term contracts between 1990 and 2010, France (in%)
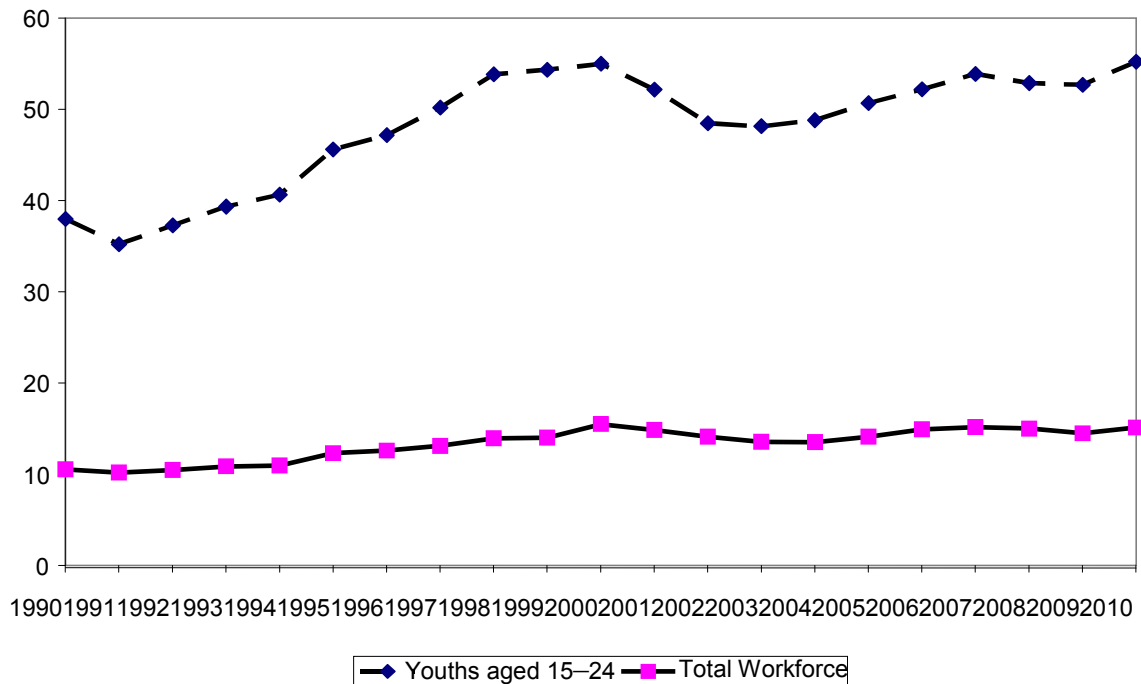
Source: OECD Labor Force Statistics.

youths in terms of their labor market entry and early career establishment prospects have deteriorated over the past decades. Are they able to establish themselves on the labor market as employment insiders, or is it becoming more difficult or even impossible for them to escape flexible employment forms? Are youths particularly exposed only at labor market entry, so that 'atypical' work situations represent a temporary phenomenon? Or are they becoming the normality for each younger cohort, so that young people have to fall back on going from one fixed-term contract to the next?

Research question 2: 'Bad' (inadequate) entry: Stepping stone or trap?

The starting conditions, that is, the quality of the first job, determine the subsequent early career mobility and labor market establishment process, because an inadequate first job might have negative long-lasting consequences Scherer 2004; Scherer 2005). A 'bad' entry is a job position deviating from a standard employment relationship such as a highly flexible *temporary contract*. *Part-time work* is also defined as an inadequate job, because young labor market entrants are mainly interested in full-time positions with full pay (Quintini et al. 2007). In addition, jobs for which applicants are overqualified in terms of

their educational qualifications are also defined as suboptimal, because *overqualification* is an underemployment below value.[16]

These bad entry conditions might have different effects on the subsequent career. For example, a fixed-term contract in first job can result in the vicious circle of a series of further temporary contracts interrupted by phases of unemployment (Bruno and Cazes 1998; Jamet 2006). Overqualification might lead to impeded upward occupational mobility opportunities, because overqualified young people cannot gain and accumulate the same job experiences, skills, and human capital resources as youngsters in job positions that match their qualifications. In contrast, inadequate job entry positions might only be a hurdle right at the very beginning of the employment career, without necessarily having long-term negative consequences.

There are two main theoretical approaches to this subject: the stepping-stone and the entrapment hypotheses. Whereas the stepping-stone hypothesis implies that an inadequate first job lasts only for a certain period and has only a transitory character that can be leveled out later on, the entrapment hypothesis, in contrast, assumes that a bad entry has long-lasting negative consequences for later employment.

The emergence of overqualification as the mismatch between educational qualification and job requirements is as an outcome of educational inflation (Freeman 1976), of economic downswings leading to an oversupply of labor, and of technological progress that upgrades certain economic sectors of activity (Katz and Autor 1999). Beyond that, individual characteristics also determine the risk of starting work in a job for which one is overqualified—a longer searching time for the first job after graduating from the educational system may increase the probability of having to accept a job below one's educational qualification in order to escape a longer period of unemployment. There is also much research on the persistent high level of overqualification in the first job for young women and youths with a migration background (e.g., Nauze-Fichet and Tomasini 2002; OECD 2007; Quintini and Martin 2006).

From the perspective of the stepping-stone hypothesis, overqualification can be upgraded by occupational mobility especially in the first years after employment entry. The economic

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[16] Low-paid jobs can also be regarded as inadequate, because these are mainly jobs around or above the minimum wage in France. However, wages are not taken into consideration within the following analyses, because of a lack of adequate data.

theory of career mobility (Sicherman and Galor 1990) regards overeducation as only a temporary mismatch at the beginning of young people's labor market careers. The central argument is that "part of the returns to education is in the form of higher probabilities of occupational upgrading, within or across firms" (ebd.: 170). This approach is based on the assumption that employees gain skills in these jobs for which they are overqualified that they can use later in higher status jobs. These mismatch positions are therefore valued positively, because youths may acquire useful experiences within these jobs that support their upward mobility career during the early employment career. Empirical findings for the US confirm these considerations (Sicherman 1991). Scherer (2004) comes to the same conclusion for Great Britain. However, Büchel and Mertens (2004) reject the stepping-stone hypothesis for Germany. Their replication of Sicherman's multivariate model with German data produced different results. They found that overeducated people have persistently worse career prospects than employees who started in adequate job positions. Results for France take the same direction (OECD 2011)

With regard to temporary contracts, the stepping-stone hypothesis is based on screening theory. Fixed-term employment is regarded as a phase characterized by an extended probation period (Wang and Weiss 1998). Particularly in France where general diplomas enjoy such high prestige, employers often lack information about a potential employee's skills or whether they match the job and the firm. A fixed-term contract can be regarded as a period of adjustment in the process of matching jobs and people. Additionally, dismissal is costly, especially in highly regulated labor markets such as France, because of the high level of dismissal protection and the restriction of job termination rights. Therefore, employers avoid the risk of hiring new working staff on the basis of a permanent contract and give them temporary contracts instead. If the potential employee fits the job and the firm, the contract can be changed into a permanent one. If this is not the case, it is very easy to terminate the employment relationship. "Flexible, temporary jobs are therefore relevant for relatively well-educated labor market entrants who have no previous employment records (which might serve as a 'signal' of their labor market 'value'), and for whom work productivity can be particularly difficult to assess in advance" (Bukodi et al. 2008: 11).

In contrast, the entrapment hypothesis assumes that inadequate job positions are mainly a problem in the 'peripheral' segment of the labor market rather than among "core" positions (see Capelli and Neumark 2004). These bad jobs end up as possible entrapments in which it becomes increasingly difficult to escape the vicious circle, because employers perceive a lack of skills, abilities, and qualifications in these youths compared to their counterparts in

adequate job positions. Additionally, they do not have the same opportunities for further (general and specific) training in these suboptimal jobs, and this, in turn, further increases the gap. It is not possible to accumulate the same human capital as in an adequate job. Applicants are therefore disadvantaged with regard to an upgrading of their situation in the first job (Giret et al. 2006; Guironnet Peypoch 2007).

Research question 3: Persistent or reinforcing social inequality structures?

In the past, labor market risks and job loss worries were concentrated mainly on the (unskilled) working class. But in a globalized economy, they are no longer restricted to those individuals in disadvantaged occupational class positions (based on the differentiation of employment relations), but have become more widespread among the working population. The increased speed of technological innovation as well as the acceleration of product life cycles requires flexible adjustments in recruiting and assigning personnel. This, in turn, results in rising insecurities especially for salaried employees. Even highly qualified people such as professionals, managers, and administrative employees have become more exposed to job loss and labor market risks. Beck (2000) takes the view that despite different educational qualification levels and occupational class positions, all people alike are confronted with higher levels of insecurity, because unemployment and job loss "correspond less and less to class stereotypes" (ebd.: 153). He argues that the risks have increased proportionally and are distributed more broadly and evenly among the workforce. Over and above that, it has been claimed that standard employment relationships in a specific occupation as well as the traditional, predictable career patterns during the life course are vanishing, and new types of employment trajectories are emerging with no permanent attachment to any particular occupation or organization (see e.g., Castells 2000).

A contrasting approach is taken by social stratification and mobility researchers such as Shavit and Blossfeld (1993), Erikson and Goldthorpe (1992), and Breen (2004). They see a persistence of social classes and therefore a relative stability among the distribution of social inequality structures. They refer to human capital assets as the main individual resources that structure opportunities and constraints in different domains across the life course. The main argument is that the traditional concept of class continues to be decisively relevant for developing an understanding of the 'new' inequalities emerging through growing flexibilization (Goldthorpe 2007). Breen (1997) and Goldthorpe (2007) propose that social inequalities might even have increased over the past decades because those employed in semi- or unskilled occupations have become more exposed to labor market risks. They argue that market risks have shifted more and more from employers to the less

powerful employees with the lowest qualifications and occupational class positions, whereas there may well be more stability among those in better occupations. This assumption is based on the distinction of different job positions classified according to the contract type and work regulation by employers. The way work is regulated depends on the interplay of the mode of work monitoring and human asset specificity (Goldthorpe 2007). If both components are low, which is typical for unskilled industrial work for example, then the work situation can be handled efficiently and also controlled by a labor contract in which piece- or time-rate are defined precisely. This kind of controlling is no longer possible in job situations in which both components are high as is typical for the highest job positions such as managers and all kind of leadership positions. Employees in these positions are handled more adequately through 'service relationships' in which employers pay relatively high salaries in order to commit their employees to a long-term exchange. They invest in their human capital by offering them profit-sharing, salary increments, expectations of continued employment, and also more career options. One modification of the 'labor contract' and the 'service contract' is the so-called 'mixed relationships' that are typical for low-ranking technicians, routine nonmanual workers, and supervisors. This classification reveals why employers tend to first dismiss persons with 'labor contracts,' because they belong to the less powerful groups. Empirical findings seem to reinforce this approach. They reveal that the strength of association between social class and unemployment risks has scarcely changed over the past decades—particularly in countries with insider–outsider labor markets such as France (e.g., Bernardi 2006; Goldthorpe and McKnight 2006; Kurz et al. 2006; Luijkx et al. 2006).

Considering these two theoretical approaches, the question arises whether social inequalities related to educational qualification and occupational class have weakened, persisted, or even been reinforced by the rising flexibilization of young people's labor market entry. Due to their lack of human capital resources, networks, seniority, or employment experiences, it is assumed that youths entering the labor market as unskilled (industrial or service) workers will be confronted with higher risks of flexible employment relationships and job loss. They are easier to replace than their counterparts in higher jobs positions, because they do not possess any specific job-related proficiencies. Thus, more highly qualified people may have fewer difficulties even in times of globalization and increasing labor market flexibilization. Due to technological change, the upgrading labor market reinforces this assumption as well.

3.3 Hypotheses

H1:   The impact of macroeconomic changes on social change and increasing social risks

The speed of the school-to-work transition is hypothesized to be relatively high in France and may also have accelerated across cohorts. This assumption is based on several factors: First, the allocation of fixed-term contracts has increased since the early 1990s. Second, during the period under study, active labor market measures have been enhanced, especially for youths. Third, the economic cycle has also improved over the period under study.

However, the same trend is not expected with regard to the quality of the first job. Young labor market entrants are hypothesized to often start in precarious jobs, that is, to more frequently receive fixed-term contracts, part-time jobs or job positions for which they are overqualified. Moreover, accelerating trends across cohorts are even proposed, because it is assumed that employers make use of these work contracts to exploit the option of remaining as uncommitted as possible and maintaining maximum freedom to act. Regarding 'job adequacy,' it is assumed that there will be many mismatches in the beginning of the career, because of the relatively weak relationship between education and work as well as the strong emphasis on schooling instead of vocational training. All in all, finding a first job is not expected to be the main difficulty. The real problem is the quality of this first job.

During the early employment career, it is presumed that young people who start with fixed-term contracts will be confronted with both more unemployment risks as well as a longer period in which they try to replace their fixed-term contracts with permanent ones even in times of declining unemployment rates. Because employers can make increasing use of temporary contracts in order to screen their new working staff intensively before hiring them on a permanent basis, young people may have more difficulties in entering into secure employment. A longer period characterized by a series of fixed-term contracts probably interrupted with short-term unemployment spells is expected to be the reality for more and more youths over time (across cohorts). A longer period of instability may also impact on job mobility. Within the internal labor market, skill upgrading mainly proceeds by on-the-job training. As I explained in the first part of my thesis, most people receiving training belong to the core employees. *Therefore, before receiving training, it is necessary to first become an insider in the firm.* Consequently, upward occupational mobility depends strongly on the job status, that is, on whether the employee is hired on a long-term basis. Likewise, downward occupational mobility is hypothesized to be increasingly pronounced because of the higher amount of job changes that may often be connected with interfirm

mobility. Especially in internal labor markets in which occupations are less standardized than in occupational labor markets, the skill level may often not be maintained from one job to the next. It is therefore expected that downward occupational mobility is also a frequent phenomenon during the first years after employment entry.

H2:   *Changes in the impact of 'bad' labor market entries on early career establishment prospects*

A suboptimal labor market entry is supposed to have negative consequences for subsequent career chances. The quality of the first job may be influenced by the *searching time* until first employment. A longer searching time may force young people to accept any job they can get, even jobs below their qualification level, fixed-term contracts, or part-time employment. Another possibility is that first job quality may also be improved if young people prefer to wait until they find an appropriate job instead of accepting the first job opportunity that comes along.

If young people get a first employment for which they are overqualified, work under a fixed-term contract, or work only part-time instead of full-time, they do not have the same starting conditions as youths with optimal jobs. It is assumed that they will have more difficulties in achieving an upward occupational career as well as in establishing themselves in secure job positions compared to youths who start off in adequate employment situations. However, it makes sense to assume that chances vary between groups with different educational levels, and that some youths may manage to level out the initial mismatch better than others. More highly qualified youths, for instance, may use *fixed-term contracts* in order to move upward from one job to another; each time having the chance to upgrade their skills as well as to improve their wages. For less well-qualified youths, fixed-term contracts may represent an alternative to unemployment, and temporary employment is associated more with higher risks of job loss. *Overqualification* in the first job may impede upward mobility for all youths but to a different extent. Due to educational expansion, better qualified people may have higher risks of starting overqualified, but they are probably in a better position to level out the initial mismatch than young people in the middle range of educational qualifications. For the former, a bad entry may represent more of a bridge than a trap.

With regard to part-time employment, it is difficult to make any assumptions. On the one hand, it may lower upward career prospects, because people who are engaged in their occupational career mainly work in full-time jobs. On the other hand, there are certain jobs

mainly on a part-time basis that help youth to promote their upward career. For instance, academic jobs are often part-time in order to give PhD students time to do their dissertation thesis alongside their regular work. Insofar, it cannot be assumed that part-time employment generally lowers upward mobility chances or even the opportunity to get a full-time job afterwards. Nonetheless, part-time employment does not play a substantive role in France because of the 35-hour working week legislation. Therefore, the main emphasis is on fixed-term employment and overqualification in the first job. And here, education may be regarded as the key variable determining early career prospects. It makes sense to assume that for more highly qualified people, a bad entry more often serves as a stepping-stone toward a better rewarded job, whereas for less well qualified youths, a suboptimal entry is more likely to lead into a trap from which it becomes difficult to escape.

With regard to changes over time, my hypothesis is that conditions enabling young people to level out their initial mismatch may have improved across cohorts because of the ameliorating economic cycle during the period under observation.

H3: Changes in social inequality structures

There are several reasons for proposing that insecurity will not increase for all youth alike as expected by Beck (2000), but that inequalities will differ in several respects and are not distributed evenly across all young beginners as proposed by Breen (1997) and Goldthorpe (2007). The upgrading labor market with its implementation of new technologies requires more qualified personnel. Moreover, the greater number of youths with higher educational certificates makes it likely that young people with lower qualifications will have more difficulties in finding a first job, because their jobs are vanishing (by outsourcing to foreign countries), shrinking (industrial jobs), or being taken by more highly qualified people because of educational inflation (which, in turn, lead to higher risks of overqualification for better educated youth). As outlined in the first part of the thesis, new jobs are emerging for low or unskilled people in the service sector, but these jobs are not numerous enough to absorb the jobs lost in the industry sector. However, during the period under observation (1992 to 2005), it can also be assumed that the situation has not deteriorated as much for lower qualified young people because of the ameliorating economic cycle followed by a decline in the unemployment rate. The risk of unemployment after the first job may therefore have even decreased across cohorts for lower qualified youth as well. Furthermore, the growth of active labor market policies may help to improve young people's chances to become reemployed after a job loss.

Although it is hypothesized that all young people alike are more exposed to the risk of getting a fixed-term contract in their first job, there will be differences between better and less educated youth. Likewise, the chances of establishing themselves in secure and adequate jobs in the early employment career are hypothesized to depend strongly on educational attainment (see also the hypotheses for Research question 2 above).

Further characteristics influencing success or failure of labor market integration

As the above hypotheses reveal, education is regarded as the key variable responsible for explaining differences between young people's labor market chances. However, other characteristics also determine different outcomes of school-to-work transitions and early career establishment processes.

Individual characteristics

- Women

There is a broad field of research addressing gender inequalities on the labor market. The gender gap is often explained by the fact that women are not continuously disposable on the labor market for family reasons. Especially in the first years after employment entry a break for materal leave is most supposable. With regard to the three research questions above, my hypothesis is that there will be a gender gap for both labor market entry and early career establishment processes. The economic upswing between 1992 and 2005 might have ameliorated the situation for young women, so that their pattern converges to some extent with that of their male counterparts. However, it is assumed that employers prefer to hire young men instead of women even at labor market entry. This tendency will also continue in the further employment career (in which the probability of maternal leave increases successively), so that it will take longer for women to escape flexible jobs and enter secure employment. Moreover, their unemployment risks are also hypothesized to be higher, and their reemployment chances will be worse than those of young men.[17]

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[17] The conceptual part of this thesis mentioned that public sector jobs are more often considered as an alternative to the jobs in the private sector particularly for young females, because the application procedure is much more formal. Additionally, the jobs often appear to be more secure than in the private sector, because of the greater likelihood of standard employment contracts. Therefore, it can be assumed that young women with a first job in the public sector might face lower risks in their early employment career once they have successfully gained a first foothold on the labor market (Le Minez and Roux 2001). However, because the data do not distinguish between public and private sector jobs, it will not be possible to gain any results and draw conclusions on this.

- Migrants

Young people with a migration background are assumed to have more difficulties in both entering the labor market and becoming established during their early employment career. This assumption is based on various indications: First, migrants often have lower educational qualifications than native youths. This is often related to a lack of or insufficient language skills. Additionally, illiterate families with a lower social status are often less committed to providing their children with a background that adequately promotes their educational qualifications compared to intellectual families that place greater emphasis on human capital resources (see also 'parental social background' below). These disadvantages are often reinforced by the social environment. Migrants often live spatially segregated on the outskirts of big cities in which social problems, delinquency, and deviant behavior cumulate. Young people growing up and going to school in these segregated areas often have worse living and learning conditions than youth living outside these segregated areas. They are even negatively labeled in advance by their spatial context once they try to find employment. Furthermore, ethnic origin and the cultural distance to the receiving society are also crucial factors for explaining successful social integration. Employers might preferably hire workers who are familiar to the receiving society, because it might be easier to teach them the rules at their workplace.[18]

Beyond these shortcomings in human, social, and cultural capital resources, it has often been argued that migrants might be confronted particularly with certain forms of labor market discrimination in that employers will tend to preferably hire native youths rather than those with a migration background. In France, it is typically youths who originate from the Maghreb (Algeria, Morocco, and Tunisia) who often have difficulties because of their skin color and their foreign appearance. They represent the largest group of migrants in French society, and it is well known and often a topic of public and political debate that they are more disadvantaged than others.[19]

- Parental social background

The parental social background may impact on the child's career in various ways: First, children of better qualified parents profit from the fact that these parents are aware of the value of education for their children. Thus, they are more committed to ensuring that their children gain the best possible education.

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[18] Further and more differentiated explanations are provided in the second empirical study in Section 4.3, p. 146.
[19] This topic will be taken up and investigated in more depth in the second empirical part of this thesis (p. 140ff.).

Second, the father's occupation may open the door for children insofar as parents have social networks that they can rely on to provide their children with a smooth labor market entry or even a good quality job.

Firm characteristics

Beyond individual characteristics, further factors influence the smoothness of school-to-work transition as well as the subsequent employment career. For example, where young people gain their first employment plays a decisive role. Particularly the size of the firm, the branch, and the geographical region are hypothesized to have an important impact on the success or failure of the labor market integration process.

- Firm size

France has a dual structure in firm sizes: on the one hand, large enterprises that act as global players; and, on the other hand, a long tradition of small and medium-sized family enterprises. With its internal labor market structure, skill upgrading in France mainly takes the form of on-the-job training within firms. As explained in the first part of this thesis: the larger the firm the greater the likelihood of receiving training. If young people start in small or medium-sized firms, it may be more difficult for them to access further job-specific training. Also intrafirm job mobility is more likely in larger firms. As a result, unemployment risks in the early career may be lower if young people start in bigger companies. This assumption is also reinforced by the fact that large companies are not as vulnerable to cyclical fluctuation as small ones. With regard to job mobility in the early career, it may therefore be an advantage to get a first job within a larger firm.

- Branch/Sector

In terms of the sector or industry level, it is difficult to formulate any precise hypotheses about individual career chances, because too many intervening components have to be considered. One aspect is the fact *where* young people get their first job as well as *where* they promote their further employment career. This refers to the importance of the geographical region.

- Geoeconomic background

The the geoeconomic background where young people complete their educational track can have an impact on their employment career insofar as the unequally distributed structure of educational opportunities and of economic sectors leads to territorial disparities that determine and frame their labor market chances. Therefore, where young people complete

their educational track is crucially important, because educational opportunities are not spread evenly across the French territory. Also the labor market structure is characterized by the predominant economic sectors. Thus, there are socioeconomic areas in which agriculture is still predominant, whereas there are other zones in which the service sector is the most dominant economic sector. The predominant branches mainly determine the regional labor market context and frame local employment chances. If an individual's educational level and type of diploma matches the specific local labor market structure, the prospects for career chances might be promising. Otherwise, young people have to decide whether to leave the socioeconomic area or to face higher risks of unemployment. Because this interplay is very complex, it is not possible to formulate any concrete hypothesis. However, because of the relevance of the local background, it will be considered as a covariate in most of the empirical analyzes.

3.4   Research design

An empirical investigation of the three research questions requires a longitudinal research design combining both (a) an individual-based approach to analyze individual labor market integration pathways over time and (b) a cohort comparison approach to measure social change.

Figure 3.4 presents the analyses and the dependent processes in the longitudinal design for the individual-based approach.

The analyses are subdivided into two phases: the immediate school-to-work transition and the early employment career in the 3 to 5 years after finding a first job. Labor market entries will be studied as the *(1) duration of finding a first job* after leaving the educational or vocational training system. The question is how long it takes young people to get a first foothold on the French labor market.

As hypothesized above, a longer searching time could have negative effects on subsequent career prospects insofar as a longer duration of unemployment until entering a first employment may force young beginners to accept any job they can get. Therefore, the speed and smoothness of school-to-work transitions as well as the *quality of the first job (2)* decisively determine the starting conditions for young people. The quality is measured with three indicators: (2.1) the type of employment contract, that is, the risk of getting a fixed-

Figure 3.4: Schematic representation of the longitudinal design: Dependent variables and processes
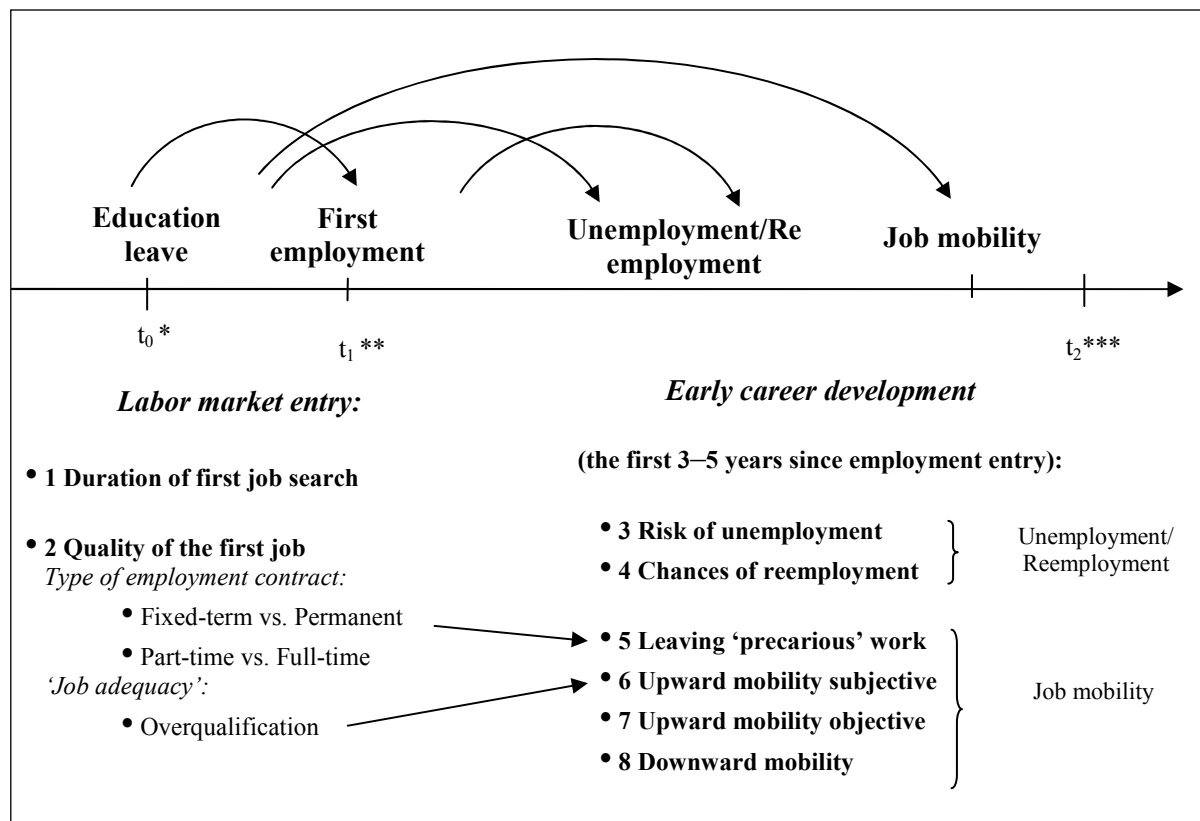
term versus a full-time contract; (2.2) the risk of working part-time versus full-time; and (2.3) the risk of being overqualified for the job requirements versus the chances of being adequately qualified. The easing of restrictions on providing fixed-term contracts as a measure of numerical flexibilization is an appropriate instrument for employers in two ways: in circumventing the dismissal protection of employers and in screening their new working staff before hiring them on a permanent basis. As the previous section has shown (see Figure 3.3, p. 50), the allocation of fixed-term contracts is more widespread among young beginners than among other groups on the labor market. Although the general working time is relatively low in France because of the 35-hour-week legislation, it is also a drawback for youth to start with part-time work instead of being hired on a full-time basis. Not only are their wages necessarily lower, but also their career prospects are limited compared to full-time job positions (except certain jobs like for academics, see explanations above, p. 57). Finally, the risk of being overqualified is measured with a subjective assessment based on compiling individuals' opinions on whether or not their jobs match

their educational qualifications. Respondents were asked in the questionnaire whether they feel adequately, or even over or underqualified for the job requirements. This measure is used in preference to an objective one,[20] because it reflects the "self-declaring" adjustments that individuals really perceive. Of course, one has to be aware that this indicator might introduce some bias, for instance, that of social desirability, or even correlations related to the order of questions within the questionnaire.[21] Additionally, overqualification is a phenomenon that occurs typically in the middle and upper field of educational qualifications. It is quite uncommon for people with lower or the lowest educational attainments to feel overqualified because their job requirements are also the lowest.

The next step to be investigated is the phase after the first job. Because of the limited duration of fixed-term contracts, there is a higher *risk of becoming unemployed immediately after the first job (3)*. After having once encountered an unemployment period, the *chances of reentering the labor market and become reemployed (4)* will be explored.

Afterwards, analyses will focus on the subsequent 3 to 5 years of the *early employment career*. The main focus is on the dynamics of job mobility. To see whether bad entry positions (relying on the quality of the first job) lead to a trap or represent a hurdle to better paid jobs (Research question 2), youths who have had a fixed-term contract in their first job and those who felt overqualified in their first employment will be investigated. The *chances of transforming a fixed-term contract for the first employment into a permanent one (5)* and the *duration of the leveling out of the initial qualification mismatch (6)*, that is, until getting a job in which the person feels adequately qualified will be analyzed in more depth.

Finally, vertical job mobility in the early employment career will be analyzed, that is, the *chances for upward (7) as well as the risks of downward occupational mobility (8)*. The aim is to see which groups of youths have better upward mobility chances and better manage to become established and which groups are confronted with more turbulence and even face higher risks of downward occupational mobility.

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[20] Another possibility is to measure overqualification by applying a normative approach that is more objective. In this case, the ISCO occupational classification (respectively the French socioeconomic index of occupational status) is used to establish a link between the level of education and occupational class (see OECD 2007).

[21] For instance, in their study of young people with immigrant backgrounds in France, Lainé and Okba (2004) found that it is particularly second-generation Maghrebian youths (whose parents originate from Algeria, Marocco, or Tunisia) who more often feel overqualified and misjudged by their employers with regard to their capabilities. This led the authors to apply an objective measure to see whether this would coincide with the results of the subjective assessment. They found highly overlapping results.

These analyses will be used to develop the basic structure for investigating individual labor market integration paths. The chances at labor market entry as well as the processes of labor market establishment in the early employment career can be analyzed as causally interrelated transitions and trajectories. However, to answer the three research questions entirely and gain information on social change (shifts over the past two decades), the research design has to be dynamized by supplementing it with a cohort comparison approach. This will be done by combining three datasets each containing data from youth who left the educational or vocational training system (including apprenticeship) in different years, namely, in 1992, 1998, and 2001 (see next section). Then, all the models mentioned above can be calculated separately for each of these three cohorts. Comparing the results will deliver information on changes and continuities.

This cohort comparison makes it possible to detect, first, whether there is an effect of increased labor market flexibilization in that opportunities for young people have changed or even worsened across cohorts in terms of the speed ('Duration until first employment') and smoothness of the school-to-work transition ('Quality of the first job') and in terms of their early career establishment ('Chances of replacing the fixed-term into a permanent contract,' 'Chances of leveling-out the initial qualification mismatch of overqualification,' 'Upward and downward occupational mobility') (Research question 1).

The cohort comparison design is also necessary to answer the second and third research question. that is, to compare the chances of leveling out an initial mismatch in the first job in the early employment career (Research question 2) as well to investigate whether social inequality structures have changed over time or persisted (Research question 3).

Before presenting the explanatory variables included in the empirical models, I shall describe the databases in more detail.

3.5 Data and Methods

The analyses are based on a series of three nationally representative surveys conducted by CEREQ[22] (*Centre d'Études et des Recherches sur les Qualifications*). Using computer-assisted telephone interviews, these surveys collected monthly retrospective information from large samples of youths who had left the educational or vocational training system

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[22] CEREQ is a public institution working under the aegis of both the Ministry for Employment and Health and the Ministry for National Education, Youth and Associated Life. For more information see www.cereq.fr

(including apprenticeship) at various levels for the first time in a given year (without reentering education within the subsequent year). In 1997, the '*Génération 1992*' survey interviewed 26,359 young men and women who left school, apprenticeship, or university at various levels in 1992. Similarly, a '*Génération 1998*' sample of 22,021 youths was surveyed in 2001 and 2003. Finally, 13,987 youths were interviewed in 2004 in the context of the '*Génération 2001*' survey. This survey offers an observation window of only 3 years, compared to 5 years in the first two cohorts. In the introduction, I emphasized that economic circumstances and unemployment rates have evolved unevenly since the early 1990s. The analyses will, therefore, benefit from the fact that these three school-leaver cohorts (1992, 1998, 2001) have experienced contrasting situations during the years of their labor market establishment (see Figure 3.5).[23]

The respondents' activities after leaving the educational system were assessed on a monthly basis and the following states were differentiated: holding an employment contract, unemployed, inactive, in training, back in education, in military service, employed for a holiday job, or on vacation. Detailed information was collected on each episode consisting of a sequence of successive months engaged in the same activity. For example, for job episodes, information was gathered on the type of contract, detailed occupation, income perceived, and so forth. Alongside this longitudinal data, various sociodemographic characteristics of the interviewees were assessed. Designed similarly, the three surveys are highly comparable, except on one minor point. Holiday jobs are considered separately from other jobs in the questionnaires for the last two cohorts but not for the first one. In the latter case, approximation rules are therefore applied to implement the distinction and achieve satisfactory comparability.

Labor market entry processes will be investigated using piecewise constant exponential models for the duration of search for a first job. Because of the high quality of the calendar data, no other restrictions were applied when defining the first significant job. In other words, the first episode that corresponds to an employment contract and is not defined as a holiday job was selected. In doing so, no minimum duration of the first job was introduced. Descriptive analysis shows that in each cohort, only less than 14% of the sample found a first job that lasted 3 months or less.

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[23] Unfortunately, no data is available for the 1980s when globalization and labor market flexibilization started to increase.

Figure 3.5:   The education leaver cohorts 1992, 1998, 2001 and their economic starting conditions
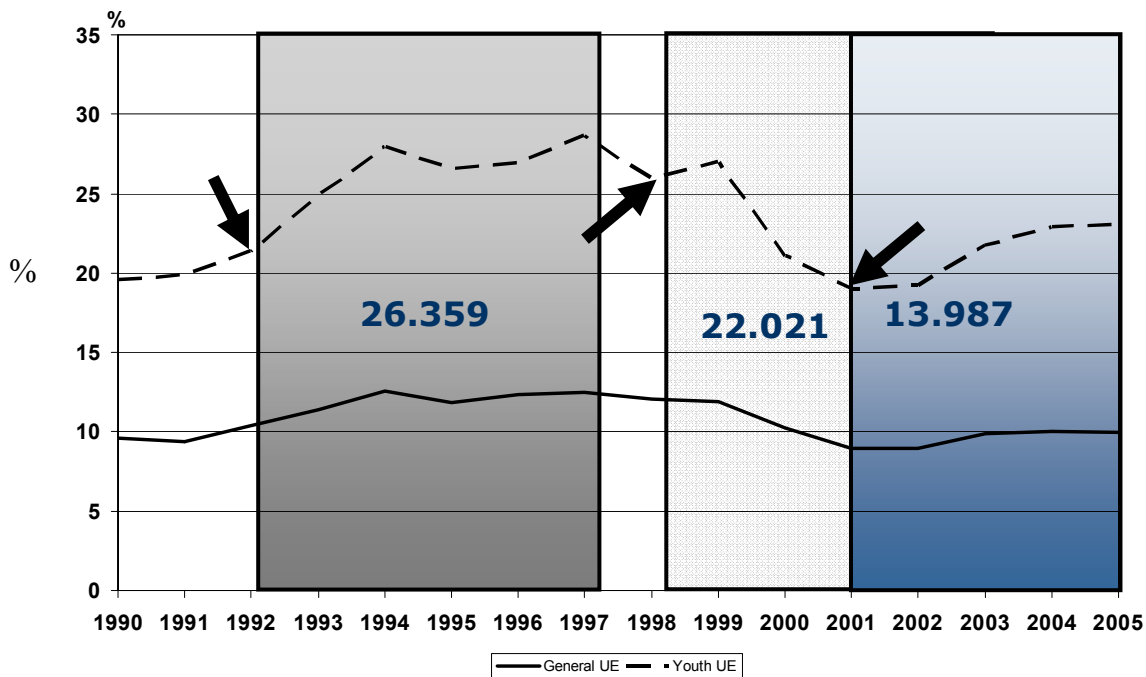
Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001), Insée: Unemployment rates statistics.

Before analyzing the transition to the first job, a specific treatment was applied to persons who started military service or training within 3 months of leaving the educational system. More precisely, in these cases, the observation window started at 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 commence one of these activities almost immediately. Hence, the previous months must be seen more as waiting loops, rather than real searching periods.

Subsequently, logit models were applied to analyze the quality of the first job. Job quality is assessed by three main characteristics: first, the risk of getting a fixed-term contract (vs. a permanent contract), second, the risk of working part-time (vs. full-time), and third, the risk of being overqualified for a respective job position (vs. being adequately qualified).

In the next steps, the early employment career of those who found a first job is analyzed in more depth. First, piecewise constant exponential models are applied to study the risk of becoming unemployed after the first job as well as the chances of subsequent reemployment prospects.

Then, occupational mobility is investigated, once again using piecewise constant exponential models. The first analysis investigates the duration of leaving precarious work

once the person started with a fixed-term contract in first job or felt overqualified with regard to the match between educational qualification and job requirements. The last two analyses measure the duration of upward and downward occupational mobility after the first job. Upward occupational mobility is measured with a French socioeconomic scale (Chambaz et al. 1998). An upward move (respectively downward move) is defined as an increase (respectively decrease) of at least 10% in occupational status. For persons attending military service after their first job, the duration spent on military service is defined as zero, because it is not possible to participate on the labor market during this time. Altogether, 22% of the males are received this treatment in the 1992 and 1998 school-leaver cohort, whereas military service had already been abolished for the 2001 cohort. Table 3.1 summarizes all covariates included in the models as explanatory variables.

3.6 Empirical findings

3.6.1 Labor market entry

Transition to the first job

A first picture of the school-to work transition can be gathered from Figure 3.6. Product-limit estimations for the three education-leaver cohorts show the different speeds in finding a first significant job after leaving the educational or vocational training system. Generally, the school-to-work transition is relatively smooth. That means, young school-leavers do not face any serious problems in entering the labor market. More than one-half of youths find a first job within the first few months. From the total sample of young job seekers, 91% succeed in finding a first employment. But the longer young people search for a job, the more difficult it becomes to find one.

Looking at the three survivor functions separately highlights that the speed of school-to work transition has increased across cohorts. This improvement is closely related to the economic cycle, which considerably revived at the end of the 1990s and the beginning of the 2000s (see Figure 2.4, p. 24). This, of course, offers better starting conditions for the two latter cohorts. Beyond this, the more widespread allocation of temporary contracts contributes to this effect as well: the more common it is to provide fixed-term contracts, the more likely it is that young people will start with such a contract. Although such employment relations are not secure jobs, at least they provide a first foothold on the labor market.

Table 3.1:   Explanatory variables used in the models

Covariates	Definition
Time periods	
Labor market entry: Duration until first unemployment Duration until becoming unemployed after the first job Duration until becoming reemployed	- up to 3 months - 3 to 6 months - 6 to 9 months - 9 to 12 months - 12 to 24 months - 24 and more months
Early employment career: Duration of leaving precarious work Duration of finding an adequate job Duration of upward mobility Duration of downward mobility	- up to 6 months - 6 to 12 months - 12 to 18 months - 18 to 24 months - 24 to 36 months - more than 36 months
Covariates measuring social change	
Education leaver cohorts	Defined by CEREQ when selecting the retrospective data (see chapter X.X) - 1992 - 1998 (ref.) - 2001
Yearly average unemployment rate	Based on the unemployment rates statistics from Insée
Individual characteristics	
Gender	- Male - Female
Migration background	- French natives - Not French (immigrants and their descendants)
Parental social background	Father's occupational status: - Farmer - Principal of a firm, Tradesman, Artisan - Self-employed, Teacher, Engineer, Manager - Technician, Foreman, Middle-class positions - Employee - Worker
Previous job experiences	Job experiences and skills gathered during school by part-time jobs

Table 3.1   continued

Covariates	Definition
Qualification	Highest educational attainment, using the modified CASMIN classification scheme (see Brauns and Steinmann 1999) with a 6-point scale:
	1: Elementary education: inadequately completed and completed compulsory education without providing any qualification (1ab)
	2: Basic vocational education: general elementary education and vocational qualification (1c)
	3: Intermediate vocational education: secondary or postsecondary nontertiary programs providing vocational qualification (2a)
	4: Intermediate general education: secondary education does not provide any occupational qualification and full maturity certificates (designed to provide an access to tertiary education) (2bc)
	5: Lower tertiary: lower stage of tertiary education with occupation-oriented programs (3a)
	6: Higher tertiary: traditional university (3b)

Contextual characteristics

Covariates	Definition
Firm size of first job	Based on company's number of employees:
	• 0–9 employees
	• 10–49 employees
	• 50–199 employees
	• 200–499 employees
	• 500 and more employees
Branch of first job	Coded according to the classification scheme developed by Singelmann (1978)
	• Extractive sector
	• Transformative sector
	• Producer services
	• Distributive services
	• Personal services
	• Social services
Socioeconomic area	Place of residence at the end of the educational system
	- Rural zones with agriculture
	- Rural zones with industry
	- Declining manufacturing industry
	- Dynamic manufacturing industry
	- Tertiary sector and small businesses
	- Urban zones

Table 3.1 continued

Covariates	Definition
First job characteristics	
Prestige score of first job (French socioeconomic index of occupational status)	Job Prestige score of a French socioeconomic index of occupational status
Duration of first job search	Number of months until finding a first job
Fixed-term contract in first job	Fixed-term contract in first job
Overqualified in first job	Overqualified in first job
Interaction: Qualification * First job: Fixed-term contract	• Elementary education * Fixed-term contract in first job • Basic vocational education * Fixed-term contract in first job • Intermediate vocational education * Fixed-term contract in first job • Intermediate general education * Fixed-term contract in first job • Lower tertiary education* Fixed-term contract in first job • Higher tertiary education * Fixed-term contract in first job
Interaction: Qualification: First job overqualified	• Elementary education * overqualified in first job • Basic vocational education * overqualified in first job • Intermediate vocational education * overqualified in first job • Intermediate general education * overqualified in first job • Lower tertiary education* overqualified in first job • Higher tertiary education * overqualified in first job
Process-related covariates	
Number of fixed-term contracts	Number of fixed-term contracts until the event occurs
Number of unemployment spells/periods	Number of unemployment periods between different activities before the event occurs
Interaction: Qualification * Number of fixed-term contracts	• Elementary education * Number of fixed-term contracts • Basic vocational education * Number of fixed-term contracts • Intermediate vocational education * Number of fixed-term contracts • Intermediate general education * Number of fixed-term contracts • Lower tertiary education* Number of fixed-term contracts • Higher tertiary education * Number of fixed-term contracts

Source: Own illustration.

Before investigating the allocation of different contract types and the quality of the first job in more depth, I shall take a closer look at the process of the school-to-work transition, that is, the duration until finding a first job. Table 3.2 presents the results from the piecewise constant exponential models.

The explanatory variables in the models show that young men find a first employment faster than their female counterparts. This gender difference is in line with expectations. Young men achieve their labor market entry more easily. However, youths with a migration background need longer to enter the labor market than French natives.

Figure 3.6:   Transition to the first job after leaving the educational system, by cohorts (product-limit estimations)
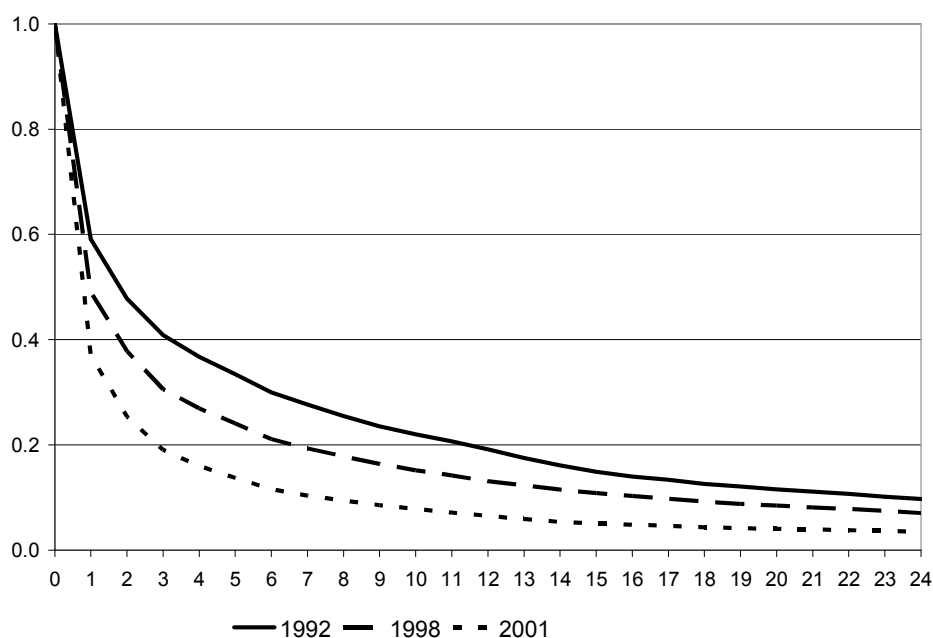
As hypothesized, educational qualification is a decisive variable. Young people with a lower tertiary (often vocational) certificate are in the best position compared to all other groups. The most disadvantaged groups are those youths who have gained only elementary education. Previous job experiences, however, improve the labor market entry process and impact positively on the speed of the school-to-work transition (Model 3).

The parental social background influences labor market entry in that if the father is a worker, the transition from school to work proceeds more slowly than in all other groups. This could be explained by the fact that social origin influences not only the educational career but also social competencies such as behavior in a job interview or in the context of

the application procedure. Furthermore, the father's occupation is often included in a curriculum vitae, so that employers may draw on stereotypes of social groups if they know an applicant's social background (Seibert and Solga2005).

The speed of entering the labor market depends strongly on the economic cycle—the unemployment rate impacts substantially on the speed of the school-to-work transition: Young people have to search longer for a first job in times of economic downswings (Model 2).

The regional structure of the domestic labor market also impacts on labor market entry performance. Chances of a smooth school-to-work transition are best in rural zones with industry as well as in dynamic manufacturing industry regions. These are mainly the areas surrounding Paris as well as the eastern part of France in which economic activities are prospering (Baccaïni 2001). A relatively immediate school-to-work transition is also possible in urban regions such as the Île de France and other large regional urban centers. The slowest transitions can be observed in zones with declining industry and regions dominated by tertiary sectors jobs and small businesses. Accordingly, the general unemployment rates in these regions are below the average.

Changes across cohorts

Separate models for the three education-leaver cohorts show that most of the explanatory variables remain stable over time (Table 3.3). Thus, young women and migrants continuously need a longer searching time than their reference groups (men or French natives). Only the impact of qualification on the speed of finding a first job shows some changes—especially for the most highly qualified youths with university degrees. Compared with the group with lower tertiary education, the speed of the school-to-work transition has effectively deteriorated over time for those with the highest diplomas (Casmin 3b). In contrast, youths who finished their education with basic vocational education find a first employment faster than those with lower tertiary degrees in 2001. This could be explained by the fact that the improved economic situation on the domestic labor market leads to a higher demand for jobs in the manual sector such as the building, consumer, or automobile industries.

The question, however, is what kind of job contract young people with basic vocational education receive. Are these preferably fixed-term contracts or permanent ones? The next section will investigate this question in more detail.

Table 3.2: 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**	-0.46**	-1.11**
3 to 6 months	-1.55**	-1.10**	-1.69**
6 to 9 months	-1.90**	-1.45**	-2.04**
9 to 12 months	-2.17**	-1.71**	-2.30**
12 to 24 months	-2.36**	-1.89**	-2.48**
24 and more months	-2.95**	-2.51**	-3.07**
Cohort (1998 = ref.)			
1992	-0.22**		-0.23**
2001	0.25**		0.23**
Gender (Women = ref.)			
Men	0.19**	0.19**	0.18**
Migration background (no = ref.)			
Yes	-0.12**	-0.11**	-0.11**
Educational qualification (Lower tertiary education (3a) = ref.)			
Elementary education (1ab)	-0.76**	-0.81**	-0.66**
Basic vocational training (1c)	-0.13**	-0.18**	-0.04*
Intermediate vocational education (2a)	-0.29**	-0.35**	-0.23**
Intermediate general education (2bc)	-0.26**	-0.26**	-0.23**
Higher tertiary education (3b)	-0.16**	-0.13**	-0.17**
Yearly average unemployment rate		-0.01**	
Socioeconomic area (Urban zones = ref.)			
Rural zones with agriculture			-0.02
Rural zones with industry			0.08**
Declining manufacturing industry			-0.08**
Dynamic manufacturing industry			0.14**
Tertiary sector and small businesses			-0.11**
Parental social background (Worker = ref.)			
Farmer			0.13**
Principal of a firm, Tradesman, Artisan			0.11**
Self-employed, Teacher, Engineer, Manager			0.07**
Technician, Foreman, Middle-class positions			0.07**
Employee			0.06**
Previous job experiences			0.22**
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)	33,840	32,216	34,848

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

To summarize, the changing effect of educational qualifications on the speed of the school-to-work transition gives rise to the conclusion that a diploma prepared by apprenticeship or vocational training, or even within a university of applied sciences provides the best entry ticket to the labor market, because young labor market entrants benefit from the job-specific skills they have acquired. Their certificates presumably give employers concrete information about their professional skills. In the same way, previous job experiences can be regarded as a positive signal that education leavers have already been integrated into some jobs and are motivated to work (Béduwé and Giret 2001). The effect of *previous job experiences* is positive and significant for the 1992 and 2001 education-leaver cohort, but not significant for the 1998 cohort. As Figure 3.5 shows, the economic cycle improves in these years. This supports the assumption that previous job experiences may be more helpful in times when labor supply is higher than demand. It can be a decisive factor for finding a job faster, because youths possessing some job-specific skills are more attractive for employers than others with the same educational qualifications.

The effect of parental social background differs over time. For the 1992 and 1998 education-leaver cohorts, a father who is not a worker is an advantage leading more quickly to a first job. However, for the 2001 cohort, only children whose fathers are in better job positions profit from their social capital: Children of employees, principals of a firm, tradesman, or artisans have better chances of a fast school-to-work transition. Finally, only slight changes can be seen in the patterns within and between socioeconomic areas. The smoothest school-to-work transition is found in dynamic manufacturing industry areas and in urban zones, whereas searching time is longer in declining manufacturing industry areas and in zones with predominantly tertiary sector jobs and small businesses.

Quality of the first job

It seems that finding a first job is not a major problem in France. A trend toward an increasing speed of school-to-work transition can be observed across cohorts. However, the question is what is the quality of these first jobs? Having a job does not necessarily mean that it is a good job. In this section, I investigate first job quality in more detail as (a) the type of contract young people usually receive, that is, the risk of getting a fixed-term instead of a permanent employment contract; (b) the risk of being employed on a part- instead of full-time basis; and (c) the chances of feeling adequately qualified versus overqualified for the job requirements. These analyses shed light on the real situation of young people's labor market entry.

Descriptive results show that the median duration within the first job has increased across cohorts from 13 months for the 1992 education-leaver cohort, to 17 months for the 1998 cohort, and 19 months for the 2001 cohort. Although job tenure is not a significant indicator of job quality as such, it nevertheless indicates that an improvement can be observed over time.

Working part-time in the first job has declined monotonically from 29% of the youths in the first to 15% in the last cohort. Quantitatively speaking, part-time work as a measure of labor market flexibilization is neither very frequent nor pronounced at labor market entry in France. This is presumably related to the legislation reducing working time to 35 hours per week.

The share of those working under a temporary contract reveals a completely different picture: This rises above 60% in all cohorts with a peak of 69% in the 1998 cohort. This was also the time when unemployment decreased and the situation on the domestic labor market ameliorated. This is probably a sign of the easing of restrictions on fixed-term contracts. In reality, employment entry is now a fixed-term contract instead of a permanent one for the majority of youths.

With regard to overqualification, 39% of the 1992 and 39% of the 1998 education-leaver cohort feel overqualified when comparing their competencies to the requirements of their first job. For the 2001 cohort, this is still at least 32%. That is, more than one-third start their first job with the feeling of being overqualified.

For each of the three job characteristics, Table 3.4 presents detailed and separate results of the logit models analyzing first job quality.

Replacing cohort dummies by the yearly average unemployment rate (in each case Model 2) reveals positively significant coefficients suggesting that first job quality correlates strongly with the economic cycle. A higher unemployment rate in the general population increases the risk of temporary employment, overqualification, and part-time work.

Fixed-term contract

The likelihood of getting a temporary contract is lower for young men than for young women. There are no significant differences between migrants and French native youths, indicating that starting with a fixed-term contract does not imply ethnic disadvantages.

Table 3.3: Transition to the first job after leaving the educational system the early-1990s, by cohorts (piecewise constant exponential models)

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Periods									
up to 3 months	-1.45**	-1.33**	-1.55**	-1.18**	-0.92**	-1.06**	-0.77**	-0.57**	-0.70**
3 to 6 months	-2.08**	-1.93**	-2.13**	-1.83**	-1.51**	-1.63**	-1.42**	-1.15**	-1.26**
6 to 9 months	-2.36**	-2.19**	-2.38**	-2.26**	-1.90**	-2.01**	-1.98**	-1.68**	-1.78**
9 to 12 months	-2.61**	-2.43**	-2.62**	-2.56**	-2.16**	-2.27**	-2.31**	-1.99**	-2.09**
12 to 24 months	-2.72**	-2.50**	-2.69**	-2.88**	-2.43**	-2.53**	-2.73**	-2.37**	-2.47**
24 and more months	-3.61**	-3.33**	-3.51**	-3.33**	-2.82**	-2.91**	-3.32**	-2.93**	-3.02**
Gender (Women = ref.)									
Men	0.19**	0.20**	0.18**	0.23**	0.28**	0.27**	0.04*	0.10**	0.10**
Migration background (no = ref.)									
Yes	-0.18**	-0.15**	-0.14**	-0.21**	-0.13**	-0.11**	-0.13**	-0.07**	-0.06**
Educational qualification (Lower tertiary education (3a) = ref.)									
Elementary education (1ab)		-0.59**	-0.44**		-0.87**	-0.80**		-0.88**	-0.80**
Basic vocational training (1c)		-0.03	0.10**		-0.28**	-0.22**		0.02	0.07+
Intermediate vocational education (2a)		-0.09**	-0.01		-0.44**	-0.38**		-0.41**	-0.37**
Intermediate general education (2bc)		-0.13**	-0.08**		-0.32**	-0.29**		-0.35**	-0.34**
Higher tertiary education (3b)		0.03	0.02		-0.21**	-0.21**		-0.27**	-0.29**
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			-0.05*			-0.02			0.02
Rural zones with industry			0.04			0.14**			0.04
Declining manufacturing industry			-0.07**			-0.10**			-0.06**
Dynamic manufacturing industry			0.15**			0.16**			0.10**
Tertiary sector and small businesses			-0.10**			-0.13**			-0.09**
Parental social background (Worker = ref.)									
Farmer			0.19**			0.10**			0.05
Principal of a firm, Tradesman, Artisan			0.12**			0.09**			0.11**
Self-employed, Teacher, Engineer, Manager			0.09**			0.06**			0.04
Technician, Foreman, Middle-class positions			0.11**			0.06*			0.02
Employee			0.09**			0.04*			0.07**
Previous job experiences			0.27**			0.20			0.18**
Events	22,827	22,827	22,827	20,588	20,588	20,588	13,486	13,486	13,486
Total persons	26,355	26,355	26,355	22,009	22,009	22,009	13,974	13,974	13,974
Censored persons	3,528	3,528	3,528	1,421	1,421	1,421	488	488	488
-2*diff.(LogL)	9,862	10,868	11,416	11,290	12,666	13,032	5,826	6,486	6,640

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

As mentioned above, the risk of getting a temporary contract is highest for the 1998 education-leaver cohort. Regarding education, there is a clear advantage for the most highly qualified youths holding a university degree compared to the reference group of youths with lower tertiary degrees. But those with basic vocational education also have a lower risk of getting a fixed-term contract, probably because they start in jobs for which they are especially trained, making it very probable that they are adequate employees for the job in question. As mentioned above, they profit from the job-specific skills they have acquired during their vocational training.

The findings confirm once again that young labor market entrants holding the highest educational certificates or diplomas prepared by apprenticeship or vocational training seem to be in a particularly favorable position. Remarkably, however, previous job experience increases the likelihood of temporary contracts. The opposite effect had been expected. Parental social background also increases the chances of a permanent contract. Only youths whose father is a worker, a technician, or employed in middle-class positions do not profit from their social background.

However, the duration of first job search also plays a role in the risk of temporary employment. The longer the searching time takes, the more likely it is that young people have to accept a fixed-term contract. Interaction effects for *educational attainment* and *first job search duration* show significant coefficients only for the lowest qualified youths (Model 3). The risk of starting with a fixed-term contract is lower for those with elementary education, whereas it is higher for those with basic vocational education. Therefore, the latter have the best chances of getting a permanent contract if they find a first job immediately. Because young people with elementary education can only get jobs for which the job requirements are low (e.g., in garbage collection or office cleaning), employers take no risks when providing them with permanent contracts.

Alongside individual characteristics, contextual issues such as firm size or the branch in which young people start their first employment also play a decisive role. Results show that the likelihood of getting a fixed-term contract is higher particularly in middle-sized firms with 50 up to 500 employees compared to very small or even very large firms. This may relate to the traditional structure of family firms and their unwillingness to take risks. With respect to the branch, the risk of getting a fixed-term contract is highest in social service sector jobs. These are often occupations such as cleaning or waiting that employ low-qualified workers who are easy to replace and are often recruited through temporary

employment agencies. The employment of these workers depends strongly on seasonal demand. Unemployment also determines the allocation of fixed-term contracts: the higher the unemployment rate, the more likely employers will provide a fixed-term contract because this is a nonbinding decision that can be withdrawn very easily. Although fixed-term contracts are seen as insecure job positions, they can be preferable to unemployment in times of economic recession.

Finally, the regional environment impacts on the starting situation: Fixed-term contracts are least likely in areas with dynamic manufacturing industries. This is because productivity is high and unemployment accordingly lower than in other socioeconomic areas in which the risks of temporary employment are higher.

Overqualification

Results show that young men more often feel overqualified than young women. Also young people with a migration background are more exposed to the feeling of being overqualified for their job requirements compared to their French native counterparts.

For the most highly qualified jobs, youths have to be able to offer the highest qualifications. Hence, it is very improbable that young people feel overqualified for these jobs. Moreover, tertiary degrees provide more transparency as such about the qualifications young people possess. It thus seems that the potential discrepancy between the required and the actual individual qualifications is not as pronounced for highly qualified job positions as it is for other jobs.

The phenomenon of overqualification appears to be most widespread in the middle range of the educational credential ladder, because these are the young people who more strongly feel overqualified for their specific job. Moreover, the fact that general diplomas are the most popular educational attainments in France probably makes it more difficult for employers to assess whether a candidate is suitable for the particular job position. Indeed, results reveal that it is predominantly young people with an intermediate general education who feel overqualified, whereas those with intermediate vocational education do not perceive this. It is probably easier for them to find an adequate job position, because their acquisition of job-specific qualifications during vocational training reduces skill mismatches right from the start.

Table 3.4: Quality of the first job: Fixed-term contract, subjective assessment of overqualification (excluding all those with elementary education), and part-time work (logit models)

	Fixed-term contract				Overqualification				Part-time work			
	1	2	3	4	1	2	3	4	1	2	3	4
Constant	0.88**	0.09	0.75**	0.98**	-0.53**	-1.77**	-0.75 **	-0.96**	-1.63**	-2.34**	-1.80**	-1.27**
Cohort (1998 = ref.)												
1992	-0.18**		-0.20**	-0.19**	0.04+		0.01	-0.06*	0.49**		0.48**	0.59**
2001	-0.22**		-0.20**	-0.22**	-0.33**		-0.33 **	-0.29**	-0.23**		-0.19**	-0.30**
Gender (Women = ref.)												
Men	-0.19**	-0.20**	-0.17**	-0.16**	0.23**	0.22**	0.23 **	0.11**	-1.13**	-1.14**	-1.08**	-0.76**
Migration background (no = ref.)												
Yes	-0.01	0.00	-0.02	-0.01	0.28**	0.28**	0.28 **	0.23**	0.09**	0.06*	0.08**	0.08**
Educational qualification (Lower tertiary education (3a) = ref.)												
Elementary education (1ab)	0.37**	0.35**	0.40**	0.38**	-	-	-	-	1.27**	1.40**	1.21**	1.27**
Basic vocational training (1c)	-0.06+	-0.08*	-0.10*	0.03	-	-	-	-	0.74**	0.85**	0.68**	0.74**
Intermediate vocational education (2a)	0.34**	0.32**	0.37**	0.39**	-0.20**	-0.15**	-0.04	-0.31**	1.06**	1.21**	1.02**	1.06**
Intermediate general education (2bc)	0.24**	0.24**	0.25**	0.30**	0.22**	0.23**	0.33 **	0.10**	0.88**	0.91**	0.90**	0.91**
Higher tertiary education (3b)	-0.67**	-0.67**	-0.72**	-0.64**	-0.05+	-0.05+	-0.06 +	0.02	0.38**	0.41**	0.48**	0.35**
Yearly average unemployment rate		0.01**				0.01**				0.01**		
Parental social background (Worker = ref.)												
Farmer				-0.36**				-0.32**				-0.08
Principal of a firm, Tradesman, Artisan				-0.33**				-0.23**				-0.07+
Self-employed, Teacher, Engineer, Manager				-0.25**				-0.21**				-0.10**
Technician, Foreman, Middle-class positions				-0.05				-0.05				-0.11**
Employee				-0.08**				-0.08**				-0.03
Firm size (0–9 employees = ref.)												
10–49 employees				-0.01				0.28**				-0.04
50–199 employees				0.17**				0.42**				-0.18**
200–499 employees				0.31**				0.35**				-0.42**
500 and more employees				-0.02				0.10**				-0.91**

Table 3.4 continued

	Fixed-term contract				Overqualification				Part-time work			
	1	2	3	4	1	2	3	4	1	2	3	4
Branch (Social services = ref.)												
Extractive				-0.40**				0.52**				-1.07**
Transformative				-0.12**				0.54**				-1.44**
Distributive services				-0.37**				0.71**				-0.54**
Producer services				-0.39**				0.32**				-0.77**
Personal services				-0.71**				0.63**				-0.14**
Socioeconomic area (Urban zones = ref.)												
Rural zones with agriculture				0.12**				-0.10*				0.00
Rural zones with industry				0.21**				-0.06				-0.13**
Declining manufacturing industry				0.11**				-0.05+				0.01
Dynamic manufacturing industry				-0.08**				-0.07+				-0.28**
Tertiary sector and small businesses				0.13**				-0.04				-0.01
Previous job experiences			0.10**	0.10**			0.20**	0.20**			0.06*	0.05*
Duration of first job search			0.02**	0.02**			0.04**	0.02**			0.04**	0.03**
Interaction: Educational qualif.*Duration of first job search												
Elementary ed.*Duration of first job search			-0.01*								-0.01*	
Basic voc. ed.*Duration of first job search			0.02*								0.01	
Intermediate voc. ed.*Duration of first job search			-0.01				-0.04**				-0.01	
Intermediate gen. ed. *Duration of first job search			-0.01				-0.04**				-0.02*	
Higher tertiary ed.*Duration of first job search			0.01				-0.01				-0.03**	
Number of cases	56,513	56,513	56,513	56,513	38,842	38,842	38,842	38,842	54,251	54,251	54,251	54,251
-2*diff.(LogL)	7,368	7,326	7,594	8,796	38,842	2,354	2,668	3,638	22,616	21,954	23,014	25,736

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Previous job experiences also increase the feeling of overqualification. This is probably because youths who have just gained some kind of practical job experience are better prepared for the job and therefore more often feel that the competencies they have acquired exceed the job requirements. The duration of first job search has the same effect: the longer young people search for a first job, the more likely it is that they get a job for which they consider themselves to be overqualified. Presumably, after a certain time of search, they have to accept any job, regardless of whether the qualification match is adequate or not. However, young people with intermediate general and vocational education profit from a longer searching time (Model 3). They can reduce the risk of a qualification–job mismatch the longer they wait until they find an appropriate job position. Social class background has a positive effect for all job beginners except for those youths whose father is a worker or a technician, foreman, or works in a middle-class position. This result could be explained by the fact that these children are often more realistic in their self-assessment and are more restrained when asked about their competencies during the application procedure. As a consequence, they more often get jobs for which they feel themselves overqualified.

Within the observation window, overqualification seems to diminish across cohorts, that is, it is more likely for the 1992 education-leaver cohort, and less likely for the 2001 cohort. As mentioned above, the macroeconomic situation on the domestic labor market also influences overqualification: the higher the general unemployment rate, the more likely it is that young people will feel overqualified in their first job. Therefore, the explanation is obvious: If labor supply exceeds demand, employees are more willing to accept jobs for which they would otherwise be overqualified. And, vice versa, if employers have the opportunity to hire more highly qualified people for jobs, they will no doubt prefer them. This may be more the case for young people with a general diploma who have not acquired any job-specific skills through an apprenticeship or vocational training.

Contextual characteristics such as firm size and branch show that the feeling of overqualification is more likely in larger firms, and even more likely in all other branches than in the social service sectors. The internal labor market structure in France makes it more attractive for youths to accept a first job for which they feel overqualified in larger firms, because the prospects of moving up the career ladder through on-the-job training is much more promising in these firms than in smaller companies. Overqualification is a phenomenon occurring more often in sectors in which tertiary sector activities dominate. In socioeconomic areas with predominantly agriculture or industry, the likelihood of feeling overqualified is lower to start with.

Part-time work

Although part-time work does not play such a crucial role in France because of the relatively low legal 35-hour working week, I shall examine this flexibilization measure and its development over time for the sake of completeness.

Young men are less subject to part-time work than young women. The results for migrants are also significant: Youths with a migration background face a higher risk of starting with part-time work than their French native counterparts. The coefficients for educational qualification show that people with lower tertiary education face the lowest risk of working part-time in their first job. A longer searching time for the first employment generally increases the risk of working part-time. Particularly people with higher university degrees as well as with intermediate general education can lower this risk the longer they are prepared to wait until accepting a first job (Model 3). This is also true for youths with just elementary education.

Social background appears to reduce the likelihood of part-time work when the father is not a worker, a farmer, or an employee. Part-time work is less likely in firms with more than 50 employees. The chances of gaining a full-time position are better in every branch except the social services.

Changes across cohorts

Are the patterns of first job quality stable over time, or is there a trend toward more labor market flexibilization, that is, an increase in the spread of fixed-term contracts, overqualification, and part-time work? Is there also increasing inequality between young labor market entrants over time? A partial answer to the first question was given in the introduction of this chapter when presenting descriptive results and when explaining the cohort dummies and the unemployment rate in the models. This reveals that a trend toward increasing labor market flexibilization cannot be ascertained, because no linear rise of flexibilized employment situations can be observed. The peak was in 1998. Before, and even afterwards, the distribution of fixed-term contracts was lower. The same is true for part-time work and overqualification. What can be ascertained instead is that the use of labor market flexibilization measures is determined more by the economic cycle than by increasing labor market flexibilization as such. Therefore, the first result on the first research question can be formulated as follows: *The French labor market does not reveal an increased use of flexibilization measures. In fact, the extent of using flexibilization*

measures is determined more by the economic cycle. And this trend is not linear, but cyclical. Even when there is an increasing variety of labor market flexibilization measures, their actual application depends on current need.

To answer the second question in more depth, I calculated separate models for each of the cohorts (see the Tables A1–A3 in the Appendix).

Results show that individual characteristics have not changed fundamentally over time. Instead, there is a more stable pattern across cohorts. For instance, the gender differences for the three indicators of job quality remain constant. Young migrants reveal no changes in the risk of overqualification. Regarding the likelihood of starting with a fixed-term contract, however, their chances have become increasingly similar to those of French natives since 1998. Whereas young migrants in the 1992 education-leaver cohort still have a lower risk of getting a temporary contract, these differences disappear in the 1998 and 2001 cohorts. The increasing use of fixed-term contracts means that temporary employment has become a more widespread and equally distributed phenomenon among youths in nearly all branches alike. It is therefore no longer restricted to particular groups of outsiders such as migrants. However, the opposite effect can be detected with regard to part-time work: Since the 1998 cohort, young migrants have lower chances than French natives of starting their first job with full-time work. Perhaps they are more willing than French native youths to accept any job even in times of an ameliorating economic cycle.

Even for educational qualifications, the results are largely constant over time. The most remarkable changes occur for the most highly qualified people with university degrees: Since 1998, they have been losing their relative advantages with regard to a lower risk of overqualification and part-time work compared to those receiving their diploma from a university of applied sciences. Their educational attainments no longer constitute a self-evident guarantee for adequate and secure jobs. Nonetheless, university graduates continue to have a lower risk of starting with temporary jobs than others. Insofar, they still have the best starting conditions compared to other young people.

Youths with basic vocational education who entered the labor market in 1992 and 1998 have a lower risk of getting a fixed-term contract compared to the reference group of those with lower tertiary degrees. For the 2001 cohort, however, this pattern has changed: Since then, the likelihood is higher for them.

Finally, the risk of overqualification in the first job seems to become more relevant for people with intermediate education as well as for those with university degrees: Whereas a lower likelihood or even no differences compared to the reference group can be observed in the 1992 cohort, since 1998, they have a higher risk of starting their first job with a feeling of being overqualified for the job requirements. Thus, overqualification becomes more pronounced among youths in the middle range of educational qualifications as well as for those with the highest qualifications.

Regarding the impact of *first job duration* on first job quality, it can be seen that the main effect remains stable across cohorts for all three indicators of job quality. Looking at the impact of job search duration separately for each educational class by estimating interaction effects (Model 2) shows that the interaction coefficients remain stable over time for the risk of part-time work insofar as there are no significant differences between educational classes, except for those with university degrees—they continuously have a lower risk of starting with part-time work the longer they search for a first job. However, some remarkable changes to the risk of temporary employment and overqualification in the first job can be observed. Whereas the 1992 cohort face a higher risk of getting a fixed-term contract the longer its members wait until getting a first job, this pattern then inverts: The 1998 cohort profit from a longer searching time. In the 2001 cohort, this effect can be observed for all educational classes alike. Overqualification reveals a similar trend: Waiting a certain time until accepting a first employment can help to reduce skill mismatches. This is true for the 1998 and 2001 cohort. Previously, university graduates in particular faced higher risks of skill mismatches the longer they searched for a first job.

Therefore, young people in the more recent cohorts do better to search a little bit longer if they want to avoid a temporary job contract or even a job in which they feel overqualified. *A longer searching time improves the chances across cohorts to obtain a better quality of first job for all educational classes except for those with lower tertiary degrees.*

The impact of social class background on first job quality also remains stable across cohorts. The relative disadvantages for youth originating from a worker's family improve respectively equalize slightly over time with regard to temporary employment contracts. Young members of the 1998 and 2001 cohort with fathers who are self-employed, teachers, engineers, or managers profit from their social capital in terms of a lower risk of getting a part-time job.

Up to now, the impact of individual characteristics on first job quality shows only little change, and the picture can be described as a relatively stable pattern over time. Changes can be seen only in the duration of first job search. Contextual variables also reveal a more dynamic picture of economic changes that influence the effects for firm size, branches, and regional structures.

The results for the 1992 and the 2001 education-leaver cohort show that the risk of getting a fixed-term contract is higher in middle-sized *firms* with 50 to 500 employees and lower in large firms with more than 500 employees. In contrast, the risk for the 1998 cohort is higher in all larger firms with more than 50 employees. Again, the development of the use of fixed-term contracts proves to be more cyclical than linear. The economic upswing in 1998 led to increased hiring. The option of providing temporary contracts is thus a more secure instrument for employers during the screening phase than permanent contracts.

Overqualification in the first job shows nearly the same picture as for temporary employment: In 1992 and 2001, it is found mainly in middle-sized firms with 10 to 500 employees. In 1998, again, the risk is also higher in firms with more than 500 employees. Hence, this effect reveals a cyclical pattern as well.

Finally, in the 1992 cohort, part-time work is less likely in all firms with more than 10 employees. In 1998, it is only less likely in firms with more than 50 employees; and in 2001, only less likely in firms with more than 200 employees. This reveals a linear trend in which young people starting in large firms remain less exposed to part-time work, whereas part-time work is not an unlikely phenomenon in smaller firms.

The impact of firm size on first job quality shows that it is particularly large firms that are able to withstand economic turbulence more successfully. In times of economic downswing, smaller firms are increasingly forced to adapt their human and productive capital resources to the current demand in order to avoid significant competition losses.

Changes in *branch* structures show that in the 1992 cohort, the likelihood of starting with a fixed-term contract is lower in all other branches except the social services. The situation is the same for the 1998 cohort, except that the transformative sector does not differ significantly from the social services. For the 2001 cohort, the picture reverses completely: The risk of getting a temporary contract is higher in the transformative and distributive sectors, lower in the personal services, and there are no significant differences between the extractive, producer, and social services. This means that temporary employment has

become more widespread among the sectors, because these contract types are preferred by employers in order to reduce binding decisions.

In contrast, overqualification and part-time work remain almost uninfluenced by these challenges. The pattern is constant across cohorts, that is, the risk of starting overqualified is higher in all other branches, and the risk of part-time employment is everywhere lower than in the social services. Jobs in the social services often do not require specific competencies. Accordingly, people can be hired very easily irrespective of their skills, previous job experience, and so forth. Part-time work is probably accepted more widely in order to avoid the alternative of unemployment and gain a first foothold on the labor market.

Regional changes can be described as a relatively stable trend over time. The risk of starting with a fixed-term contract remains lowest in urban zones and in areas dominated by dynamic manufacturing industry. In contrast, overqualification turns out to be a phenomenon that is distributed quite equally over the French territory. No consistent pattern can be detected that supports the assumption of regional disparities. Part-time work shows almost the same tendency—no significant differences can be observed between socioeconomic areas, except in dynamic manufacturing industry regions in which the chances of starting with full-time work are more likely.

3.6.2 Early employment career

The next sections follow up the first 3 to 5 years after employment entry and investigate whether or not patterns of early career paths have changed over time. Are young people able to escape flexible employment relationships? And can they level out mismatches in their first job? Who manages best and who is particularly exposed to labor market insecurities?

The first step analyzes the risk of losing the first job and becoming unemployed. This is followed by the chances of becoming reemployed after a certain period of unemployment. Which groups have the best chances to promote their employment career?

Unemployment after the first job

It was hypothesized that the early employment career is characterized increasingly by a series of short-term contracts, possibly interrupted by spells of unemployment. Descriptive statistics show that the occurrence of unemployment after the first job decreases from 29% in the 1992 cohort, to 19% in the 1998 cohort, and 18% in the 2001 cohort (with, in the latter case, an observation window of only 3 years). Conversely, the proportion of youths

who stay in their first job or switch immediately to the next one increases steadily from 51% to 67% and 74% respectively. Table 3.5 shows the results of piecewise constant exponential models. When no other covariates are included in the model (model not shown), cohort estimates confirm that the 1998 and 2001 education-leaver cohorts face the lowest risk of unemployment after the first job. This suggests that the situation has improved for young people during the period of observation. However, the picture changes slightly when adding other covariates to the models that control for educational qualification, gender, and migration background (Model 1). Here, the risk of unemployment is higher in the 2001 cohort and, above all, in the 1992 cohort compared to the 1998 one. Again, this result can be explained by changes in the economic cycle, because the covariate measuring the general unemployment rate at the beginning of the unemployment period demonstrates that the risk of unemployment after the first job rises strongly when unemployment increases in the general population (Model 2).

The risk of becoming unemployed is most likely 3 to 9 months after having started the first job—the period after which short-term contracts are normally terminated. Indeed, but not surprisingly, the occurrence of a fixed-term contract in first job considerably raises the risk of subsequent unemployment (Models 3 and 4).

Youths who are employed on the basis of part-time work also tend to lose their first job faster than those who work on a full-time basis. The duration of first job search also has a significant effect: A longer searching time increases the risk of subsequent job loss (Model 4). The analysis reveals that young men are much better protected against unemployment than young women. Compared to children of natives, youths with a migration background face a higher risk of unemployment after their first job. Considering educational qualification, it is again youths with the lowest educational attainments who are most exposed. Youths with tertiary degrees (especially lower tertiary), however, are best protected. The results for the highest tertiary graduates as well as for those with basic vocational education vary with the covariates controlled for in the models. When only a few covariates are considered (Models 1 and 2) such as gender, migration background, educational qualification, cohorts, and the general unemployment rate, then both educational groups face a lower unemployment risk than those with lower tertiary degrees. However, when additionally controlling for contextual characteristics as well as parental social background, coefficients become positive, indicating that they face a higher unemployment risk than those youths completing their educational track with a lower tertiary degree.

Table 3.5: 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**	-5.97**	-6.10**
3 to 6 months	-4.31**	-7.15**	-5.47**	-5.59**
6 to 9 months	-4.46**	-7.21**	-5.57**	-5.69**
9 to 12 months	-5.09**	-7.76**	-6.18**	-6.30**
12 to 24 months	-5.00**	-7.39**	-6.06**	-6.16**
24 and more months	-5.76**	-7.38**	-6.73**	-6.80**
Cohort (1998 = ref.)				
1992	0.39**		0.48**	0.48**
2001	0.10**		0.20**	0.25**
Gender (Women = ref.)				
Men	-0.36**	-0.34**	-0.34**	-0.29**
Migration background (no = ref.)				
Yes	0.15**	0.12**	0.13**	0.12**
Educational qualification (Lower tertiary education(3a) = ref.)				
Elementary education (1ab)	0.86**	0.38**	0.61**	0.51**
Basic vocational training (1c)	0.28**	-0.03	0.11**	0.10*
Intermediate vocational education (2a)	0.56**	0.17**	0.34**	0.31**
Intermediate general education (2bc)	0.36**	0.08**	0.19**	0.17**
Higher tertiary education (3b)	-0.04	-0.12**	0.15**	0.12**
Yearly average unemployment rate		0.03**		
Firm size (0–9 employees = ref.)				
10–49 employees			0.09**	0.08**
50–199 employees			-0.05+	-0.06*
200–499 employees			-0.14**	-0.14**
500 and more employees			-0.27**	-0.28**
Branch (Social services = ref.)				
Extractive			0.76**	0.79**
Transformative			0.41**	0.43**
Distributive services			0.39**	0.42**
Producer services			0.46**	0.46**
Personal services			0.56**	0.59**
Socioeconomic area (Urban zones = ref.)				
Rural zones with agriculture				-0.02
Rural zones with industry				-0.03
Declining manufacturing industry				0.04+
Dynamic manufacturing industry				-0.10**
Tertiary sector and small businesses				0.08*
Parental social background (Worker = ref.)				
Farmer			-0.18**	-0.18**
Principal of a firm, Tradesman, Artisan			-0.15**	-0.14**
Self-employed, Teacher, Engineer, Manager			-0.15**	-0.14**
Technician, Foreman, Middle-class positions			-0.05	-0.03
Employee			-0.09**	-0.08**
Duration of first job search				0.03**
Fixed-term contract in first job			1.27**	1.26**
Part-time work in the first job			0.11**	0.06**
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)	5,502	22,298	9,844	10,438

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

But, all in all, tertiary educated youths still belong to the group best protected against unemployment risks.

Parental social background seems to impact on the unemployment risk as well. Working class children seem to be less protected against unemployment. The same is true for youths whose fathers are technicians, foremen, or work in middle-class positions. They also have a higher unemployment risk.

The effects of contextual characteristics of the first job are also significant. The *firm size of first job* is a powerful factor for explaining unemployment risks: the larger the firm, the lower the risk of becoming unemployed after the first job. This confirms the hypothesis that a continuous employment career is more likely to be guaranteed within larger firms that are more able to function as internal labor markets.

Results on the *branch of first job* show that young people are least likely to become unemployed in the Social services. Regarding the regional stratification of risks, rates of unemployment are higher in declining manufacturing industry areas and in zones with predominantly tertiary sector jobs and small businesses.

Changes across cohorts

As the macroindicators measuring changes over time (that is the general unemployment rate and the cohort dummy variables) prevail, the risk of becoming unemployed depends strongly on the current situation on the domestic labor market. In times of high unemployment in the general population, the risk of losing the first job is necessarily higher. As outlined in the first part of this dissertation, the effect on labor market outsiders is immediate, and they are very sensitive to economic trends. They are more dependent than other employees on economic up- and downswings. Alongside these periodic effects, the question is whether any changes over time can be ascertained within the observation window indicating that patterns of unemployment risks have changed between the 1992 and the 2001 education-leaver cohorts.

Table 3.6 provides the main empirical results for the piecewise constant exponential models. Once again, individual characteristics such as gender and migration background reveal a stable pattern over time. Young men are more protected against unemployment than young women in every cohort. In addition, French native youths have lower unemployment risks than young people with a migration background. Educational

qualifications basically reveal few changes. The main one is an increased unemployment risk for university graduates—since the 1998 cohort, they face a higher risk than youths who have acquired lower tertiary degrees. Therefore, once again, they experience a relative decline in the advantages due to their educational attainments. But these losses need to be viewed in perspective if they are to be understood correctly—the worsening trend in their situation is caused by the general amelioration of the economic situation. In other words, if unemployment decreases, the situation improves for all.

A similar development is found for youths with basic vocational education. Whereas in 1992, they still face a higher or even the same unemployment risk compared to the reference group with lower tertiary degrees, the 2001 education-leaver cohort faces a lower risk. The supply of jobs for youths with these diplomas increases during periods of economic upswing. The impact of father's occupation on their children's unemployment risk changes cyclically—the patterns are very similar for the 1992 and the 2001 cohort. Once again, youths originating from working class families face the highest unemployment risks. For the 1998 education leavers, in contrast, no significant differences can be observed that relate to parental social background (except for farmers in whom the risk is still lower). Hence, there is no effect of social origin on the likelihood of becoming unemployed.

A stable pattern over time is also found for first job characteristics such as the employment contract (fixed-term contract and part-time work) and the duration of first job search. Even the distribution of risks within the branches of the first job shows no changes at all. In contrast, some structural challenges can be seen in relation to firm size for the first job. Whereas for the 1992 education-leaver cohort, the job position in larger firms with more than 50 employees is relatively secure, this advantage diminishes for the 1998 cohort in which the unemployment risk is only still lower in firms with more than 200 employees. For the 2001 cohort, there are no longer any observable advantages that relate to firm size. The finding that young people are still more protected in larger firms loses significance over time, but also during a period when French economy has improved. A comparable development can be observed for regional stratifications of unemployment risks. Whereas there are still some regional disparities in the 1992 and 1998 education-leaver cohorts, significant differences can no longer be observed in the 2001 education leavers.

Table 3.6: Risk of unemployment after the first job since the early-1990s, by cohorts (piecewise constant exponential models)

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Periods									
up to 3 months	-4.15**	-5.08**	-5.23**	-4.66**	-5.84**	-5.93**	-5.23**	-6.45**	-6.56**
3 to 6 months	-3.63**	-4.52**	-4.66**	-4.28**	-5.43**	-5.51**	-4.74**	-5.91**	-6.02**
6 to 9 months	-3.78**	-4.62**	-4.76**	-4.48**	-5.60**	-5.67**	-4.80**	-5.93**	-6.02**
9 to 12 months	-4.45**	-5.26**	-5.41**	-5.24**	-6.34**	-6.41**	-5.18**	-6.28**	-6.36**
12 to 24 months	-4.23**	-4.98**	-5.11**	-5.20**	-6.28**	-6.33**	-5.31**	-6.38**	-6.44**
24 and more months	-5.19**	-5.83**	-5.94**	-5.82**	-6.84**	-6.85**	-5.50**	-6.49**	-6.49**
Gender (Women = ref.)									
Men	-0.43**	-0.39**	-0.34**	-0.43**	-0.42**	-0.37**	-0.14**	-0.22**	-0.20**
Migration background (no = ref.)									
Yes	0.12**	0.12**	0.12**	0.12**	0.10**	0.07+	0.25**	0.19**	0.17**
Educational qualification (Lower tertiary education (3a) = ref.)									
Elementary education (1ab)	0.53**	0.32**	0.26**	1.04**	0.79**	0.63**	1.42**	0.83**	0.70**
Basic vocational training (1c)	0.15**	-0.03	-0.03	0.51**	0.39**	0.33**	-0.01	-0.24*	-0.23*
Intermediate vocational education (2a)	0.32**	0.13**	0.13**	0.63**	0.44**	0.36**	0.89**	0.37**	0.33**
Intermediate general education (2bc)	0.13**	0.01	0.00	0.38**	0.26**	0.21**	0.72**	0.22**	0.19**
Higher tertiary education (3b)	-0.43**	-0.17**	-0.17**	0.08	0.25**	0.21**	0.38**	0.33**	0.28**
Firm size (0–9 employees = ref.)									
10–49 employees		0.00	-0.02		0.11*	0.12**		0.17**	0.16**
50–199 employees		-0.17**	-0.18**		-0.01	0.00		0.08	0.08
200–499 employees		-0.23**	-0.23**		-0.14*	-0.13*		-0.03	-0.04
500 and more employees		-0.52**	-0.53**		-0.17**	-0.16*		-0.03	-0.03
Branch (Social services = ref.)									
Extractive		0.53**	0.56**		0.78**	0.80**		1.28**	1.23**
Transformative		0.19**	0.21**		0.40**	0.44**		0.81**	0.81**
Distributive services		0.18**	0.22**		0.39**	0.39**		0.86**	0.85**
Producer services		0.17**	0.18**		0.49**	0.48**		0.83**	0.82**
Personal services		0.30**	0.33**		0.59**	0.62**		0.98**	0.97**

Table 3.6   continued

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			0.05			-0.11+			-0.07
Rural zones with industry			0.04			-0.12*			-0.06
Declining manufacturing industry			0.06+			0.03			0.02
Dynamic manufacturing industry			-0.10*			-0.13*			-0.09
Tertiary sector and small businesses			0.15**			0.05			-0.05
Parental social background (Worker = ref.)									
Farmer		-0.17**	-0.18**		-0.19*	-0.18*		-0.26*	-0.25*
Principal of a firm, Tradesman, Artisan		-0.17**	-0.16**		-0.09	-0.08		-0.14+	-0.13+
Self-employed, Teacher, Engineer, Manager		-0.17**	-0.15**		-0.05	-0.04		-0.18**	-0.19**
Technician, Foreman, Middle-class positions		-0.04	-0.01		0.00	0.01		-0.16*	-0.17*
Employee		-0.11**	-0.10**		-0.03	-0.03		-0.11+	-0.10+
Fixed-term contract in first job		1.30**	1.30**		1.18**	1.16**		1.30**	1.29**
Part-time work in the first job		0.03	-0.03		0.15**	0.10*		0.27**	0.22**
Duration of first job search			0.02**			0.03**			0.06**
Events	6,580	6,580	6,580	4,008	4,008	4,008	2,374	2,374	2,374
Total persons	22,827	22,827	22,827	20,588	20,588	20,588	13,486	13,486	13,486
Censored persons	16,247	16,247	16,247	16,580	16,580	16,580	11,112	11,112	11,112
-2*diff.(LogL)	2,886	5,174	5,412	1,930	2,990	3,246	0,618	1,736	1,874

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Chances of reemployment

Having once experienced a first job loss, young people immediately seek reemployment in order to continue their employment career and avoid any immoderate lengths of unemployment. The results in Table 3.7 show that the best chances for reemployment aregiven after a short period of unemployment of about 3 to 6 months. Afterwards, reentering the labor market becomes progressively more difficult and problematic. Regarding changes over time, the process follows an inverted parable with the best reemployment chances for the 1998 education-leaver cohort.

The coefficient measuring the average yearly unemployment rate (model 2) reveals that the higher the level of unemployment in the total population the better the chances are for young people to get a chance for re-entering the labor market. At first glance, this result seems to be contradictory, because in times of high unemployment the demand of employees is expected to be lower because of the declining economic potential. However, descriptive results show that 74% of young people get a fixed-term contract when re-entering the labor market after a certain period of unemployment, while only 26% of them receive a permanent contract. Employers therefore hire preferably young people on a temporary basis in order to take no risks respectively commitments to any long-term binding decisions. In that way, they remain highly flexible to encounter the uncertain nearer future developments.

A consistent picture regarding gender and migration background emerges compared to that described in previous sections. Young men have better chances of reemployment than young women, even though the latter are subject to more unemployment. The same is true for the children of immigrants. However, the negative effect accumulates here: They not only face a higher unemployment risk but also have lower reemployment prospects than their French native counterparts. *Therefore, for young migrants, a first job loss may imply more severe disadvantages for their future employment career, because once having lost the first job, the unemployment gap is a hurdle to reemployment.* [24]

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[24] Parental social background is not included anymore into the models of the early employment career. It is assumed that in the further occupational career individual characteristics determine more the chances of job mobility than the social class background. In empirical study 3, the covariate is maintained in all models to check if this assumption holds true. For French natives, there is indeed an impact detectable of father's occupation on the duration until getting a permanent contract as well as on the duration until the subjective feeling of overqualification in the first job is leveled-out. For upward and downward occupational mobility, however, there are quite no significant effects observable. For second-generation Maghrebian and Southern European youths the parental social background has nearly no effect in the early employment career. Therefore,

The coefficients for educational qualification show the best reemployment chances for youths who have acquired a lower tertiary degree. First job characteristics reveal that a fixed-term contract in first job increases the speed of becoming reemployed. In contrast, part-time employment lowers the chances of reemployment. A qualification mismatch in the first job, that is, having been overqualified for the job requirements shows no significant effect on reemployment chances, except in Model 5 that calculates interaction coefficients to measure the effect of overqualification differentiated by educational attainments. These results show that the main effect is negative. Thus the reemployment chances are lower if a person was overqualified in her or his first job. The interaction coefficients, however, reflect that university graduates and those with intermediate vocational qualifications find a new job faster even if they were overqualified in their first job. It seems that overqualification does not represent a trap from which they can no longer escape. Likewise, Model 4 delivers interaction coefficients for the effect of fixed-term employment in the first job for each educational class. Results show that the lowest qualified youths as well as those with intermediate general education have more problems in being reemployed after having had a short-term contract in their first job. *Particularly the least qualified youths have serious problems in reentering the labor market and not remaining unemployed. Their situation is even worse when they also had a fixed-term contract in their first job. This result supports the assumption that for least qualified youth, short-term contracts in their first job have the potential to end in a trap from which it becomes difficult to escape.*

Finally, bur not surprisingly, the firm size of first job has no impact on reemployment chances. Whereas unemployment risks are lower in larger firms, it makes no difference where young people who have been unemployed for a certain period gain a new chance of reentering the labor market. With regard to the different branches, worse reemployment chances can be observed for youths starting their first job in the social and producer services.

Changes across cohorts

Table 3.8 presents the main results regarding changes across cohorts. The gender gap disappears over time. Whereas young men in the 1992 education-leaver cohort still have better chances of becoming reemployed, no more significant differences can be observed in

it is likely that in this empirical part the results would be also not significant, because inter-group differences are merged.

the 1998 cohort. However, this trend cannot be ascertained for migrants. They continuously show worse reemployment chances than their native counterparts so that no improvement in their situation can be observed.

Educational qualifications also provide a quite stable pattern over time. The significant effects of first job characteristics such as a fixed-term contract or part-time work disappear in the 2001 education-leaver cohort. Whereas a fixed-term contract increases the reemployment prospects for the 1992 and 1998 cohorts, such an effect can no longer be detected in the 2001 cohort. Moreover, the worse reemployment chances after having started a first job as part-time work disappear completely in the youngest cohort. With regard to overqualification, coefficients are negative and significant only for the 1992 cohort. Starting overqualified has negative outcomes in terms of reemployment chances after a certain time of unemployment. For the 1998 and 2001 cohorts, however, such significant effects can no longer be detected. This result might be related to the fact that, on the one hand, overqualification is becoming an increasingly more widespread phenomenon and is not restricted to some specific outsiders within the groups of young labor market beginners as ascertained in the above analyses of the quality of the first job.

On the other hand, there are the reviving economic circumstances for the 2001 cohort, in which the reemployment chances have already become better. Taken together, the impact on first job quality has diminished over the period under observation.

A closer look at the interaction terms for fixed-term contracts and overqualification calculated separately for each of the six educational classes shows only slight and therefore negligible differences. University graduates from the 1992 and 1998 cohort have better prospects of becoming reemployed when they are overqualified in first job than other youths. For the 2001 cohort, however, this effect disappears.

The impact of the branch of first job on reemployment chances show that youths starting in personal services have continuously better prospects than those starting in the social services. Having a first job in the extractive sector has positive effects for the 1992 and the 1998 cohort. In 2001, this effect can no longer be observed. For the other branches, the effects are moreover constant and show no significant differences compared to the reference group.

To summarize, the findings reported in the last two sections provide first hints regarding developments in the early employment career.

Table 3.7: Chances of reemployment after first unemployment since the early-1990s (piecewise constant exponential models)

	1	2	3	4	5	6
Periods						
Up to 3 months	-1.82**	-3.99**	-1.90**	-1.99**	-1.86**	-1.98**
3 to 6 months	-1.35**	-3.48**	-1.42**	-1.51**	-1.38**	-1.50**
6 to 9 months	-1.56**	-3.65**	-1.62**	-1.71**	-1.58**	-1.70**
9 to 12 months	-1.83**	-3.88**	-1.89**	-1.98**	-1.84**	-1.97**
12 to 24 months	-1.94**	-3.86**	-2.00**	-2.08**	-1.95**	-2.07**
24 and more months	-2.42**	-3.97**	-2.47**	-2.55**	-2.42**	-2.54**
Cohort (1998 = ref.)						
1992	-0.24**		-0.21**	-0.21**	-0.21**	-0.20**
2001	-0.14**		-0.14**	-0.14**	-0.14**	-0.14**
Gender (Women = ref.)						
Men	0.09 **	0.13 **	0.04 *	0.05 *	0.05 *	0.04 +
Migration background (no = ref.)						
Yes	-0.19**	-0.10**	-0.19**	-0.19**	-0.18**	-0.19**
Educational qualification (Lower tertiary edu.(3a) = ref.)						
Elementary education (1ab)	-0.78**	-0.71**	-0.73**	-0.57**	-0.74**	-0.75**
Basic vocational training (1c)	-0.41**	-0.49**	-0.36**	-0.28**	-0.40**	-0.40**
Intermediate vocational education (2a)	-0.41**	-0.48**	-0.35**	-0.30**	-0.42**	-0.37**
Intermediate general education (2bc)	-0.32**	-0.25**	-0.29**	-0.13	-0.32**	-0.30**
Higher tertiary education (3b)	-0.30**	-0.17**	-0.28**	-0.22**	-0.37**	-0.26**
Yearly average unemployment rate		0.02 **				
Branch of first job (Social services = ref.)						
Extractive						0.19 **
Transformative						0.07 *
Distributive services						0.10 *
Producer services						0.02
Personal services						0.19 **
Firm size of first job (0–9 employees = ref.)						
10–49 employees						-0.02
50–199 employees						0.00
200–499 employees						0.01
500 and more employees						-0.03
Fixed-term contract in first job			0.14 **	0.24 **	0.14 **	0.16 **
Part-time work in the first job			-0.26**	-0.26**	-0.26**	-0.25**
Overqualified in first job			-0.01	-0.01	-0.10*	0.01
*Interaction: Education * Fixed-term contract in first job*						
Elementary education* First job fixed-term				-0.19*		
Basic vocational education * First job fixed-term				-0.09		
Intermediate vocational education * First job fixed-term				-0.07		
Intermediate general education * First job fixed-term				-0.19*		
Higher tertiary education * First job fixed-term				-0.07		
*Interaction: Education * overqualified in first job*						
Intermediate vocational education * First job overqualified					0.15 *	
Intermediate general education * First job overqualified					0.08	
Higher tertiary education * First job overqualified					0.22 **	
Events	9,871	9,871	9,871	9,871	9,871	9,871
Total persons	12,962	12,962	12,962	12,962	12,962	12,962
Censored persons	3,091	3,091	3,091	3,091	3,091	3,091
-2*diff.(LogL)	1,550	4,496	1,690	1,698	1,702	1,742

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

The next sections go one step further and not only concentrate on the immediate time span after the first job but also consider a longer period of 3 to 5 years after employment entry. They will investigate the opportunities that young people have after having started with a fixed-term contract. How long does it take them to gain a permanent contract and establish themselves on the labor market? And if young people are overqualified in their first employment, what are their chances to level out this initial mismatch in the early employment career and gain an adequate job position? Who has more difficulties, and who can deal better with suboptimal starting conditions?

This last analysis refers to upward occupational mobility in two ways: initially as the duration until the subjective feeling of overqualification is leveled out by a better paid job; afterwards, vertical career mobility is measured objectively using the French socioeconomic index of occupational status. Upward and downward occupational mobility are calculated as the duration until a person has a 10% higher (upward occupational mobility) or lower (downward occupational mobility) prestige score compared to the first job.

Job mobility in the early employment career and labor market establishment

Labor market establishment is of crucial importance for young people's long-term future planning, because of its impact on, for instance, family decisions, childbearing, or home property (Blossfeld 1995; Kurz et al. 2005; Mills and Blossfeld 2005; Oppenheimer 1988, 2003; Oppenheimer et al. 1997). If financial security can no longer be guaranteed, young people have to realign their life-course plans.

Before turning to the results of the longitudinal analyses, I shall present some descriptive statistics on the sample. Table 3.9 presents the last calendar information within the observation window, which is—as mentioned above—5 years for the 1992 and 1998 education-leaver cohorts and 3 years for the 2001 cohort. Employment status is compared in the last month of observation. All youths who found a first employment are considered in the table. It shows that about 85% of those youths who found a first job are employed after 5 or 3 years respectively. But nearly 10% are unemployed. Looking at the results differentiated by cohorts, there is a U-shaped time trend that clearly relates to the economic cycle.

Thus, the last calendar information for the 1992 cohort is given in 1997; for the 1998 cohort, in 2003; and for the 2001 cohort, in 2004. As Figure 3.5 (p. 66) shows, the share of employment and unemployment follows the economic up- and downswings in these years.

Table 3.8: Chances of reemployment after first unemployment since the early-1990s, by cohorts (piecewise constant exponential models)

	Cohort 1992						Cohort 1998						Cohort 2001					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
Periods																		
up to 3 months	-2.17**	-2.17**	-2.21**	-2.24**	-2.16**	-2.31**	-1.76**	-1.76**	-1.87**	-2.02**	-1.84**	-1.97**	-1.82**	-1.82**	-1.91**	-1.99**	-1.88**	-1.97**
3 to 6 months	-1.70**	-1.70**	-1.72**	-1.76**	-1.68**	-1.83**	-1.28**	-1.28**	-1.39**	-1.53**	-1.35**	-1.48**	-1.31**	-1.31**	-1.40**	-1.49**	-1.37**	-1.46**
6 to 9 months	-1.85**	-1.85**	-1.85**	-1.88**	-1.80**	-1.95**	-1.55**	-1.55**	-1.66**	-1.80**	-1.62**	-1.75**	-1.58**	-1.58**	-1.67**	-1.76**	-1.65**	-1.73**
9 to 12 months	-2.05**	-2.05**	-2.04**	-2.07**	-1.99**	-2.14**	-1.92**	-1.92**	-2.03**	-2.17**	-1.99**	-2.11**	-1.93**	-1.93**	-2.02**	-2.10**	-1.99**	-2.07**
12 to 24 months	-2.16**	-2.16**	-2.14**	-2.17**	-2.09**	-2.24**	-2.13**	-2.13**	-2.23**	-2.37**	-2.19**	-2.31**	-1.88**	-1.88**	-1.97**	-2.04**	-1.94**	-2.01**
24 and more months	-2.60**	-2.60**	-2.59**	-2.62**	-2.54**	-2.69**	-2.63**	-2.63**	-2.72**	-2.85**	-2.68**	-2.80**	-3.14**	-3.14**	-3.23**	-3.30**	-3.20**	-3.25**
Gender (Women = ref.)																		
Men	0.16**	0.16**	0.09**	0.09**	0.09**	0.09**	0.05	0.05	0.03	0.03	0.03	0.03	-0.02	-0.02	-0.03	-0.03	-0.03	-0.03
Migration background (no = ref.)																		
Yes	-0.19**	-0.19**	-0.18**	-0.19**	-0.18**	-0.18**	-0.21**	-0.21**	-0.21**	-0.20**	-0.20**	-0.21**	-0.17**	-0.17**	-0.16**	-0.17**	-0.16*	-0.17**
Educational qualification (Lower tertiary education (3a) = ref.)																		
Elementary education (1ab)	-0.70**	-0.70**	-0.60**	-0.53**	-0.66**	-0.62**	-0.86**	-0.86**	-0.82**	-0.64**	-0.86**	-0.85**	-0.77**	-0.77**	-0.74**	-0.44*	-0.77**	-0.78**
Basic vocational training (1c)	-0.42**	-0.42**	-0.34**	-0.23+	-0.40**	-0.37**	-0.37**	-0.37**	-0.33**	-0.42*	-0.37**	-0.37**	-0.26*	-0.26*	-0.23*	-0.22	-0.26	-0.24*
Intermediate vocational education (2a)	-0.41**	-0.41**	-0.31**	-0.38**	-0.39**	-0.31**	-0.35**	-0.35**	-0.33**	0.05	-0.37**	-0.36**	-0.43**	-0.43**	-0.42**	-0.57*	-0.44**	-0.44**
Intermediate general education (2bc)	-0.26**	-0.26**	-0.19**	-0.07	-0.24**	-0.20**	-0.30**	-0.30**	-0.29**	-0.13	-0.32**	-0.31**	-0.49**	-0.49**	-0.48**	-0.29	-0.49**	-0.49**
Higher tertiary education (3b)	-0.22**	-0.22**	-0.21**	-0.25*	-0.28**	-0.19**	-0.27**	-0.27**	-0.26**	-0.10	-0.36**	-0.23**	-0.47**	-0.47**	-0.46**	-0.41*	-0.53**	-0.42**
Branch (Social services = ref.)																		
Extractive						0.20**						0.29**						-0.09
Transformative						0.06						0.10+						0.08
Distributive services						0.15**						0.08						0.03
Producer services						0.05						0.09						-0.09
Personal services						0.17**						0.25**						0.17*
Firm size (0–9 employees = ref.)																		
10–49 employees						-0.02						-0.08+						0.06
50–199 employees						-0.01						0.04						0.00
200–499 employees						0.06						-0.10						0.08
500 and more employees						0.03						-0.11						0.02
Fixed-term contract in first job			0.17**	0.20*	0.17**	0.19**			0.14**	0.30*	0.14**	0.16**			0.10+	0.20	0.10+	0.11+
Part-time work in the first job			-0.38**	-0.38**	-0.38**	-0.36**			-0.12**	-0.12**	-0.12**	-0.10*			-0.09	-0.09	-0.10	-0.10
Overqualified in first job			-0.03	-0.03	-0.17*	-0.04			0.05	0.05	-0.03	0.06			-0.05	-0.05	-0.03	-0.03

Table 3.8   continued

	Cohort 1992						Cohort 1998						Cohort 2001					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
*Interaction: Education * Fixed-term contract in first job*																		
Elem edu. * First job fixed-term				-0.09						-0.22						-0.37		
Basic voc. edu. * First job fixed-term				-0.15						0.12						-0.00		
Interm. voc. edu. * First job fixed-term				0.10						-0.44*						0.18		
Interm. gen. edu. * First job fixed-term				-0.15						-0.18						-0.23		
Higher tertiary * First job fixed-term				0.05						-0.19						-0.06		
*Interaction: Education * overqualified in first job*																		
Interm. voc. edu. * First job overq.					0.23*						0.06						0.07	
Interm. gen. edu. * First job overq.					0.11						0.06						0.02	
Higher tertiary * First job overq.					0.19+						0.23+						0.17	
Events	4,926	4,926	4,926	4,926	4,926	4,926	3,222	3,222	3,222	3,222	3,222	3,222	1,723	1,723	1,723	1,723	1,723	1,723
Total persons	6,580	6,580	6,580	6,580	6,580	6,580	4,008	4,008	4,008	4,008	4,008	4,008	2,374	2,374	2,374	2,374	2,374	2,374
Censored persons	1,654	1,654	1,654	1,654	1,654	1,654	786	786	786	786	786	786	651	651	651	651	651	651
-2*diff.(LogL)	0,604	0,604	0,758	0,766	0,640	0,782	0,680	0,680	0,698	0,708	0,702	0,730	0,216	0,216	0,222	0,228	0,224	0,236

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Those youths who started with a fixed-term contract have an employment rate of about 82.5%, which is slightly lower than that for the total sample. The lowest employment rate has the 1992 cohort, because only 79% are employed, and even 14% unemployed in the last month of observation. Referring to the second research question, it can therefore be supposed that a suboptimal labor market entry, that is, starting with a fixed-term contract could result in young people having higher employment insecurities some years later.

But these descriptive results provide only a first and therefore at best basic impression of early career developments. More differentiated longitudinal analyses will deliver a deeper insight.

Table 3.9:   Status of the last calendar information: Employed versus unemployed

	Employed (in %)	Unemployed (in %)
Last calendar information	85,31	9,85
Cohort 1992: Last calendar information	82.43	11,98
Cohort 1998: Last calendar information	87.74	8,02
Cohort 2001: Last calendar information	86.49	9,06
First job fixed-term contract -> last calendar information	82.58	11,84
Cohort 1992: 1st job fixed-term contract -> last calendar information	79.24	14.38
Cohort 1998: 1st job fixed-term contract -> last calendar information	86.01	9,24
Cohort 2001: 1st job fixed-term contract -> last calendar information	82.61	11,79

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

Duration until turning the fixed-term contract of the first job into a permanent one

As reported in the previous section, starting with a fixed-term contract has become more and more widespread and is now normal for young people. As they are outsiders from the perspective of firms, they have to complete the first step toward becoming an insider with more protection against labor market risks.

Descriptive results (Table 3.10) show that only 35% of young people have a permanent contract in their first job, whereas 65% start with a short-term contract. Considering the last calendar information within the observation window, about 55% of youths have a permanent contract, and 45% are still working under temporary contracts. The number of permanent contracts has therefore clearly increased, which can be interpreted as a positive signal that young people are succeeding in becoming labor market insiders. However, when looking at the last calendar information on those youths who had a fixed-term contract in their first job, the same proportions of fixed-term and permanent contracts can be found as

in the beginning. A total of 65% of those who had a fixed-term contract in their first job still have the same type of contract either 5 or 3 years later. Only 35% have turned their fixed-term contract into a permanent one.

The results of the event history analyses show that the most likely time to change a fixed-term contract into a permanent lies between 6 and 18 months after employment entry (Table 3.11).

Table 3.10: Descriptive analyzes of the first job and the last calendar information

	Fixed-term contract		Permanent contract		total
	total	%	total	%	
First job contract	36,793	65.11	19,720	34,89	56,513
Contract last calendar information	22,051	45.53	26,385	54.47	48,436
Cohort 1992: Contract last calendar information	7,377	39.43	11,333	60.57	18,710
Cohort 1998: Contract last calendar information	9,246	51.19	8,816	48.81	18,062
Cohort 2001: Contract last calendar information	5,428	46.54	6,236	53.46	11664
First job fixed-term contract -> contract last job	19,577	64.53	10,760	35.47	30,337
Cohort 1992: First job fixed-term contract -> contract last calendar information	6,431	56.00	5,053	44.00	11.484
Cohort 1998: First job fixed-term contract -> contract last calendar information	8,205	67.64	3,926	32.36	12,131
Cohort 2001: First job fixed-term contract -> contract last calendar information	4,941	73.50	1,781	26.50	6,722

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

This is the period after which fixed-term contracts normally terminate. Accordingly, young people have the best chances to change their contract directly after the first short-term contract. From the perspective of the firm, it seems that employers are willing to provide permanent contracts when the person fits the job and the company. After this short-term contract period, it becomes more and more difficult to turn a fixed-term into a permanent contract. The picture of the three education-leaver cohorts shows that it is most likely for the 1992 cohort to leave temporary work and enter into a permanent job, less likely for the 1998 cohort, and least likely for the 2001 cohort. *The chances of leaving precarious employment decrease over time, that is, across cohorts.* This gives a first hint of an answer to the research question on social change (first research question): Patterns of labor market entry and early career establishment have indeed changed over time in that it has become more difficult to escape atypical work, in this case, short-term contracts. However, the level of unemployment in the total population also plays a substantial role here: The results of

Model 2 show that getting a permanent job contract is less likely when the unemployment rate rises. The descriptive statistics above (Table 3.10) also show that the share of fixed-term and permanent contracts varies according to economic circumstances.

However, it is still not possible to state fully whether a 'bad' or even suboptimal labor market entry typically leads to a trap. It will be necessary to investigate the patterns and changes in the early employment career in more depth and detail by taking social inequality structures into account and distinguishing between the chances of different groups.

The first thing that can be seen is, once again, gender segregation: Young men have better prospects of turning their fixed-term contracts more quickly into permanent ones, even though they already have a lower risk of temporary employment in their first job. *Young women are therefore consistently more disadvantaged both at labor market entry and in the early employment career.*

In contrast, no such disadvantages can be detected for young migrants, because there are no significant differences between youths with a migration background and French native youths. Even at labor market entry, there are no differences with regard to the risk of getting a fixed-term contract that relate to ethnic characteristics or to discriminative behavior on the labor market. In the further employment career as well, a migration background plays no significant role in explaining the chances of turning the fixed-term into a permanent contract. The coefficient becomes significant for the first time only in Model 4 that includes a variety of covariates. It then turns negative, suggesting that young migrants have more difficulties in turning a short-term into a permanent contract. However, this result has to be interpreted with caution because of its singularity.

The picture for educational qualifications is clear-cut: Chances are best for people with the highest, that is, tertiary diplomas. All others have greater difficulties in entering a more secure job on the basis of a permanent contract. Models 3 and 4 contain coefficients for the impact of the number of fixed-term contracts and indicate that a higher amount of fixed-term contracts makes it less likely for youths to get a permanent contract later on. In contrast, a higher amount of short unemployment spells between phases of other kind of activities (for example further training), increases the chances of a permanent contract. Whereas a series of fixed-term contracts reduce the prospects of an unlimited job contract, young people can improve their chances through further vocational training to upgrade their employability. A longer duration of first job search leads to declining aspirations for a

permanent contract. *There is a risk of a 'bad entry' when young people take longer to find a first job and—in addition—this first job is temporary.* For those who are both overqualified and have started their first job with a fixed-term contract, results show a positive effect: This increases the chances of a permanent contract. It seems that overqualification in the first job is not the main barrier to more secure jobs afterwards. This result, however, is still incomplete and will be analyzed in more detail in the next section.

Due to contextual characteristics of the first job, it is more difficult to get a permanent contract in larger firms with more 50 employees. Youths who start their employment career in the Social services also have fewer prospects of turning their fixed-term into a permanent contract. The regional stratification shows that the best chances for a permanent contract in the early career are again given in urban centers and in dynamic manufacturing industry areas such as the Paris region and eastern France.

Changes across cohorts

The results calculated separately for the three education-leaver cohorts (Table 3.12) show a largely consistent pattern over time with only a few changes. The gender gap remains constant across cohorts. For young people with a migration background, results depend on the composition of covariates in the models. However, in the 1992 cohort, some tendencies toward disadvantage can be found, because several coefficients have significant negative signs. In this cohort, they tend to have more difficulties in getting a permanent contract. This effect, however, disappears completely for the 1998 and the 2001 education-leaver cohorts.

Therefore, the situation for migrants has improved slightly over time so that they cannot generally be regarded as systematically disadvantaged in terms of their chances of getting a permanent contract after having started their first job with a short-term contract. University graduates also have better chances since 1998. Before, they needed longer than those with lower tertiary degrees to replace their fixed-term contract with a permanent one. This can be interpreted as a trend indicating that fixed-term contracts have become more common and widespread and can no longer be considered to be basically 'bad' contracts given only to the most disadvantaged groups. *The most highly qualified people are also increasingly subject to fixed-term employment. However, in contrast to other educational classes, they are still better at managing to get a permanent contract later on.*

Table 3.11: Duration until turning the fixed-term contract of the first job into a permanent contract since the early-1990s (piecewise constant exponential models)

	1	2	3	4
Periods				
up to 6 months	-4.95**	-4.45**	-4.39**	-4.32**
6 to 12 months	-4.55**	-4.14**	-3.98**	-3.91**
12 to 18 months	-4.66**	-4.33**	-4.08**	-4.02**
18 to 24 months	-4.86**	-4.59**	-4.28**	-4.21**
24 to 36 months	-4.88**	-4.67**	-4.29**	-4.23**
36 and more months	-5.23**	-5.08**	-4.67**	-4.60**
Cohort (1998 = ref.)				
1992	0.24**		0.24**	0.24**
2001	-0.04		-0.14**	-0.14**
Gender (Women = ref.)				
Men	0.38**	0.37**	0.34**	0.34**
Migraiont background (no = ref.)				
Yes	-0.02	-0.03	-0.03	-0.05*
Educational qualification (Lower tertiary education (3a) = ref.)				
Elementary education (1ab)	-0.54**	-0.32**	-0.51**	-0.51**
Basic vocational training (1c)	-0.20**	-0.07+	-0.23**	-0.23**
Intermediate vocational education (2a)	-0.29**	-0.10**	-0.26**	-0.26**
Intermediate general education (2bc)	-0.22**	-0.14**	-0.21**	-0.21**
Higher tertiary education (3b)	0.07**	0.10**	0.04	0.03
Yearly average unemployment rate		-0.01**		
Branch of first job (Social services = ref.)				
Extractive			0.36**	0.37**
Transformative			0.20**	0.20**
Distributive services			0.24**	0.23**
Producer services			0.25**	0.23**
Personal services			0.33**	0.32**
Firm size of first job (0–9 employees = ref.)				
10–49 employees			-0.02	-0.02
50–199 employees			-0.09**	-0.09**
200–499 employees			-0.12**	-0.12**
500 and more employees			-0.24**	-0.24**
Number of fixed-term contracts			-0.35**	-0.35**
Number of unemployment periods			0.17**	0.17**
Duration of first job search			-0.03**	-0.03**
Overqualified in first job	0.05*	0.05**	0.05**	0.05**
Socioeconomic area (Urban zones = ref.)				
Rural zones with agriculture				-0.12**
Rural zones with industry				-0.10**
Declining manufacturing industry				-0.14**
Dynamic manufacturing industry				0.00
Tertiary sector and small businesses				-0.09**
Events	13,410	13,410	13,410	13,410
Total persons	36,793	36,793	36,793	36,793
Censored persons	23,383	23,383	23,383	23,383
-2*diff.(LogL)	1,678	2,886	3,552	3,604

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

The effect for firm size of first job changes entirely, because since 1998, it is only in the largest firms with more than 500 employees that it is more difficult to get a permanent

contract, whereas chances have equalized for all smaller firms. This development reflects clearly the current situation of the economic cycle and the according unemployment rates.

To summarize, young people still have chances of getting a permanent contract during their early employment career. More than one-half have a permanent contract in the last month of observation. Hence, the answer to the research question on social change is that flexible employment relationships are only a temporary phenomenon at the very beginning of the labor market career and not a permanent situation for more than one-half of youths.

They can go on to become labor market insiders who work in more secure jobs with more protection against labor market risks. But their chances depend strongly on individual characteristics as well as on macroeconomic circumstances. The descriptive statistics in Table 3.10 as well as the longitudinal analysis of piecewise constant exponential models (Table 3.11, Model 2) show that the share or the chance of a permanent contract is higher when the unemployment rate in the total population is lower. It is therefore appropriate to describe the time trend found during the period under observation as a cyclical development.

However, youths who start their labor market career with a fixed-term contract seem to have more and more difficulties in turning their temporary contract into a permanent one during their first years after employment entry. The descriptive statistics (Table 3.10) show that only 35% of those who start with a temporary contract have a permanent contract in the last month of observation. The shares for the three cohorts as well as the cohort dummies in Table 3.11 show a monotonic negative trend in chances over time.

In contrast to the developments mentioned above, these shifts do not show any relationship to the economic cycle. Instead, they hint that youths who start with a fixed-term contract have worse chances to escape these flexible employment relationships. But results show that differences can be observed in social inequality structures, with some of the youths starting with a fixed-term contract better managing to get a permanent one than others. Once again, these are better qualified youths with tertiary degrees and young men. They are in a more favorable position to enter secure jobs. With regard to changes across time, the traditional patterns of social inequality structures broadly persist. Although unchanging gender segregation can still be observed, there is a trend toward more equalization of chances for young migrants. However, the general increase in fixed-term contracts makes it more difficult to escape these flexible employment relationships in the early employment

career, so that some disadvantaged groups of poorly qualified youths are at risk of a fixed-term contract in first job becoming a trap instead of a stepping-stone.

Upward occupational mobility: A subjective measurement of job adequacy

Once a youth starts in a job for which he or she feels overqualified, the question is whether this mismatch can be leveled out within the first years of the subsequent employment career. Or, does this suboptimal starting condition have negative consequences for upward mobility? To put it differently, do young people suffer from overqualification in that they have to continue to accept jobs for which they are overqualified? Or can they manage somehow to escape this initial mismatch later on?

To answer these questions, I shall investigate the duration until a person receives a job in which the mismatch of the first job is leveled out. The 'risk set,' that is, the starting sample, consists of all youths who feel overqualified in their first job. The results are presented in Table 3.13.

As the coefficients for each time interval show, the chances of leveling out the mismatch are highest between 12 and 18 months after employment entry.

The more directly young people can change from their first to their second job, the more likely it is that they can upgrade their suboptimal starting conditions. After that period, the likelihood decreases steadily.

The cohort dummies provide a picture of improvement. Whereas for the 1992 education cohort, no or just a marginally significant effect can be observed, chances are better for the 2001 cohort than for the 1998 cohort. Taking the unemployment rate into account, the prospects of getting an adequate job after having been overqualified in first job in times of low unemployment in the total population are better. *The main time trend across cohorts seems to indicate an improvement of chances to escape an inadequate first job. Deviations from this trend are influenced by the current situation in the economic cycle.*

A more differentiated analysis of labor market entrants reveals that young men more often feel overqualified for the requirements of their first job. With regard to the chances of leveling out this mismatch, results are mixed: When only individual characteristics are included in the models (Models 1 and 2), the coefficient for gender is not significant, meaning that there are no differences between young men and women.

Table 3.12: Duration until turning the fixed-term contract of the first job into a permanent contract since the early-1990s, by cohorts (piecewise constant exponential models)

	Cohort 1992				Cohort 1998				Cohort 2001			
	1	2	3	4	1	2	3	4	1	2	3	4
Periods												
up to 6 months	-4.80**	-4.80**	-4.06**	-4.01**	-4.95**	-4.95**	-4.54**	-4.47**	-4.80**	-4.80**	-4.26**	-4.17**
6 to 12 months	-4.24**	-4.24**	-3.48**	-3.43**	-4.64**	-4.64**	-4.22**	-4.15**	-4.58**	-4.58**	-4.04**	-3.95**
12 to 18 months	-4.34**	-4.34**	-3.57**	-3.52**	-4.72**	-4.72**	-4.30**	-4.22**	-4.76**	-4.76**	-4.22**	-4.13**
18 to 24 months	-4.56**	-4.56**	-3.78**	-3.72**	-4.91**	-4.91**	-4.48**	-4.41**	-4.94**	-4.94**	-4.41**	-4.31**
24 to 36 months	-4.57**	-4.57**	-3.78**	-3.73**	-4.96**	-4.96**	-4.53**	-4.46**	-4.89**	-4.89**	-4.36**	-4.27**
36 and more months	-5.03**	-5.03**	-4.26**	-4.21**	-5.18**	-5.18**	-4.78**	-4.70**	-5.88**	-5.88**	-5.35**	-5.25**
Gender (Women = ref.)												
Men	0.45**	0.45**	0.42**	0.43**	0.32**	0.32**	0.26**	0.26**	0.27**	0.27**	0.22**	0.22**
Migration background (no = ref.)												
Yes	-0.05	-0.05	-0.06+	-0.08*	-0.04	-0.04	-0.05	-0.06+	0.08	0.08	0.07	0.05
Educational qualification (Lower tertiary education (3a) = ref.)												
Elementary education (1ab)	-0.64**	-0.64**	-0.65**	-0.65**	-0.43**	-0.43**	-0.40**	-0.40**	-0.41**	-0.41**	-0.45**	-0.45**
Basic vocational training (1c)	-0.23**	-0.23**	-0.33**	-0.32**	-0.11+	-0.11+	-0.11	-0.11+	-0.39**	-0.39**	-0.41**	-0.41**
Intermediate vocational education (2a)	-0.35**	-0.35**	-0.32**	-0.32**	-0.24**	-0.24**	-0.22**	-0.22**	-0.25**	-0.25**	-0.26**	-0.27**
Intermediate general education (2bc)	-0.23**	-0.23**	-0.23**	-0.23**	-0.18**	-0.18**	-0.18**	-0.18**	-0.25**	-0.25**	-0.30**	-0.31**
Higher tertiary education (3b)	-0.07	-0.07	-0.09*	-0.11*	0.19**	0.19**	0.13**	0.12**	0.12*	0.12*	0.11+	0.09
Branch of first job (Social services = ref.)												
Extractive			0.36**	0.36**			0.34**	0.36**			0.34*	0.37*
Transformative			0.18**	0.18**			0.21**	0.22**			0.18**	0.19**
Distributive services			0.28**	0.28**			0.19**	0.18**			0.23*	0.22*
Producer services			0.14**	0.13**			0.37**	0.35**			0.20**	0.19**
Personal services			0.24**	0.23**			0.43**	0.42**			0.27**	0.27**
Firm size of first job (0–9 employees = ref.)												
10–49 employees			-0.09**	-0.09*			0.04	0.04			0.06	0.06
50–199 employees			-0.19**	-0.19**			-0.02	-0.02			0.03	0.03
200–499 employees			-0.25**	-0.25**			-0.01	0.00			-0.04	-0.04
500 and more employees			-0.37**	-0.38**			-0.09	-0.09+			-0.24*	-0.24*

Table 3.12   continued

	Cohort 1992				Cohort 1998				Cohort 2001			
	1	2	3	4	1	2	3	4	1	2	3	4
Number of fixed-term contracts			-0.39**	-0.39**			-0.32**	-0.32**			-0.39**	-0.40**
Number of unemployment periods			0.14**	0.14**			0.23**	0.23**			0.22**	0.22**
Duration of first job search			-0.02**	-0.02**			-0.03**	-0.03**			-0.04**	-0.04**
Overqualified in first job	-0.02	-0.02	-0.04	-0.04	0.11**	0.11**	0.13**	0.13**	0.08+	0.08+	0.10+	0.10*
Socioeconomic area (Urban zones = ref.)												
Rural zones with agriculture				-0.10+				-0.09+				-0.26**
Rural zones with industry				-0.06				-0.16**				-0.06
Declining manufacturing industry				-0.15**				-0.12**				-0.21**
Dynamic manufacturing industry				0.04				-0.02				-0.08
Tertiary sector and small businesses				-0.03				-0.15**				-0.08
Events	6,206	6,206	6,206	6,206	5,066	5,066	5,066	5,066	2,138	2,138	2,138	2,138
Total persons	14,551	14,551	14,551	14,551	14,105	14,105	14,105	14,105	8,137	8,137	8,137	8,137
Censored persons	8,345	8,345	8,345	8,345	9,039	9,039	9,039	9,039	5,999	5,999	5,999	5,999
-2*diff.(LogL)	1,050	1,050	2,242	2,268	0,460	0,460	1,082	1,102	0,160	0,160	0,376	0,394

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

When contextual covariates are included for first job and process-related variables (Models 3 and 5), then the gender coefficient becomes positively significant indicating that young men are able to level out their initial qualification–job mismatch faster than young women. However, when the cohort dummies are replaced by the general unemployment rate (Models 2 and 4), the effect for men disappears again. This means that gender differences are not very pronounced. Young men more often feel overqualified in their first employment and they also have slightly more difficulties in finding a later job for which they consider themselves to be adequately qualified. *Either young men are in a disadvantaged situation compared to their female counterparts or the real discrepancies are not as pronounced as their estimations, because young men tend to assess themselves rather more often as to be overqualified.*

Even young migrants more often feel overqualified in their first job than French native youths, and they also have more difficulties afterwards in leveling out the mismatch. The question is whether this result reflects ethnic disadvantages or discriminative behavior on the labor market, or whether other mechanisms such as poorer educational certificates or even poorer language skills are more responsible. Answering this question requires more profound analyses (that are performed in the next empirical study). At this stage of the investigation, it is only possible to state that youth with and without a migration background have different chances.

Looking at educational attainment, results again show that a higher educational degree on a tertiary level helps to escape the first job mismatch more rapidly and more easily. However, an opposing effect is observed for the French socioeconomic index of occupational status of first job: the higher the prestige score, the lower the chances for leveling out overqualification in the early employment career. This may relate to the fact that it is more complicated and takes more time for youth who are already in higher job positions to demonstrate their skills and move up the career ladder. Compensation of skill mismatches in the first job is thus more likely the lower the prestige score of a certain job, because the skills are then easier to recognize and assess. Considering further characteristics of the first job, it becomes apparent that a fixed-term contract enhances the chance to switch to an adequate job later on.

Furthermore, the more fixed-term contracts and short unemployment periods a young person has between other kinds of activities (like measures to enhance the employee's qualification), the better the chances of an upward career in terms of the subjective feeling

of job adequacy. *Hence, there are two ways in which youths can escape their starting mismatch: first, by finding an employment for which they feel adequately qualified directly after the first job; or, second, by leveling out the mismatch over a series of fixed-term contracts. The last option seems to be like a stepwise progression from a bad toward a good job.*

Finally, the results on contextual covariates of the first job show that the chances of getting a job with an adequate qualification match are lower in larger firms with more than 50 employees. Regarding branches, young people starting in the transformative or personal services have better chances of moving upward until they find an adequate job position. Firm size indicates that the larger the firm, the more difficult it is to escape overqualification. This may relate to the logic of the internal labor market in which young people often have to hold several successive work posts and pass a series of on-the-job trainings before they move upward (Eyraud et al. 1990: 505).

For the covariate measuring regional stratification, coefficients show lower chances of leveling out an initial qualification mismatch in rural areas with agriculture and in declining manufacturing industry zones. No significant differences compared to urban centers can be observed in all other socioeconomic areas.

Changes across cohorts

There are major changes over time in the impact of gender on subjective upward mobility career prospects. Whereas men have better chances than young women to level out a first job qualification mismatch in the 1992 cohort, there are no longer any significant differences in the 1998 cohort; and in the 2001 cohort, there are even less chances for men. Chances then invert completely with more and more young women being better off. *Looking at the results on overqualification in the first job (p. 78) calculated separately by cohorts, it becomes clear that young men more often feel overqualified in all three education-leaver cohorts alike. Thus, their chances to level out the mismatch have clearly worsened over time.*

Youths with a migration background can improve their situation over time. Whereas migrants from the 1992 and 1998 cohorts still have lower chances than their native counterparts, no significant differences can be observed in the 2001 cohort.

Table 3.13: Duration until the subjective feeling of overqualification in the first job is leveled-out since the early 1990s (piecewise constant exponential models)

	1	2	3	4	5
Periods					
up to 6 months	-4.54**	-3.60**	-7.02**	-4.31**	-5.31**
6 to 12 months	-3.37**	-2.65**	-4.75**	-3.47**	-4.13**
12 to 18 months	-3.29**	-2.72**	-4.19**	-3.61**	-4.05**
18 to 24 months	-3.52**	-3.06**	-4.16**	-4.00**	-4.28**
24 to 36 months	-3.45**	-3.12**	-4.19**	-4.12**	-4.20**
36 and more months	-3.68**	-3.49**	-4.35**	-4.58**	-4.42**
Cohort (1998 = ref.)					
1992	0.00		0.04		0.04
2001	0.06		0.11**		0.07+
Gender (Women = ref.)					
Men	0.01	-0.03	0.05*	0.01	0.05+
Migration background (no = ref.)					
Yes	-0.12**	-0.09**	-0.13**	-0.10**	-0.14**
Educational qualification (Lower tertiary edu.(3a) = ref.)					
Intermediate vocational education (2a)	-0.20**	-0.10**	-0.22**	-0.08*	-0.21**
Intermediate general education (2bc)	-0.20**	-0.15**	-0.20**	-0.12**	-0.19**
Higher tertiary education (3b)	-0.13**	-0.12**	-0.07+	-0.05	-0.07+
Prestige score of first job (French socioecon. index of occ. status)	-0.02**	-0.03**	-0.02**	-0.02**	-0.02**
Yearly average unemployment rate		-0.01**		-0.02**	
Branch of first job (Social services = ref.)					
Extractive			0.01	-0.01	0.01
Transformative			0.06+	0.10**	0.07+
Distributive services			-0.01	0.03	-0.02
Producer services			0.03	0.09*	0.03
Personal services			0.18**	0.26**	0.18**
Firm size of first job (0–9 employees = ref.)					
10–49 employees			-0.01	0.02	-0.01
50–199 employees			-0.07*	-0.08*	-0.07*
200–499 employees			-0.11*	-0.14**	-0.11*
500 and more employees			-0.33**	-0.32**	-0.33**
Fixed-term contract in first job			0.57**	0.44**	0.56**
Number of fixed-term contracts			0.03*	0.13**	0.04**
Number of unemployment periods			0.19**	0.48**	0.19**
Duration of first job search			-0.01**	-0.02**	-0.02**
Socioeconomic area (Urban zones = ref.)					
Rural zones with agriculture					-0.12*
Rural zones with industry					0.00
Declining manufacturing industry					-0.06+
Dynamic manufacturing industry					-0.06
Tertiary sector and small businesses					-0.01
Events	6,257	6,257	6,257	6,257	6,257
Total persons	15,248	15,248	15,248	15,248	15,248
Censored persons	8,991	8,991	8,991	8,991	8,991
-2*diff.(LogL)	1,106	3,120	2,214	5,534	1,996

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

It seems that the shifts due to gender and ethnic differences can be characterized as an improvement to the situation that leads to an equalization of chances. This development can

once again be regarded as a result of the general improvement to the economic situation in France during the period under observation.

The prospects for the most highly qualified people have decreased over time. In the 1992 cohort, there are no significant differences between those with lower and higher tertiary degrees. Since 1998, the chances for university graduates to level out a first job qualification mismatch in the early employment career have dropped. *Thus, the relative advantages for the most highly qualified youths have diminished slightly over time.*

Other shifts have occurred with regard to branches. Whereas the branch of first job has no significant impact on balancing out a qualification mismatch for the 1992 education-leaver cohort, the 1998 cohort reveals advantages for youths when their first job is in the transformative or personal services. They have better prospects of switching to a job position for which they feel adequately qualified.

For the 1992 cohort, chances are worse in all larger firms with more than 50 employees, whereas in the 1998 and 2001 cohort, the likelihood is lower only in the largest firms with more than 500 employees as well as in smaller firms with to 10 to 50 employees (only in the 2001 cohort). Thus, firm size loses its significant explanatory power in favor of a more balanced distribution of chances across different firm types. The coefficients for the socioeconomic areas in which young people have finished their schooling show no substantive effects over time. Thus, it seems that the regional context has no significant impact on developments in the early employment career regarding leveling out qualification mismatches in the first job.

First job characteristics reveal a constant trend for young people for whom this is a fixed-term contract. They continuously have better chances of escaping overqualification than those with a permanent contract. The number of fixed-term contracts until the mismatch is leveled out first attains positive significance in the 2001 cohort. In contrast, the effect for first job search duration disappears in the 2001 cohort. Before this, a longer searching time is a drawback for leveling out overqualification. The amount of short unemployment spells between different activities until the mismatch is balanced has a consistently positive impact—young people can increase their chances of getting an adequate job position by engaging in several activities such as training or further education.

Table 3.14: Duration until the subjective feeling of overqualification in the first job is leveled-out since the early 1990s, by cohorts (piecewise constant exponential models)

	Cohort 1992					Cohort 1998					Cohort 2001				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Periods															
up to 6 months	-5.59**	-5.59**	-6.12**	-6.12**	-6.10**	-4.02**	-4.02**	-4.84**	-4.84**	-4.80**	-3.92**	-3.92**	-5.14**	-5.14**	-5.10**
6 to 12 months	-3.64**	-3.64**	-4.16**	-4.16**	-4.14**	-3.16**	-3.16**	-3.98**	-3.98**	-3.94**	-2.97**	-2.97**	-4.18**	-4.18**	-4.15**
12 to 18 months	-3.49**	-3.49**	-4.01**	-4.01**	-3.99**	-3.18**	-3.18**	-3.99**	-3.99**	-3.96**	-2.84**	-2.84**	-4.05**	-4.05**	-4.01**
18 to 24 months	-3.71**	-3.71**	-4.22**	-4.22**	-4.20**	-3.47**	-3.47**	-4.28**	-4.28**	-4.25**	-3.02**	-3.02**	-4.21**	-4.21**	-4.17**
24 to 36 months	-3.62**	-3.62**	-4.11**	-4.11**	-4.09**	-3.39**	-3.39**	-4.20**	-4.20**	-4.17**	-2.98**	-2.98**	-4.14**	-4.14**	-4.10**
36 and more months	-4.04**	-4.04**	-4.52**	-4.52**	-4.50**	-3.43**	-3.43**	-4.23**	-4.23**	-4.19**	-3.01**	-3.01**	-4.11**	-4.11**	-4.07**
Gender (Women = ref.)															
Men	0.16**	0.16**	0.21**	0.21**	0.21**	-0.03	-0.03	0.01	0.01	0.01	-0.25**	-0.25**	-0.21**	-0.21**	-0.22**
Migration background (no = ref.)															
Yes	-0.12*	-0.12*	-0.13*	-0.13*	-0.14**	-0.16**	-0.16**	-0.17**	-0.17**	-0.18**	-0.04	-0.04	-0.08	-0.08	-0.09
Educational qualification (lower tertiary education (3a) = ref.)															
Intermediate vocational education (2a)	-0.12*	-0.12*	-0.18**	-0.18**	-0.17**	-0.24**	-0.24**	-0.23**	-0.23**	-0.23**	-0.29*	-0.29*	-0.25*	-0.25*	-0.26*
Intermediate general education (2bc)	-0.09	-0.09	-0.08	-0.08	-0.08	-0.24**	-0.24**	-0.24**	-0.24**	-0.24**	-0.37**	-0.37**	-0.38**	-0.38**	-0.39**
Higher tertiary education (3b)	-0.07	-0.07	0.02	0.02	0.02	-0.16**	-0.16**	-0.13*	-0.13*	-0.13*	-0.23**	-0.23**	-0.25**	-0.25**	-0.26**
Branch of first job (Social services = ref.)															
Extractive			-0.17	-0.17	-0.17			0.08	0.08	0.08			0.09	0.09	0.11
Transformative			-0.07	-0.07	-0.06			0.11+	0.11+	0.11+			0.19+	0.19+	0.18+
Distributive services			-0.11	-0.11	-0.11			0.01	0.01	0.00			0.18	0.18	0.16
Producer services			-0.10	-0.10	-0.10			0.11	0.11	0.10			0.02	0.02	0.00
Personal services			0.01	0.01	0.00			0.29**	0.29**	0.28**			0.24*	0.24*	0.24*
Firm size of first job (0–9 employees = ref.)															
10–49 employees			-0.04	-0.04	-0.03			-0.01	-0.01	0.00			-0.16+	-0.16+	-0.16+
50–199 employees			-0.12*	-0.12*	-0.12*			-0.07	-0.07	-0.07			-0.10	-0.10	-0.09
200–499 employees			-0.20**	-0.20**	-0.20**			-0.09	-0.09	-0.10			-0.05	-0.05	-0.05
500 and more employees			-0.43**	-0.43**	-0.43**			-0.28**	-0.28**	-0.29**			-0.39**	-0.39**	-0.37**

Table 3.14   continued

	Cohort 1992					Cohort 1998					Cohort 2001				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Prestige score of first job	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.03**	-0.03**	-0.02**	-0.02**	-0.02**	-0.03**	-0.03**	-0.02**	-0.02**	-0.01**
Fixed-term contract in first job			0.76**	0.76**	0.76**			0.41**	0.41**	0.41**			0.27**	0.27**	0.27**
Number of fixed-term contracts			-0.03	-0.03	-0.02			0.03	0.03	0.03			0.27**	0.27**	0.27**
Number of unemployment periods			0.19**	0.19**	0.19**			0.21**	0.21**	0.21**			0.24**	0.24**	0.24**
Duration of first job search			-0.02**	-0.02**	-0.02**			-0.01*	-0.01*	-0.01*			0.00	0.00	0.00
Socioeconomic area *(Urban zones = ref.)*															
Rural zones with agriculture					-0.12					-0.14+					-0.09
Rural zones with industry					0.02					-0.02					0.05
Declining manufacturing industry					-0.07					0.00					-0.19*
Dynamic manufacturing industry					-0.10					-0.04					0.00
Tertiary sector and small businesses					0.09					-0.13					0.05
Events	2,596	2,596	2,596	2,596	2,596	2,632	2,632	2,632	2,632	2,632	1,029	1,029	1,029	1,029	1,029
Total persons	5,762	5,762	5,762	5,762	5,762	5,894	5,894	5,894	5,894	5,894	3,592	3,592	3,592	3,592	3,592
Censored persons	3,166	3,166	3,166	3,166	3,166	3,262	3,262	3,262	3,262	3,262	2,563	2,563	2,563	2,563	2,563
-2*diff.(LogL)	0,678	0,678	1,168	1,168	1,176	0,354	0,354	0,612	0,612	0,618	0,242	0,242	0,500	0,500	0,506

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

To summarize, in contrast to the analyses on the duration until getting a permanent contract, some substantial changes over time can be observed with regard to individual characteristics. Young women and youths with a migration background are no longer disadvantaged compared to their reference groups of young men or French native youths. The advantageous situation of university graduates disappears to a certain extent. They are no longer better protected against the feeling of overqualification in their first job, and they are also no longer in a better position to level out the mismatch later on.

Whereas the risk of feeling overqualified in first job has decreased across cohorts, the chances of leveling out the mismatch in the early employment career have improved. In sum, the situation has ameliorated across cohorts, and young people have better chances of improving their initial job position in the early employment career.

Upward occupational mobility: An objective measurement

Once they have found first employment, young people need to improve their job position in the early employment career. Some try to gain higher job positions by moving upward, but they all strive to attain the necessary job and income security to make long-term decisions in the private sphere.

Upward occupational mobility is of particular interest insofar as it is necessary to investigate whether young people can compensate initial suboptimal employment relationships and manage to become established on the labor market as employment insiders in more secure job positions. What role does labor market flexibilization play in upward occupational mobility? Can it impede, retard, or even support the employment career? For some youths, flexible employment relationships may present a barrier; for others, a stepping-stone that enables and perhaps even facilitates the promotion of their careers. What patterns emerge in different groups of youths?

The results are reported in Table 3.15. They indicate that the circumstances for young people have improved over cohorts, because the 1998 and 2001 education-leaver cohorts have better chances of achieving an occupational upward move than the 1992 cohort. When replacing the cohort dummies with the general unemployment rate, results show that the chances of upward mobility are influenced by the economic cycle. In times of economic recession, the likelihood is much lower than in those of economic upswings. Upward career prospects are therefore related more to the current economic cycle than to fundamental changes on the labor market. The best moment to enhance the job prestige is given between

6 to 12 months after having started first employment. Afterwards, the chances slightly worsen.

Individual characteristics show once again that young men have better upward occupational mobility prospects than young women. The same is true for native French youths—they have better upward career prospects than their counterparts with a migration background.

Not surprisingly, educational qualifications mirror the findings in the previous sections—young people with tertiary degrees have the best chances of upward mobility. In particular, university graduates can advance in their job positions more easily than others. Youths with basic vocational education have the lowest chances of upward mobility. Moreover, they have been trained in the concrete practical skills for the bandwidth of jobs they can achieve. This makes a vertical or upward occupational career less relevant. But the chances for horizontal job mobility are, of course, also strongly restricted once they have spent a certain time within one firm. Their firm-specific skills make interfirm mobility increasingly difficult within France's internal labor market structure. A horizontal move is therefore often accompanied by a loss of their gradually acquired work status (Eyraud et al. 1990: 509).

Controlling the characteristics of the first job that are hypothesized to be the decisive starting constellations reveals that a fixed-term contract in first job reduces the chances for upward occupational mobility. However, when calculating interaction effects separately for each educational class, some differences emerge. First, the main effect is positive, which means higher mobility chances in general. However, the interaction effects suggest that the chances for upward mobility are lower for those with elementary education or intermediate general education compared to their reference group. For youths with basic and intermediate vocational education, no significant differences can be observed compared to those who have graduated from a university of applied sciences. University graduates, finally, have better chances when they start their labor market career with a fixed-term contract. *It seems that they can use temporary contracts to improve their job position from one job to the next.* This finding is reinforced by the interaction effect measuring the number of fixed-term contracts someone has had before an upward move occurs. *Youths with university degrees can increase their chances of upward mobility through a series of fixed-term contracts, whereas this is not the case for all other educational classes*, because coefficients are either not significant or even negative. Overqualification in the first job also increases the chances of upward mobility.

Table 3.15: Upward occupational mobility since the early 1990s, objective measurement with the French socioeconomic index of occupational status (piecewise constant exponential models)

	1	2	3	4	5	6	7
Periods							
up to 6 months	-0.75**	-0.28**	-1.30**	-0.99**	-0.62**	-0.38**	-0.75**
6 to 12 months	-0.41**	-0.06	-0.96**	-0.65**	-0.36**	-0.22**	-0.49**
12 to 18 months	-0.63**	-0.36**	-1.17**	-0.87**	-0.61**	-0.55**	-0.74**
18 to 24 months	-0.92**	-0.71**	-1.46**	-1.16**	-0.91**	-0.92**	-1.04**
24 to 36 months	-0.99**	-0.86**	-1.52**	-1.23**	-1.00**	-1.10**	-1.13**
36 and more months	-1.28**	-1.26**	-1.80**	-1.52**	-1.31**	-1.55**	-1.44**
Cohort (1998 = ref.)							
1992	-0.04*		-0.01	-0.03+	-0.07**		-0.07**
2001	0.07**		0.08**	0.07 **	0.04 +		0.05 *
Gender (Women = ref.)							
Men	0.21**	0.20**	0.22**	0.21 **	0.23 **	0.23 **	0.20 **
Migration background (no = ref.)							
Yes	0.05*	0.07**	0.06**	0.04 *	0.02	0.05 *	0.04 *
Educational qualification (Lower tertiary (3a) = ref.)							
Elementary education (1ab)	-1.15**	-1.02**	-1.01**	-0.99**	-1.00**	-0.91**	-0.93**
Basic vocational training (1c)	-1.26**	-1.18**	-1.25**	-1.10**	-1.12**	-1.06**	-1.12**
Intermediate vocational education (2a)	-0.87**	-0.77**	-0.80**	-0.76**	-0.80**	-0.74**	-0.69**
Intermediate general education (2bc)	-0.54**	-0.48**	-0.41**	-0.49**	-0.50**	-0.45**	-0.48**
Higher tertiary education (3b)	0.46**	0.46**	0.45**	0.49 **	0.41 **	0.44 **	0.34 **
Yearly average unemployment rate		-0.01**			-0.01**		
Branch of first job (Social services = ref.)							
Extractive					-0.14**	-0.13**	
Transformative					-0.08**	-0.05*	
Distributive services					-0.08*	-0.06+	
Producer services					0.07*	0.12**	
Personal services					0.02	0.11**	
Firm size of first job (0–9 employees = ref.)							
10–49 employees					0.03	0.02	
50–199 employees					0.04	0.01	
200–499 employees					0.04	0.00	
500 and more employees					-0.10**	-0.14**	
Socioeconomic area (Urban zones = ref.)							
Rural zones with agriculture					-0.11**		
Rural zones with industry					-0.08**		
Declining manufacturing industry					-0.07**		
Dynamic manufacturing industry					-0.08**		
Tertiary sector and small businesses					-0.08**		
Prestige score of first job	-0.11**	-0.11**	-0.11**	-0.11**	-0.11**	-0.11**	-0.11**
Fixed-term contract in first job			0.55**		-0.35**	-0.17**	-0.36**
Overqualified in first job				0.28 **	0.21**	0.22**	0.22**
Duration of first job search					-0.01**	-0.02**	-0.01**
Number of fixed-term contracts					0.00	0.05**	0.02
Number of unemployment periods					0.04**	0.22**	0.04**
*Interaction: Education * Fixed-term contract in first job*							
Elementary education * First job fixed-term			-0.16*				
Basic vocational education * First job fixed-term			0.05				
Interm. vocational education * First job fixed-term			-0.08				
Interm. general education * First job fixed-term			-0.14*				
Higher tertiary education * First job fixed-term			0.07*				

Table 3.15   continued

	1	2	3	4	5	6	7
*Interaction: Education * Overqualified in first job*							
Interm. Vocational edu. * First job overqualified				-0.13*			
Interm. general education * First job overqualified				-0.05			
Higher tertiary education * First job overqualified				0.10+			
*Interaction: Education * Number of fixed-term contracts*							
Elementary edu. * Number of fixed-term contracts							-0.05*
Basic vocational ed.* Number of fixed-term contracts							0.00
Intermed. Voc. ed. * Number of fixed-term contracts							-0.08**
Interm. General edu. * Number of fixed-term contracts							-0.02
Higher tertiary educ. * Number of fixed-term contracts							0.10**
Events	14,830	14,830	14,830	14,830	14,830	14,830	14,830
Total persons	56,240	56,240	56,240	56,240	56,240	56,240	56,240
Censored persons	41,410	41,410	41,410	41,410	41,410	41,410	41,410
-2*diff.(LogL)	15,276	17,478	15,956	15,414	15,902	18,666	15,874

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

More profound analyses, however, deliver a slightly differentiated picture: The interaction terms for educational classes show that overqualification decreases the chances for those with intermediate vocational education, whereas university graduates seem to have fewer problems in promoting their upward occupational career when they start in a job for which they feel overqualified.

For them, it is more likely that the initial mismatch represents only a stepping-stone, whereas for others with lower educational qualifications, it may constitute a barrier toward jobs with a higher job prestige. The duration of first job search decreases the chances of further upward mobility, whereas, once again short unemployment combined with further training improves the chances of moving up the career ladder.Contextual characteristics of the first job show that upward mobility is highest in all firms with up to 499 employees. This is mainly because employees in these middle-sized firms gain more support in their upward careers than in the largest firms in which employees are 'handled as numbers.' Skill upgrading through on-the-job training may be particularly advanced in small and medium-sized firms compared to the largest enterprises. The branch results for the first job show that upward mobility is most difficult when youths are employed in the extractive, transformative, or distributive sector, whereas upward mobility chances are better in producer and personal services. Regional disparities show that it is harder to advance one's career and climb the social ladder everywhere in the French territory outside the urban regions.

Changes across cohorts

The results measuring changes over time are presented in Table 3.16. Models separating by cohorts show that gender segregation remains highly constant over time. Thus, young men have better career chances at all times. It seems that young migrants can catch up and improve their chances across cohorts—whereas the 1992 education-leaver cohort has more difficulties, the 1998 and 2001 cohorts have better prospects for upward occupational mobility than their native French counterparts. *This indeed suggests that in times of an ameliorating economic cycle, young migrants can succeed in leveling out their suboptimal situation at labor market entry in their further early employment careers.* Economic circumstances are less optimal for the 1992 cohort compared to the two subsequent cohorts, thus implying that youths belonging to the former cohort experience more problems in promoting their upward careers. *In times of economic depression, young migrants have more difficulties with their employment careers than native French youths.*

Looking at educational qualifications, the proportions between educational classes remain consistent over time. University graduates have the best career chances, followed by youths with lower tertiary degrees. Changes in the impact of first job characteristics on upward mobility prospects show that a fixed-term contract in first job loses its effect in the 2001 cohort, whereas a temporary contract thwarts ambitions for upward occupational mobility in the 1992 and 1998 cohorts. When interaction effects are included, the main effect is significantly positive in all three cohorts. The interaction coefficients are mainly not significant. University graduates in the 1992 and 1998 cohorts have higher upward mobility prospects. This advantage disappears in the 2001 cohort for whom fixed-term contracts have become increasingly widespread and thus the normal labor market entry. As a result, a temporary contract is no longer generally labeled as a shortcoming or as a personal failure. Youths with intermediate general education suffer from a fixed-term contract notably in the 1992 and in the 2001 cohort. Those who are overqualified in their first job have comparably good chances of escaping their mismatch and making an upward move in their early employment career. This effect is stable over time. The interaction terms for educational class indicate declining prospects for university leavers as well as for those with intermediate general education (Model 3).

When considering the number of fixed-term contracts before upward mobility occurs, chances in the 1992 and 1998 cohort are lower the more temporary contracts a youth has had. In the 2001 cohort, this effect inverts and the coefficient is positive. Regarding the

interaction terms (Model 5), a series of fixed-term contracts can help only university leavers to promote their upward mobility. In the 2001 cohort, in whom the main effect is positively significant, the interaction effect disappears. *Thus, for university graduates, fixed-term contracts present more of a stepping-stone toward better rewarded jobs than a trap. This pattern is quite stable over time, although the coefficient is no longer significant in the 2001 cohort. However, no significant effect can be observed in any educational class in this cohort, indicating that passing through a series of fixed-term contracts has become more and more equalized among youths.*

Being overqualified and having a fixed-term contract in first job proves to enhance the chances of upward mobility in general. Considering the interaction terms separately for the educational classes (Models 2 and 3), it becomes apparent that this mainly holds true over time for youths with lower tertiary degrees. For all others, prospects are more restricted—university leavers also have more difficulties in managing their careers when they commence with that suboptimal starting constellation.

Contextual characteristics of the first job indicate that young people have better upward career chances in the social and producer service sectors. This pattern shifts in the 1998 and 2001 cohorts who have better prospects in the transformative, producer, and personal sectors, and, since 2001, in the distributive sector as well. Firm size also reveals no stable pattern—except for fewer chances of upward mobility in the largest firms with more than 500 employees since the 1998 cohort.

Finally, there are also some changes with regard to regional structures: Whereas the socioeconomic area does not yet impact on upward mobility prospects for the 1992 education-leaver cohort, significant differences emerge in the 1998 and 2001 education-leaver cohorts. Young people finishing their secondary school in urban zones are always better able to manage their upward occupational careers than those in all other socioeconomic areas.

Downward occupational mobility

Upward mobility is, of course, the main goal for young people. They try to get a job position in which they can upgrade their wages and become labor market insiders. The path is often not straightforward, but interrupted by periods of unemployment, interfirm mobility, training, or further education.

Table 3.16: Upward occupational mobility since the early 1990s, objective measurement with the French socioeconomic index of occupational status, by cohorts (piecewise constant exponential models)

	Cohort 1992					Cohort 1998					Cohort 2001				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Periods															
up to 6 months	-0.74**	-1.36**	-0.76**	-0.21*	-0.53**	-0.78**	-1.20**	-1.29**	-0.97**	-0.94**	-0.73**	-1.35**	-1.13**	-1.15**	-1.12**
6 to 12 months	-0.20**	-0.82**	-0.23**	0.19*	-0.12	-0.50**	-0.91**	-1.01**	-0.75**	-0.73**	-0.63**	-1.25**	-1.03**	-1.06**	-1.04**
12 to 18 months	-0.39**	-1.00**	-0.42**	-0.05	-0.36**	-0.74**	-1.15**	-1.25**	-1.02**	-0.99**	-0.84**	-1.46**	-1.24**	-1.28**	-1.26**
18 to 24 months	-0.62**	-1.22**	-0.64**	-0.29**	-0.59**	-1.07**	-1.48**	-1.57**	-1.36**	-1.34**	-1.21**	-1.82**	-1.61**	-1.65**	-1.63**
24 to 36 months	-0.79**	-1.39**	-0.82**	-0.49**	-0.79**	-1.04**	-1.44**	-1.53**	-1.34**	-1.32**	-1.26**	-1.87**	-1.66**	-1.71**	-1.69**
36 and more months	-1.16**	-1.75**	-1.19**	-0.87**	-1.19**	-1.27**	-1.67**	-1.77**	-1.59**	-1.57**	-1.88**	-2.49**	-2.29**	-2.33**	-2.32**
Gender (Women = ref.)															
Men	0.26**	0.26**	0.26**	0.28**	0.24**	0.15**	0.16**	0.14**	0.14**	0.14**	0.20**	0.22**	0.18**	0.18**	0.20**
Migration background (no = ref.)															
Yes	-0.05	-0.05	-0.05	-0.07+	-0.05	0.11**	0.12**	0.09**	0.07*	0.09**	0.13*	0.13**	0.11*	0.08	0.11*
Educational qualification (Lower tertiary education (3a) = ref.)															
Elementary education (1ab)	-1.27**	-1.04**	-1.26**	-1.20**	-1.10**	-1.09**	-1.04**	-0.75**	-0.84**	-0.82**	-0.87**	-0.70**	-0.57**	-0.71**	-0.68**
Basic vocational training (1c)	-1.30**	-1.27**	-1.29**	-1.22**	-1.20**	-1.15**	-1.18**	-0.81**	-0.92**	-0.96**	-1.47**	-1.31**	-1.20**	-1.30**	-1.38**
Intermediate vocational education (2a)	-0.92**	-0.83**	-0.95**	-0.88**	-0.75**	-0.86**	-0.80**	-0.59**	-0.77**	-0.68**	-0.74**	-0.57**	-0.54**	-0.69**	-0.63**
Intermediate general education (2bc)	-0.59**	-0.43**	-0.59**	-0.56**	-0.49**	-0.51**	-0.48**	-0.38**	-0.46**	-0.47**	-0.48**	-0.23+	-0.32**	-0.46**	-0.42**
Higher tertiary education (3b)	0.53**	0.56**	0.51**	0.47**	0.48**	0.44**	0.38**	0.48**	0.38**	0.22**	0.43**	0.47**	0.59**	0.40**	0.41**
Prestige score of first job	-0.12**	-0.11**	-0.12**	-0.12**	-0.12**	-0.11**	-0.11**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**
Branch of first job (Social services = ref.)															
Extractive				-0.31**					-0.06					0.18	
Transformative				-0.32**					0.07+					0.18**	
Distributive services				-0.28**					0.03					0.16*	
Producer services				-0.07					0.14**					0.29**	
Personal services				-0.11**					0.12**					0.17**	
Firm size of first job (0–9 employees = ref.)															
10–49 employees				0.07*					0.05					-0.06	
50–199 employees				0.06					0.08*					0.00	
200–499 employees				0.15**					0.01					0.00	
500 and more employees				-0.05					-0.10+					-0.30**	

Table 3.16   continued

	Cohort 1992					Cohort 1998					Cohort 2001				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Socioeconomic area (Urban zones = ref.)															
Rural zones with agriculture				-0.06					-0.13**					-0.14+	
Rural zones with industry				-0.06					-0.08+					-0.20*	
Declining manufacturing industry				-0.05					-0.06+					-0.13*	
Dynamic manufacturing industry				-0.06					-0.10*					-0.14*	
Tertiary sector and small businesses				0.02					-0.17**					-0.11	
Fixed-term contract in first job		0.65**		-0.55**	-0.53**	0.41**			-0.32**	-0.34**		0.63**		-0.04	-0.06
Overqualified in first job			0.03	0.10**	0.08*		0.52**		0.35**	0.36**			0.49**	0.26**	0.26**
Duration of first job search				-0.01**	-0.01**				-0.01**	-0.01**				-0.01+	-0.01+
Number of fixed-term contracts				-0.03**	0.02				-0.01	-0.03				0.11**	0.11**
Number of unemployment periods				0.04*	0.03*				0.07**	0.08**				0.01	0.02
*Interaction: Education * Fixed-term contract in first job*															
Elem edu. * First job fixed-term		-0.28**					-0.05					-0.21			
Basic vocational edu. * First job fixed-term		0.02					0.09					-0.16			
Interm. vocational edu. * First job fixed-term		-0.12					-0.06					-0.20			
Interm. general edu. * First job fixed-term		-0.19*					-0.02					-0.31*			
Higher tertiary edu. * First job fixed-term		0.02					0.14					0.02			
*Interaction: Education * Overqualified in first job*															
Interm. voc. edu. * First job overqualified			0.11					-0.35**					-0.26		
Interm. gen. edu. * First job overqualified			0.00					-0.13+					-0.23+		
Higher tertiary education * First job overqualified			0.03*					-0.13					-0.36**		
*Interaction: Education * Number of fixed-term contracts*															
Elem. edu. * Number of f.-t. Contracts					-0.08*					-0.01					-0.01
Basic voc. ed.* Number of f.-t. Contracts					-0.04					0.04					0.05
Intermed. voc. ed. *Number of f.-t. Contracts					-0.09**					-0.05					-0.04
Interm. gen. edu. * Number of f.-t. Contracts					-0.06+					0.01					-0.02
Higher tertiary ed.* Number of f.-t. Contracts					0.06					0.16**					0.01
Events	6,309	6,309	6,309	6,309	6,309	6,122	6,122	6,122	6,122	6,122	2,399	2,399	2,399	2,399	2,399
Total persons	22,210	22,210	22,210	22,210	22,210	20,555	20,555	20,555	20,555	20,555	13,475	13,475	13,475	13,475	13,475
Censored persons	15,901	15,901	15,901	15,901	15,901	14,433	14,433	14,433	14,433	14,433	11,076	11,076	11,076	11,076	11,076
-2*diff.(LogL)	6,482	6,858	6,490	6,898	6,812	6,038	6,230	6,208	6,420	6,398	2,902	3,026	2,944	3,016	2,976

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

In the French context, downward occupational mobility can occur very easily through interfirm mobility, because the internal labor market structure leads to the acquisition of firm-specific skills that are not easily transferrable to other companies. The longer the job tenure, the more difficult it may be to change firm without risking downward mobility (Eyraud et al. 1990). But the risk of external mobility also decreases with increasing occupational experience (Dupray 2006). As shown in the previous section, a series of fixed-term contracts can help highly qualified youths in their upward careers. For others, however, being obliged to accept fixed-term contracts as the only alternative to long-term unemployment may lead into a trap. Therefore, these latter groups need to be examined in more depth. The following analyses investigate the duration until downward mobility in order to find out which groups suffer most and which manage to escape the vicious circle of downward mobility.

Table 3.17 presents the results of the piecewise constant exponential models. Similar to the chances of upward mobility, the 1992 education-leaver cohort faces higher and the 2001 cohort lower risks than the 1998 cohort. A decline in downward mobility risks has taken place over time. The coefficients for the general unemployment rate indicate that this depends on the economic cycle: the higher the unemployment in the total population, the lower the risks of downward mobility (Models 2 and 4). Intuitively, the opposite result would be expected. In times of economic recession, the readiness to hire new workers is relatively low. Considering that downward occupational mobility often (albeit not always) occurs through interfirm mobility as a result of the internal labor market structure in France, then one could expect a worker to be released into unemployment and not mandatorily reemployed in another firm. Therefore, when interpreting downward mobility as an outcome of interfirm mobility, reemployment chances within a new firm are worse in times of high unemployment

The covariates measuring gender differences show mixed effects, indicating that gender differences are not very pronounced. There are also no ethnic disadvantages. Looking at educational qualifications reveals that youths with tertiary degrees are best protected against downward mobility. All others face a greater risk of suffering loss in their occupational status.

Controlling for the characteristics of the first job reveals that a fixed-term contract in first job increases the risk of downward mobility throughout, mainly because the type of job contract makes job changes inevitable.

Table 3.17: Downward occupational mobility since the early 1990s (piecewise constant exponential models)

	1	2	3	4	5	6
Periods						
up to 6 months	-8.19**	-7.48**	-8.89**	-8.50**	-8.59**	-9.16**
6 to 12 months	-7.83**	-7.20**	-8.53**	-8.15**	-8.34**	-8.80**
12 to 18 months	-7.93**	-7.38**	-8.64**	-8.25**	-8.55**	-8.89**
18 to 24 months	-8.19**	-7.68**	-8.89**	-8.50**	-8.87**	-9.14**
24 to 36 months	-8.40**	-7.96**	-9.10**	-8.72**	-9.19**	-9.34**
36 and more months	-8.86**	-8.49**	-9.55**	-9.18**	-9.79**	-9.78**
Cohort (1998 = ref.)						
1992	0.07**		0.10**	0.06*		0.02
2001	-0.17**		-0.15**	-0.15**		-0.15**
Gender (Women = ref.)						
Men	0.03	0.01	0.06**	0.01	0.09**	0.10**
Migration background (no = ref.)						
Yes	0.00	0.01	0.00	-0.01	-0.03	-0.04
Educational qualification (Lower tertiary (3a) = ref.)						
Elementary education (1ab)	1.31**	1.41**	1.59**	1.55**	1.30**	1.20**
Basic vocational training (1c)	0.95**	0.97**	1.10**	1.19**	1.00**	0.93**
Intermediate vocational education (2a)	1.18**	1.27**	1.25**	1.42**	1.16**	1.07**
Intermediate general education (2bc)	0.83**	0.86**	0.99**	1.05**	0.77**	0.72**
Higher tertiary education (3b)	-0.56**	-0.49**	-0.80**	-0.52**	-0.48**	-0.55**
Yearly average unemployment rate		-0.01**			-0.01**	
Branch of first job (Social services = ref.)						
Extractive					0.11+	0.12+
Transformative					0.15**	0.13**
Distributive services					0.20**	0.19**
Producer services					0.24**	0.20**
Personal services					0.56**	0.51**
Firm size of first job (0–9 employees = ref.)						
10–49 employees					0.12**	0.09**
50–199 employees					-0.09**	-0.11**
200–499 employees					-0.13**	-0.14**
500 and more employees					-0.24**	-0.24**
Socioeconomic area (Urban zones = ref.)						
Rural zones with agriculture						-0.06
Rural zones with industry						0.08*
Declining manufacturing industry						-0.04
Dynamic manufacturing industry						0.07*
Tertiary sector and small businesses						-0.02
Prestige score of first job	0.05**	0.05**	0.06**	0.05**	0.06**	0.06**
Fixed-term contract in first job			0.72**		0.96**	0.99**
Overqualified in first job				0.62**	0.18**	0.19**
Duration of first job search					0.00*	0.00
Number of fixed-term contracts					-0.19**	-0.26**
Number of unemployment periods					0.50**	0.30**
*Interaction: Education * Fixed-term contract in first job*						
Elementary education * First job fixed-term			-0.36**			
Basic vocational education * First job fixed-term			-0.13			
Intermediate vocational edu. * First job fixed-term			-0.10			
Intermediate general edu. * First job fixed-term			-0.21**			
Higher tertiary education * First job fixed-term			0.46**			

Table 3.17   continued

	1	2	3	4	5	6
*Interaction: Education * Overqualified in first job*						
Intermediate voc. edu. * First job overqualified				-0.62**		
Intermediate gen. edu. * First job overqualified				-0.61**		
Higher tertiary education * First job overqualified				-0.19*		
Events	9,019	9,019	9,019	9,019	9,019	9,019
Total persons	56,240	56,240	56,240	56,240	56,240	56,240
Censored persons	47,221	47,221	47,221	47,221	47,221	47,221
-2*diff.(LogL)	3,636	4,886	4,516	3,810	7,780	5,518

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

The interaction effects for educational classes show that not only the lowest but also those with intermediate general education are less confronted with downward mobility once they have started a temporary contract (Model 3). In contrast, youth with university degrees and a fixed-term contract in first job face a higher risk of downward mobility.

Therefore, the result reported in the previous section has to be supplemented and placed in perspective here: For some university leavers, a fixed-term contract in first job can serve as a stepping-stone toward more rewarding jobs, but it can also represent a trap with the consequence of a downward move.[25]

Overqualification in the first job generally increases the risk for downward mobility as well. The interaction coefficient for educational classes shows the highest risk for those with lower tertiary degrees. *For young people with a diploma from a university of applied science, starting with a job for which they are overqualified can have negative consequences.* Regarding the job prestige score (French socioeconomic index of occupational status) of the first job, youth in job positions with higher prestige scores are more at risk of downward mobility. This is probably because these youths are more often obliged to change their firm and to accept a job with a lower prestige score than the one they had before.

A series of unemployment spells between periods of employment or other activities also increases the risk of downward mobility. Contextual characteristics show that young people are clearly better protected against downward mobility in larger firms. This result is very much in line with the logic of the internal labor market in France. Starting the first job in the

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[25]   The shares of those who experience an upward and a downward move are quite similar: About 16% of university graduates achieve an upward career after their first job, whereas nearly 14% move downward.

social services lowers the risk of downward mobility. These jobs are usually not connected with career aspirations. The coefficients measuring the geographical socioeconomic background show that there are higher risks of downward occupational mobility in rural zones with industry as well as in dynamic manufacturing industry areas. Maybe inter-firm mobility in these areas occurs more often than elsewhere in order to find an adequate job position.

Changes across cohorts

Similar to the results for upward occupational mobility, downward mobility reveals no substantial changes to individual characteristics (see Table 3.18). The pattern for young men is not very clear-cut and depends strongly on the composition of the models. No significant effect of ethnicity can be found throughout, indicating that youths with a migration background do not face any disadvantages compared to French native youths. The pattern for educational qualifications also remains highly stable over time. The same applies to features of the first job—there are no significant shifts across cohorts. However, interaction effects for a fixed-term contract in first job calculated for each educational class (Model 3) show that university graduates lose their relative advantage, that is, the 2001 cohort no longer shows any significant differences compared to the reference group of those with lower tertiary degrees. Previously, they are better protected against downward mobility despite having started their first job with a short-term contract. In contrast, their chances have improved over time after being overqualified in their first job.

Whereas the 1992 education-leaver cohort still has a higher risk of moving downward, the risk is lower for the 1998 and 2001 cohorts. Moreover, overqualification in the first job turns out to be a problem mostly for youths with lower tertiary attainments. Since the 1998 cohort, all educational classes are less subject to downward mobility (Model 4).

Considering the size of the firm, downward mobility is less likely in all firms with more than 50 employees. Since the 2001 cohort, however, only youths in firms with more than 500 employees are more protected against a loss in their job prestige score.

Even within different branches, a shift can be observed toward the lowest risks in the extractive and social services. This may be related to the increase in low qualified service sector jobs in which a decline in job prestige is still very unlikely.

Table 3.18:   Downward occupational mobility since the early 1990s, by cohorts (piecewise constant exponential models)

	Cohort 1992					Cohort 1998					Cohort 2001				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Periods															
up to 6 months	-8.21**	-9.08**	-8.26**	-8.82**	-8.79**	-8.24**	-8.64**	-8.69**	-9.20**	-9.19**	-7.89**	-8.70**	-8.46**	-9.82**	-9.85**
6 to 12 months	-7.73**	-8.60**	-7.78**	-8.33**	-8.30**	-8.00**	-8.39**	-8.45**	-8.95**	-8.94**	-7.57**	-8.38**	-8.13**	-9.49**	-9.52**
12 to 18 months	-7.79**	-8.66**	-7.84**	-8.39**	-8.36**	-8.10**	-8.50**	-8.55**	-9.04**	-9.04**	-7.76**	-8.56**	-8.32**	-9.66**	-9.69**
18 to 24 months	-8.04**	-8.91**	-8.09**	-8.62**	-8.59**	-8.40**	-8.79**	-8.85**	-9.33**	-9.33**	-7.94**	-8.73**	-8.49**	-9.82**	-9.85**
24 to 36 months	-8.31**	-9.17**	-8.36**	-8.88**	-8.85**	-8.54**	-8.93**	-8.99**	-9.47**	-9.46**	-8.16**	-8.95**	-8.72**	-10.02**	-10.05**
36 and more months	-8.82**	-9.66**	-8.87**	-9.36**	-9.33**	-8.96**	-9.34**	-9.40**	-9.86**	-9.86**	-8.59**	-9.40**	-9.15**	-10.40**	-10.43**
Gender (Women = ref.)															
Men	-0.05+	-0.02	-0.05+	0.09**	0.09**	0.02	0.05	-0.01	0.05	0.04	0.10+	0.15**	0.07	0.05	0.05
Migration background (no = ref.)															
Yes	-0.04	-0.03	-0.04	-0.05	-0.06	0.00	0.00	-0.01	-0.05	-0.05	0.07	0.05	0.05	-0.02	-0.01
Educational qualification (Lower tertiary education (3a) = ref.)															
Elementary education (1ab)	0.99**	1.40**	1.03**	0.82**	0.82**	1.56**	1.71**	1.91**	1.46**	1.46**	1.45**	1.82**	1.83**	1.25**	1.25**
Basic vocational training (1c)	0.69**	1.03**	0.73**	0.60**	0.59**	1.37**	1.19**	1.72**	1.35**	1.35**	0.39**	0.72**	0.74**	0.59**	0.59**
Intermediate vocational education (2a)	0.91**	1.02**	0.95**	0.78**	0.78**	1.37**	1.41**	1.70**	1.24**	1.24**	1.26**	1.57**	1.64**	1.02**	1.02**
Intermediate general education (2bc)	0.57**	0.85**	0.66**	0.49**	0.49**	0.98**	1.00**	1.27**	0.85**	0.85**	0.90**	0.97**	1.15**	0.60**	0.61**
Higher tertiary education (3b)	-1.13**	-1.29**	-1.24**	-1.05**	-1.05**	-0.44**	-0.84**	-0.33**	-0.47**	-0.47**	-0.02	-0.16	0.08	-0.26**	-0.25**
Branch of first job (Social services = ref.)															
Extractive				-0.16+	-0.14				0.33**	0.32**				0.27	0.26
Transformative				-0.19**	-0.19**				0.29**	0.29**				0.55**	0.55**
Distributive services				-0.23**	-0.23**				0.40**	0.40**				0.78**	0.77**
Producer services				-0.04	-0.04				0.34**	0.34**				0.30**	0.30**
Personal services				0.21**	0.21**				0.67**	0.67**				0.89**	0.89**
Firm size of first job (0–9 employees = ref.)															
10–49 employees				0.04	0.04				0.04	0.04				0.10	0.09
50–199 employees				-0.12*	-0.12*				-0.21**	-0.21**				-0.07	-0.07
200–499 employees				-0.17*	-0.17*				-0.18*	-0.17*				-0.18	-0.19
500 and more employees				-0.37**	-0.38**				-0.31**	-0.30**				-0.24*	-0.24*

Table 3.18   continued

	Cohort 1992					Cohort 1998					Cohort 2001				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Socioeconomic area (Urban zones = ref.)															
Rural zones with agriculture				-0.03					-0.05					-0.14	
Rural zones with industry				0.11+					0.06					0.04	
Declining manufacturing industry				-0.02					-0.05					-0.04	
Dynamic manufacturing industry				0.11*					0.08					-0.11	
Tertiary sector and small businesses				0.06					-0.13+					0.06	
Prestige score of first job	0.06**	0.06**	0.06**	0.06**	0.06**	0.05**	0.05**	0.06**	0.06**	0.06**	0.04**	0.04**	0.05**	0.06**	0.06**
Fixed-term contract in first job		0.96**		1.15**	1.15**		0.36**		0.82**	0.81**		0.85**		0.81**	0.81**
Overqualified in first job			0.10	0.04	0.04			0.86**	0.28**	0.28**			0.97**	0.32**	0.32**
Duration of first job search				0.00	0.00+				0.00	0.00				0.01	0.01
Number of fixed-term contracts				-0.33**	-0.33**				-0.23**	-0.22**				-0.07*	-0.07+
Number of unemployment periods				0.28**	0.28**				0.29**	0.29**				0.42**	0.42**
*Interaction: Education * Fixed-term contract in first job*															
Elem edu. * First job f.-t. Contract		-0.52**					-0.17					-0.51*			
Basic voc. edu. * First job f.-t. contr.		-0.37*					0.35*					-0.45			
Interm. voc. edu. * First job f.-t. contr.		-0.16					-0.03					-0.44+			
Interm. gen. edu. * First job f.-t. contr.		-0.37**					-0.01					-0.18			
Higher tertiary education * First job f.-t. contr.		0.39**					0.75**					0.20			
*Interaction: Education * Overqualified in first job*															
Elem. edu. * First job overq.															
Basic voc. edu. * First job overq.															
Interm. voc. edu. * First job overq.			-0.10					-0.83**					-1.04**		
Interm. gen. edu. * First job overq.			-0.25*					-0.77**					-0.80**		
Higher tertiary education * First job overq.			0.33*					-0.38**					-0.57**		
Events	4,086	4,086	4,086	4,086	4,086	3,424	3,424	3,424	3,424	3,424	1,509	1,509	1,509	1,509	1,509
Total persons	56,240	56,240	22,210	22,210	22,210	20,555	20,555	20,555	20,555	20,555	13,475	13,475	13,475	13,475	13,475
Censored persons	52,154	52,154	18,124	18,124	18,124	17,131	17,131	17,131	17,131	17,131	11,966	11,966	11,966	11,966	11,966
-2*diff.(LogL)	2,010	2,536	2,034	3,020	3,010	1,520	1,718	1,632	2,136	2,126	0,386	0,586	0,454	0,916	0,910

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

3.7 Preliminary conclusions on the first empirical study

In the previous sections, I have presented the main results separately for each analysis of the labor market entry process, early employment career, and changes over time. To answer all three research questions entirely, it is now necessary to extract the central findings for each analysis in order to gain a comprehensive understanding of the main patterns and changes.

Research question 1: Is there an observable increase in labor market flexibilization that reduces young people's opportunities over the past decades to complete their school-to-work transition and establish themselves in their early employment careers?

Table 3.19 presents an overview of the main results. It is clear that most results show an amelioration of the situation over time instead of a worsening picture. This is mainly explained by the recuperating economic cycle, because France experienced an economic boom during the 1990s. For instance, the speed of entering the labor market and finding a first job improves across cohorts. Young people have no substantial problems in entering the French labor market. Almost 91% of young job seekers from the total sample succeed in finding a first employment. Even the median duration within the first job increases over time. Young people also face a monotonically declining risk in starting overqualified or with part-time work. The risk of becoming unemployed as well as the chance of reemployment are characterized by a cyclical trend with the lowest risk or best chances in the 1998 cohort. This curve progression is also in line with economic developments.

Regarding the changes in the early employment career, monotonically improving circumstances can also be observed for leveling out the mismatch of overqualification in the first job as well as for upward occupational mobility (measured with the French socioeconomic index of occupational status). Furthermore, youths are also generally subject to less downward mobility over time. However, a closer look at the results reveals that there are indeed some effects that relate to increasing labor market flexibilization. Evidence is given, on the one hand, by the increasing speed at which youths are entering the labor market.

Table 3.19:   Results on the first research question

Analyses	*Results*	
Duration until first employment	↑	Improvement
Quality of the first job		
• Fixed-term contract	∨	**Cyclical trend**
• Overqualification	↑	Improvement
• Part-time employment	↑	Improvement
Risk of unemployment	∧	Cyclical trend
Chances of reemployment	∧	Cyclical trend
Duration until turning the fixed-term contract of the first job into a permanent contract	↓	**Worsening development**
Duration until the subjective feeling of overqualification in the first job is levelled-out	↑	Improvement
Upward mobility objective (French socioeconomic index of occupational status)	↑	Improvement
Downward occupational mobility	↑	Improvement

Source: Own illustration
Notes: ↑ monotonic increase in chances = improvement of the situation over time (across cohorts)
           ↓ monotonic decrease in chances = worsening situation over time (across cohorts)
           ∨ cyclical trend: highest risk in the 1998 cohort
           ∧ cyclical trend: best chances in the 1998 cohort

Even if the economic cycle has ameliorated across the three education-leaver cohorts, the increased speed is also related to the possibility employers have of hiring new workers without giving them permanent contracts that would commit them to providing employment relationships that are highly protected by the strict dismissal legislation in France. This also explains why employers make increasing use of temporary forms of employment even in times of economic upswing (see Table 3.10), because these contracts provide nonbinding employment relationships that can be withdrawn very easily. The allocation of fixed-term contracts in the first job therefore clearly exceeds permanent contracts in all three cohorts. *Employers prefer to use these nonbinding types of contract that allow them to react more flexibly to current demand, and they do not commit themselves to irrevocable decisions despite improvements in the economy.*

The first conclusion for labor market changes occurring at labor market entry is: *For young people, one can see an effect of increasing labor market flexibilization insofar as they are preferably given fixed-term contracts instead of permanent ones even when economic conditions improve. This can have positive and negative consequences for them:*

- *Due to a relatively low duration of first job search, finding a first job is not a major challenge in France.*
- *Moreover, accepting a temporary contract is often the only alternative to unemployment.*
- *The negative effect of a fixed-term contract is that young people lack job security and are unable to make any long-term binding decisions in the private sphere.*
- *Both fixed-term contracts and being overqualified can lead to a trap impeding upward occupational mobility or more rewarding job positions (see also results on Research question 2 below).*

As the results show, the risk of temporary employment or of overqualification can be avoided in part if young people do not accept just any job in the beginning but wait until they receive a job in which their educational qualifications match the job requirements or until they get a permanent job contract. This is mainly a strategy open to young people in the 1998 and 2001 education-leaver cohorts. *Therefore, in times of increasing labor market flexibilization, waiting a certain time before accepting a first job can help to reduce the risk of a suboptimal career entry.* A longer waiting time, however, is only effective within a period of a few months. Afterwards, of course, it has a decreasingly marginal utility or even negative effects.

Regarding the early employment career, results show that although the economic situation has improved during the period under observation, there are increasing difficulties in turning a fixed-term contract for the first job into a permanent contract. The descriptive results on the type of contract for the first job and the last job (in the last calendar information) show a linear trend of worsening chances for those youths who hold a fixed-term contract in their first employment. It thus becomes increasingly difficult to escape flexible employment relationships across cohorts. *Despite the improved situation on the domestic labor market, temporary contracts have become more and more common even in the early employment career. It seems that members of the younger cohorts have more problems in becoming labor market insiders.*

However, more than one-half of the youths who find a first employment hold a permanent job contract in the last month of observation. It is therefore still possible to attain a standard employment relationship, but there is no guarantee that all youths will become labor market insiders within the first years after employment entry.

Research question 2: Is a 'bad', that is, a suboptimal, career entry typically a trap, or can it serve as a stepping-stone toward a smooth employment career and more rewarding jobs? Are changes observable across cohorts?

The main findings are summarized in Table 3.20.

Chances of turning a fixed-term contract into a permanent one: Regarding general developments and prospects when youths start with a fixed-term contract, the last calendar information within the observation window shows that young people who hold a fixed-term contract in their first job have not only lower employment rates in the last month of observation but also more difficulties in getting a permanent contract in their early employment career. Their situation has even worsened across cohorts, indicating that it has become increasingly difficult over time to turn a fixed-term contract into a permanent contract. It seems that first job quality is becoming more and more important. As mentioned above, the analysis of the situation at labor market entry has shown that it can help young beginners to wait a certain time before accepting a first job and reduce the risk of a suboptimal career entry. But if young people have to accept a fixed-term contract in their first employment, then their chances of getting a permanent contract in the early career are lower the longer the search duration until first employment. Furthermore, the more temporary contracts they have during their early employment career, the more difficult it also becomes to gain a permanent contract in the future. A series of short unemployment spells between different activities, however, can improve chances of gaining a permanent contract.

Chances of leveling out the mismatch of overqualification in the first job: Youths with a fixed-term contract for which they are overqualified have better prospects of getting a permanent contract than those who are adequately qualified right from the start but hold a temporary contract in their first employment. This could be explained by the fact that it is more likely for employers to give overqualified youth a permanent contract, because they have demonstrated their better skills. This result is also reinforced by the analyses measuring the duration until leveling out the initial qualification mismatch. A temporary contract can improve the prospects of an adequate job in the early employment career. This makes sense insofar as more job changes are required when job contracts are limited. This also promotes the chances for improving the current job situation and moving up the career ladder. A series of fixed-term contracts then enhances the chances for leveling out the initial mismatch.

Table 3.20:   Results on the second research question

Analyses	Results	
Duration until turning the fixed-term contract of the first job into a permanent contract	• Overqualification in the first job:	↑
	• Duration of first job search:	↓
	• Number of fixed-term contracts:	↓
	• Number of unemployment spells between activities:	↑
Duration until the subjective feeling of overqualification in the first job is levelled-out	• Fixed-term contract in first job:	↑
	• Duration of first job search: (no sig. differences in the 2001 cohort)	↓
	• Number of fixed-term contracts: (no sig. differences in the 1992 and 1998 cohort)	↑
	• Number of unemployment spells:	↑
Upward occupational mobility (objective measure, French socioeconomic index of occupational status)	• First job: overqualified: (particularly better chances for those with tertiary degrees (but decreasing chances for university graduates over time)	↑
	• First job fixed-term contract: (better chances for university graduates) (no sig. differences in the 2001 cohort)	↓
	• Duration of first job search:	↓
	• Number of fixed-term contracts: (improvement over time)	↑
	• Number of unemployment spells: (no sig. differences in the 2001 cohort)	↑
Downward occupational mobility (French socioeconomic index of occupational status)	• First job overqualified:	↓
	• First job fixed-term contract: particularly for university graduates, but not for elementary education, intermediate general education	↓
	• Duration of first job search:	**n. sig.**
	• Number of fixed-term contracts:	↑
	• Number of unemployment spells:	↓

Source: Own illustration.
Notes: ↑ increasing chances for the further employment career
           ↓ decreasing chances for the further employment career

Spells of unemployment between different kinds of activities (e.g., training) also enhance the chances of moving up into an adequate job position. However, a longer searching time until first employment makes it less probable that youths can level out their qualification mismatch later on. Whereas the likelihood of feeling overqualified in first job decreases over cohorts, the prospects of leveling out the mismatch improve. Starting overqualified is not predominantly a trap, but more of a stepping-stone. In contrast, fixed-term employment is more problematic or even a hurdle to more secure jobs.

Chances for upward occupational mobility and risks of downward mobility: Regarding the prospects for upward occupational mobility, the results show that being overqualified in the first employment enhances the chances for upward occupational mobility only for youths with tertiary degrees. A fixed-term contract in first job generally decreases the chances of promoting an upward career and increases the risk of downward mobility instead. A longer searching time until finding a first job also reduces later upward mobility career prospects.

A series of fixed-term contracts decreases the chances of all youths except university graduates. The latter can promote their job career in any case, and may even profit from temporary contracts by upgrading their skills as well as their wages from one job to the next. However, university leavers also face a higher risk of downward occupational mobility the more fixed-term contracts they have obtained. Therefore, it is not universally true that the most highly qualified people can manage better to improve their occupational career by going from one temporary contract to another. Some university graduates succeed this way, but others do not. This was mainl explained by the force to external job mobility which is often accompanied by a downgrading of the previous job prestige within the French internal labor market (Dupray 2006). Unemployment spells between certain activities lead to better chances for upward mobility, but they can also increase the risk of downward mobility. Upward mobility may be reinforced when young people engage in further training between jobs and upgrade their skills. In contrast, being inactive or going on vacation may raise the risk of downward occupational mobility.

However, the results reveal that the situation is not so clear-cut, and that differences can be observed between groups insofar as a suboptimal career entry does not necessarily have the same effect for all youths alike. These differences relate mainly to gender, migration background, and, more importantly, to educational qualifications as well as more or less indirectly to parental social background.

Research question 3: Will there be increasing uncertainty, more inequality and instability for all young individuals alike, or can it be assumed that the traditional inequality patterns persist?

Educational qualifications deliver the most decisive explanation of differences in labor market outcomes and changes in early employment career patterns. The shifts occurring during the period under observation can be characterized as follows: The relative advantages of university graduates diminish across cohorts and the chances for youth with vocational or with lower tertiary degrees improve (see also Table 3.21).

University graduates reveal a decreased speed across cohorts in finding a first job compared to youth with lower tertiary degrees. In contrast, youths with basic vocational diplomas can improve the speed and smoothness of their school-to-work transition. The quality of the first job shows that university graduates constantly have a lower risk of getting a fixed-term contract, whereas they lose their advantages over time with regard to the risk of starting

overqualified or of working in a part-time job. Once again, it is youths with lower tertiary degrees or vocational diplomas who have the best chances; the professional skills they have acquired during their apprenticeship or vocational training ensure advantages in getting a good or even an adequate first job. Youths with basic vocational degrees profit mostly from their practical job-specific skills—mainly, it can be assumed, because of the improving economic situation that reflates the market and stimulates the demand for manual and industrial workers.

The same trend can be observed for the risk of losing the first job and become unemployed. Although university graduates still belong to the best protected group on the labor market, their risk of unemployment has increased over time compared with the reference group of those with lower tertiary attainments. For youth with basic vocational education, in contrast, there is, once again, a trend toward improvement or a decreasing risk of becoming unemployed after the first job. University leavers have better reemployment chances in the 1992 and 1998 cohorts than all other educational groups if they are overqualified in their first job. But, again, this advantage disappears completely in the 2001 cohort. The same can be observed for the chances of leveling out the initial job–qualification mismatch—young people with tertiary degrees have clear advantages over all other educational groups in the 1992 cohort. After 1998, however, this margin disappears.

What becomes obvious when investigating unemployment risks and reemployment chances is that those groups that are already disadvantaged at labor market entry continue to experience problems afterward. These are mainly young women, youths with a migration background, and youths with the lowest or even no educational attainments. For instance, the median duration of unemployment after the first job is twice as high for youths with the lowest or no educational attainments compared to more highly qualified youths (6 months for the former, 3 months for the latter). This group tends to follow a downward spiral starting with their situation at labor market entry. Youths with vocational certificates seem to have the best chances—it is easier for them to escape the risk of ending up in an unemployment trap when labor market entry does not proceed as smooth as it should.

Tertiary graduates reveal a more constant and stable trend in their chances of getting a permanent contract after starting with a fixed-term contract at employment entry. Although even the most highly educated youths are exposed increasingly to temporary work, they have more success in escaping from this precarious type of employment relationship. A fixed-term contract in first job generally decreases upward mobility prospects for everybody

but university graduates. They have better upward mobility chances than all other educational groups. However, this is only true for the 1992 and 1998 cohort, because such significant differences can no longer be observed in the 2001 cohort. This can be traced back, on the one hand, to the improving economic situation for the 2001 cohort and, on the other hand, to the more widespread use of fixed-term contracts that has led to generally better labor market prospects proportionally for all youths. A similar effect can be observed for the number of fixed-term contracts until upward mobility occurs. University graduates in the 1992 and 1998 cohorts can promote their upward career through a series of fixed-term contracts, whereas prospects are worse for all other youths. But in the 2001 education-leaver cohort, these differences vanish, and the main effect of the covariate (*number of fixed-term contracts*) becomes positive for all youths alike. Beyond this, university graduates in the 1992 and 1998 cohorts do not suffer from overqualification in their first job. They can pursue their upward career anyway, whereas this is not so easy for the other educational classes.

In principle, youths with university degrees are best protected against downward occupational mobility, but if they start their first employment with a fixed-term contract, they lose their advantage over time and are no longer better protected against downward mobility than other educational groups. Youths with lower tertiary attainments have the highest risk for downward mobility when they are overqualified for their first job. The same is true for those with intermediate vocational certificates, because they are also strongly disadvantaged when they are overqualified for their first job. *Young people with a vocational or technical diploma providing them with specific skills for their jobs experience disadvantages in their early career if they are overqualified for their first job. It is particularly difficult for them to get an adequate job position, because they often start with a job that does not match their vocational training.*

To summarize, the type and the level of educational attainment is still the major precondition for a smooth labor market establishment in the early years after employment entry. Youths with tertiary degrees, vocational diplomas, or apprenticeships can best manage to become established. Even when the school-to-work transition is not optimal, youths with higher educational qualifications are in a better position to escape this suboptimal starting situation and promote their labor market career anyway. *In times of high unemployment and the increasing use of flexible employment measures, the kind of educational qualification is most decisive for labor market success or failure. Not only do youths with tertiary degrees belong to the best protected group of young beginners, but also*

youths with vocational certificates often have better starting conditions than their counterparts with general degrees. The trend toward equalization that can be observed across cohorts is mainly due to the improved economic background that enhances the chances proportionally for all youths. Although young people with university degrees lose their relative advantages compared to lower tertiary graduates in some respects, they still belong to the group with the best chances of a smooth and optimal employment entry and early career establishment process. They can improve their situation over time through greater upward mobility prospects and more chances to turn their fixed-term contracts into permanent contracts in their early career. They are the most protected group against labor market flexibilization and can best manage to become established.

To conclude, in line with Beck (2000), one can certainly observe something like a social "elevator effect", but this is only true in times in which the economic cycle is recuperating, that is, when unemployment is decreasing in the total population. Only then do all youth alike profit from the improved situation. However, in times of economic depression, the available data do not reveal a proportional "downward elevator effect." Results have shown that it is particularly the more highly qualified youths who can then manage better to get a first foothold on the labor market and establish themselves in more secure jobs, whereas poorer qualified youths, in contrast, become more and more marginalized outsiders.

Due to the contradictory situation during the observation window—an improvement of the economic situation and an enhanced use of flexibilization measures observed at the same time—it is difficult to assess the real impact of increasing labor market flexibilization in times of growing globalization. What can be seen is that the spread of fixed-term contracts is unimpeded. It has spread effectively to all youth alike, although those who are more highly qualified people can handle suboptimal starting conditions in their first employment better and become labor market insiders. Insofar, the data deliver more confirmation for researchers focusing on the theory of social stratification and mobility such as Shavit and Blossfeld (1993), Erikson and Goldthorpe (1992), or Breen (2004).

Table 3.21:   Results on the third research question

Analyses	Results
Duration until first employment	↓ University graduates: worsening trend—lower speed of school-to-work transition than youths with lower tertiary education since the 1998 cohort ↑ Basic vocational education: improving trend across cohorts
Quality of the first job	
• Fixed-term contract	Relatively stable pattern across cohorts → University graduates have lower risk throughout ↓ Worsening trend for those with basic vocational education—higher risk Since the 2001 cohort
• Overqualification	↓ University graduates: worsening trend—higher risk than those with lower tertiary degree since the 1998 cohort ↓ Intermediate general education: worsening trend—higher risk since the 1998 cohort, no signif. differences before ↓ Intermediate vocational education: worsening trend—higher risk since the 2001 cohort
• Part-time employment	↓ University graduates: worsening trend—higher risk since the 1998 cohort
Risk of unemployment	Relatively stable pattern over time ↓ University graduates—higher risk since the 1998 cohort ↑ Basic vocational education: improvement—lower risk since the 2001 Cohort
Chances of reemployment	Stable pattern over time = Worse reemployment chances for all educational classes than those with lower tertiary education
Duration until turning the fixed-term contract of the first job into a permanent contract	↑ University graduates: improvement across cohorts— better chances than those with lower tertiary degrees since the 1998 cohort All others have worse chances = best chances for youths with tertiary degrees
Duration until the subjective feeling of overqualification in the first job is levelled-out	↓ University graduates and intermediate general education: worsening trend— no significant differences in the 1992 cohort, worse chances since the 1998 cohort all others: stable pattern = worse chances than those with lower tertiary degrees
Upward mobility objective (French socioeconomic index of occupational status)	→ University graduates: stable trend across cohorts—best upward mobility Chances
Downward occupational mobility	Stable pattern over time → University graduates have lower risk throughout

Source: Own illustration.
Notes: ↑ increasing chances
              ↓ decreasing chances
              → stable pattern over time

Alongside the level and type of educational qualification, gender and ethnic disadvantages for labor market entry and the early employment career can also be detected in all stages of the analyses (see also the summary on the main results for gender and migration background in Table A.4). For instance, even though young men have a lower risk of getting a fixed-term contract in their first job, they still have better prospects than, above all, young women of getting a permanent contract in their early careers. Young women are thus disadvantaged in two ways—at labor market entry as well as later on in their early

employment career—in their efforts to escape precarious forms of employment. Job mobility dynamics in the early employment career turn out to be something like an interpolation of the situation at labor market entry, because they follow the same pattern. The gender gap is thus perpetuated.

Much research has tried to explain the gender differences. Therefore, the present thesis will not address this issue in more detail. Instead, I shall focus on the situation of young migrants and whether differences and disadvantages are due to discriminative behavior on the labor market or to other reasons related more closely to human capital resources such as educational attainment, language skills, cultural closeness to the receiving society, the duration of stay in France, or social class background. More differentiated analyses of migrant youths are necessary to study these mechanisms adequately. Therefore, the next study focuses on the group of young migrants, and attempts a thorough investigation of their labor market entry and early employment career.

4 Empirical Study 2

Ethnic Disadvantages at labor market entry and in the early employment career in France?

4.1 Introduction

It has often been argued that youths with a migration background are particularly disadvantaged or even discriminated against systematically on the labor market, and that their employment is especially vulnerable to economic fluctuations. This view is widespread not only in public opinion but also in scientific research (Belzil and Poinas 2008; Borgogno et al. 2004; OECD 2009; Silberman and Fournier 2007). Indeed, even the results in the previous chapter reinforce this argumentation to a major extent.

Within France, empirical evidence for this more or less 'ready-made' statement usually refers to the French migrant youth unemployment rate (aged 15–24) that, at about 36%, is considerably higher than the general youth unemployment rate of 22.6% in 2010 (Insée, OECD 2010).[26] Even the latter rate is still clearly above the OECD average. In some suburbs (the so-called '*banlieus*'), long-term unemployment, poverty, and social exclusion from the rest of society accumulate dramatically (Wacquant 2004).

This impacts particularly on second-generation migrants from the Maghreb region (Algeria, Morocco, Tunisia): They often live segregated in the *banlieus* in which their parents were accommodated when they came to France as guest workers mainly in the 1970s. Although French citizens by law and thus politically equated with autochthonous French, they are frequently perceived as foreigners because of their skin color and their ethnic origin. Many are not integrated socially, and their everyday experiences are shaped by xenophobic and racial discrimination. They are trapped in their socially segregated living environment, negatively labeled by society, and unable to escape a seemingly hopeless lack of perspectives for the future (ibid.: 154). Thus, in 1999, the unemployment rate of second-generation Maghrebians aged 19–29 was 40% compared to about 20% for native French youths (Belzil and Poinas 2008). The same inequalities could be observed in early career employment contracts: only 23% of second-generation Maghrebians received a permanent contract compared to 32% of young people whose parents are native French (ebd.: 3). At

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[26] The general unemployment rate in France was 9.9% in mid-2010.

the beginning of the 1980s, migrant youths tried to attract attention to their desperate situation with riots in the *banlieus*, the so-called 'beurs revolt,' highlighting demands for the approval of their right to equality. Recently, follow-ups to these revolts were observed in 2005 and 2007 when migrant youths set fire to cars in the *banlieus* (Münch 2005).

It thus seems that youths with a migration background are particularly disadvantaged as labor market 'outsiders' in two different ways: they are flexibilized 'beginners' on the labor market and they are frequently discriminated against due to their migration background.

In contrast to the above explanation focusing primarily on ethnic origins, it has been argued instead that it is the amount of human capital resources that determine labor market success or failure. Based on this approach, it is more important for analyses of ethnic inequalities at labor market entry to consider those differences that can already be found in the 'starting conditions' of youths: first and foremost, the level of educational attainments and language proficiencies. It is indeed well known that school results are influenced very much by the social and economic background of parents (Shavit and Blossfeld 1993). Vallet (1996, 1999a, 1999b), for example, finds that school results achieved by children of immigrants in France are indeed similar or even better than those of autochthonous students when the parents are matched in terms of socioeconomic background.

These findings are very much in line with the French Republican concept of integration based on individual assimilation rather than ethnicity. In this context, school is considered to be an essential institution of integration. Because it is secular, compulsory, and free, it transforms every child—whatever his or her origin—into a French citizen and thus provides equal opportunities for every individual right from the start (Schnapper et al. 2003). The less favorable performance of migrant youths is therefore not explained by discriminatory practices as such, but by their differential representation at different school levels. This bears the political implication that their situation could be improved via interventions increase in their educational attainment levels.

Against this background, the purpose of this chapter is to provide a detailed picture of the specific group of young migrants living in France and their particular situation at labor market entry and in the early employment career in times of increasing labor market flexibilization. My aim is to find out whether young migrants are indeed disadvantaged due to discriminatory practices, or whether there are other reasons that account for their labor market outcomes.

Taking these considerations into account, this chapter intends to answer the following research questions:

1) *Human capital or discrimination?* Are migrant youths with identical educational certificates and social backgrounds to their French counterparts still particularly disadvantaged by labor market flexibilization measures? In other words, are there observable practices of labor market discrimination?

2) *Interethnic differentiation:* Are there differences in labor market and educational achievement between migrant groups?

3) *Intraethnic differentiation:* Can differences be observed within same ethnic groups due to duration of stay, that is, between first and second-generation migrants? Do the most recent data confirm a trend toward the assimilation of second-generation migrants?

An answer to these three research questions requires high-quality and differentiated data. The CEREQ dataset is again most suitable, because it provides not only longitudinal data but also detailed information on the social, parental, and migration or ethnic background.

The remainder of this chapter is structured as follows: The next section (Section 4.2) starts with some general information on the history of immigration and the French concept of integration as well as on the significance of education and work within this concept. Subsequently, Section 4.3 discusses the aforementioned competing theoretical approaches to explaining ethnic disadvantages on the labor market—discrimination versus human capital. Section 4.4 describes the research framework for the empirical analyses. In Section 4.5 the hypotheses are presented. Section 4.6 explains the data and methods applied as well as the additional variables that are required for the investigations. Section 4.7 then comes up with the main empirical results, before Section 4.8 concludes with a discussion of the major findings.

4.2   Immigration and integration in France

Migrant groups in France

France has a long history of immigration. The first foreign guest workers were recruited at the end of the 19th century to compensate for the lack of native workers due to declining birth rates during the course of the industrialization and modernization process. In 2005, a total of 61 million people were living in France, of whom 4.91 million, that is, 8.1% of the

total population, were immigrants. Of these, 1.97 million have attained French citizenship (Engler 2007).[27] This chapter focuses on the five quantitatively most important groups of immigrants—Maghrebians, Southern Europeans, Sub-Saharan Africans, Indo-Chinese, and Turks—with their different historical, cultural, and political backgrounds.

Maghrebian immigrants: The most dominant group of French immigrants is composed of people from the Maghreb region who originate from the former French colonies of Algeria, Morocco, and Tunisia. Ever since colonial times, their skin color, Islamic religious denomination, and their ethnic origin have been the basis for sharp condemnation and racial discrimination. In 1990, a total of 42% of French people declared that they do not like Maghrebians, and 70% are convinced that too many of them are living in France. Indeed, 42% even perceive second-generation Maghrebians as being more 'Arab' than French (Didier and Lapeyronnie 1994: 137–138).

Many Maghrebian immigrants, especially those from Algeria, came to France as guest workers during the 1960s. Through family reunifications, their numbers have increased steadily to around 1.5 million Maghrebians in 2005. But despite having French citizenship, second-generation Maghrebians have been dramatically excluded from French society, as reflected in residential segregation in the *banlieus*, higher unemployment and delinquency rates, higher poverty rates, a lack of future prospects, and insufficient social integration.

Nikolas Sarkozy intensified this explosive situation in 2005 by labeling Maghrebian youth as scum (*'racaille'*). Because their parents are of African origin, and they grow up as French citizens without feeling accepted as French, they are somewhat homeless due to their ambiguous feelings of cultural belonging and identification.

Southern European immigrants: Another important group of guest workers came from Southern Europe, many of them from Portugal after World War 2. Because of their cultural vicinity as (Southern) European citizens (see the next chapter), these migrants face comparatively less animosity than Maghrebian people.

Sub-Saharan African immigrants: This group of migrants originates from Senegal and Mali and represents a younger group of immigrants who have come to France mainly since the

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[27] French statistics distinguish between immigrants (*immigrés*) and foreigners (*étrangers*). Immigrants are persons who are born abroad. They are registered as immigrants even if they become French citizens by law. In contrast, foreigners are defined as persons who do not have French citizenship even when they were born in France (http://www.insee.fr/fr/methodes/default.asp?page=definitions/immigre.htm, 15.03.2012). My dissertation thesis refers only to the category of immigrants.

1980s. Like Maghrebian immigrants, they face discrimination based mainly on their skin color. In 2005, there were 570,000 Sub-Saharan people living in France.

Indo-Chinese immigrants: The home countries of Indo-Chinese immigrants are mainly Laos, Cambodia, and Vietnam. They also belong to the group of immigrants who have come to France since the mid-1970s, but mainly as refugees. Thus, their motivation for migration is not the same as that of labor migrants, but related more to political changes in their home countries. The social structure of these migrants is, therefore, less selective than that of, for example, Maghrebians. With regard to the labor market, Indo-Chinese people occupy jobs in diverse sectors and not just the typical branches for guest workers. This, in turn, has also impacted on their image and social status as immigrants in France.

Turkish immigrants: Turks represent a very small group of migrants in France. By 2005, only around 225,000 Turkish people lived in France. They are therefore a minority in France who arrived mainly since the end of the 1970s as either refugees or guest workers (Insee 2005).

Like other European countries, it is also somewhat typical in France for the immigrant population to live mainly in the agglomerations in and around the big cities where most of the industrial and service sector jobs are located. As a consequence, immigrants are geographically distributed very unequally across the French territory. An above-average proportion live in the eastern part of the country. Two-thirds live in Île-de France, Nord/Pas-de-Calais, Lorraine, Rhône-Alpes, and Provence–Côte d'Azur. Île-de France has around 1.2 million immigrants. Most other migrants live in and around big cities such as Lyon, Marseille, Lille, Grenoble, Strasbourg, Nice, Toulouse, and.

The French concept of integration

The Republican model of integration typical for France is based on a universalistic view of individual citizenship rather than on religious, biological, ethnic, or territorial criteria. It has its origins in the evolutionary history of the French nation based on the integration of populations from various regions (e.g., Burgundy, Brittany, and Provence). As every single population had its own cultural identity, languages, and traditions, it was necessary to find a common ground on which to build up the French nation as a centralized state, and through which all individuals could be transformed into French citizens (*citoyens*). As Münch (1998) has put it, "the French understanding of 'nation' demands […] the decline of ethnic identity in favor of a national 'union of will.' An individual's loyalty is one to the nation

and not to the group of origin, one to the secular republic and not the religious community. *De facto*, this understanding of 'nation' implies a high degree of assimilation to French culture" (ebd.: 74).

On the whole, national integration in France is a political process: Members are integrated by individual citizenship following a universalistic view of the citizen. In this process, educational institutions appear to play a decisive role: "School as modeled by the IIIrd Republic, along with nationality legislation, has been considered as the best instrument to translate universal principles into actual practices, and to integrate young people into the national culture, whatever their 'origins.' In this way, school is expected to teach, amongst other subjects, the French language, mathematics, and the rights and duties of citizenship" (Schnapper et al. 2003: 23).

School can therefore be regarded as *the* main instrument and symbol of the French model of integration (Dubet and Lapeyronnie 1994) that guarantees equal opportunities for all. Language proficiencies and a solid educational attainment are the most important components for job placement and social integration (Esser 2001). Migrants are aware of this, and therefore often invest large sums of money to pave the way for their children's upward social mobility (Dubet and Lapeyronnie 1994: 83ff.). As Schnapper et al. put it, "education has for a long time been the very cradle of social mobility. […] it has been considered as the best way to ensure equal opportunities, regardless of social, regional, or national origins, in accordance with the meritocratic ideology" (Schnapper et al. 2003: 24).

Since the mid-1970s, in response to economic demands and concerns about social inequality, the French system has undergone a significant 'democratization' with the aim of opening up pathways for working-class and immigrant students to the "*baccalauréat*" (as outlined in the first part of this thesis). These developments opened the door for many young people with a migration background to gain access to better education and enhanced labor market chances. However, the living situation of many migrant families in the *banlieus* often complicates or even inhibits this access—either the educational infrastructure does not provide adequate opportunities to support school success, or the living environment has such a negative prestige that employers abstain from hiring youths living in these segregated areas (Esser 2010).

4.3 Theoretical concepts: Labor market placement of migrants in France: human-capital-based and discrimination-based approaches

In the following, I shall empirically test two opposing theoretical approaches to explain the differences in the labor market outcomes of migrants and native youths in France: one originating from human capital theories; the other, from theories of labor market discrimination at work.

The *human capital* approach is based on the assumption that differences in human capital endowment are the most decisive reason explaining labor market success. Human capital refers first and foremost to educational qualifications, language skills, or culture-specific competencies of the host country. Following the human capital approach, labor market differences between migrants and autochthonous French may be traced back to the interaction of various crucial factors:

1) *Selective migration, economic capital, and social stratification:* Generally, people have different motives for deciding to leave their country of origin and move to a foreign society. These motives include, for example, labor migration, family reunification, political or religious persecution, asylum seeking, and seasonal work (commuting migration). Whereas labor migration started very early in France, the latter categories became more pronounced after the fall of the Iron Curtain in the late-1980s. Compared to other European countries, however, asylum seekers did not play a dominant role in France (Currle 2004). This was largely due to the generally restrictive nature of asylum legislation in France and the fact that asylum seekers from Eastern Europe therefore tended to migrate preferably to other European countries that were either closer or in which asylum legislation was less rigid. In contrast, labor migration and family reunification were more pronounced. This specific 'structure' of migration to France resulted in a highly socially selective composition of immigrants: Labor migration of the so-called 'guest worker generation' was largely dominated by low qualified workers[28] recruited mainly to stimulate the modernization process in the phase after World War 2. These migrants mainly occupied low qualified jobs as manual workers in, for instance, the construction, production, and manufacturing industries (secondary

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[28]   Of course, there are also high skilled professional migrants who have the highest educational qualifications and occupy job positions on the highest rungs of the career ladder. But these people are not the focus of the debate about social inequalities and spatial segregation.

sector) or in gastronomy (tertiary sector). This, in turn, inevitably led to a process of ethnic labor market stratification ('*Unterschichtung*') (Hoffmann-Nowotny 1973, Heckmann 1992: 81). Ethnic inequalities were further reinforced by the spatially segregated living situation of migrants in the poorer parts of cities inhabited mainly by workers. Even children of first-generation migrants are still exposed to the disadvantages arising from segregated neighborhoods, because ethnic concentration within schools often results in a drop in their school achievement (Brauns 1998; Lauer 2003).

2) *Cultural distance and culture-specific competencies (cultural capital):* The stronger the differences between the cultures of the host and the home country, the more difficult it is for migrants to bridge this cultural gap. With regard to the skills required on the labor market, most human capital resources are country-specific such as language skills, educational certificates, or even job-specific qualifications. They are often not transferable one-to-one into the receiving society. Thus, migrants inevitably experience a loss and often a devaluation of the human capital they have acquired in their home country (Chiswick 1978, 1991; Friedberg 2000). This combined with ethnic 'understratification' promotes a strong hierarchical structure, "in which ethnic (resp. cultural and religious) characteristics systematically go hand in hand with specific structural variables (such as education, income, employment status or occupational prestige)" (Esser 2001: 38ff.). Having no or insufficient language skills is particularly crucial. This can be a decisive criterion for an employer when deciding whether to hire a migrant with otherwise identical qualifications to an autochthonous job candidate. This criterion is especially relevant for the first-generatio, whereas second-generation migrants have grown up and are educated in France as French citizens and are thus more familiar with the French language.

3) *Planned duration of stay:* The first-generatio of labor migrants intended their stay to be temporary (Bonachich 1972). That is, they expected a return migration after a certain amount of time. First-generation migrants thus often did not invest in the human capital specific to the host country. In contrast, second-generation migrants often had the chance to accumulate human capital from the beginning. For them, however, the starting conditions inherited from their parents often determined their school and later labor market success. The intergenerational transmission process of human capital transformation often proved to be of essential importance. "Therefore, given a first-generation immigrant's lack of economic, social, cultural, and human capital, educational disadvantages of her children may not be very surprising" (Kalter and

Granato 2002: 3). Notably, parents who are aware of this problem try to compensate for it by providing their children with solid educational qualifications (Didier and Lapeyronnie 1994; Tavan 2005). By doing so, immigrant children often achieve the same or even better results at school than native French children from the same social background (Vallet 1996).

Human capital theories predict cumulative disadvantages for first-generation migrants. For the second-generation, the decisive questions are: to what degree parents of the first-generatio transfer their capital to their children; who in the majority intend to stay permanently in the receiving society; and what this means for their relative status in society. Previous research has shown that France provides a societal context in which barriers to intergenerational social mobility and the impact of social origin on educational attainment are relatively strong (Vallet 1999b; Richard and Moysan-Louazel 2002). Although the present analyses are unable to observe these intergenerational transmission processes directly, I shall analyze how far the lack of parent's human capital resources is leveled out by individual school attainments of their children.[29] The research focus is on comparing the impact of educational attainments and parental social background on labor market outcomes in migrant and native French youths.

In contrast to this theoretical approach, *discrimination-based* theories do not primarily refer to human capital endowment when explaining labor market outcomes for migrants, but rely on the assumption that migrant youths are confronted explicitly with discriminatory strategies on the labor market. The literature reveals different economic theories explaining mechanisms of discrimination. Their common precondition is that discrimination cannot exist in perfect markets, that is, that labor market failure is a necessary fact. Therefore, discrimination is often assumed to be only exercisable in the private sector, because recruitment processes are much more formalized in the public sector (Goux and Maurin 1998: 114).

In the case of migrants, the concept of 'statistical discrimination' appears to be most suitable. It assumes that when employers hire new staff, they do not have full information about the real productivity of their job candidates, but infer it from other information instead. This information includes statistical approximations such as mean productivity,

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[29] Decision models of investment under uncertainty seem to be a promising framework for this (Erikson and Jonsson 1996; Breen and Goldthorpe 1997; Esser 1999).

variance of productivity, or even the reliability of tests designed to tap and measure potential productivity. If groups differ with respect to the absolute amount of these deviations, this may have consequences for different treatments. This, however, will not inevitably lead to a systematic disadvantage of one of the groups as a whole. Whereas members of the group with lower reliability tend to be disadvantaged when their individual test scores (i.e., their formal educational attainments) are above average, the theory predicts that they are at an advantage when their educational levels are below average. This strategy of 'productivity testing' is even more important in the French context, because educational certificates in France are mostly general theoretical diplomas rather than certificates achieved through completing an apprenticeship or receiving practical vocational training. Labor market entrants, therefore, more often start with theoretical and general knowledge than with job-specific skills. This educational profile makes it difficult for employers to acquire exact information about the real competencies of their job candidates.

In the absence of other evaluation criteria, educational qualifications are considered to be an approximate estimator or 'signal' of productivity (Arrow 1973). Even language proficiencies that are highly important for certain jobs and decisive when hiring a job candidate are inferred from the educational attainment, whereby it can be expected that the better the educational certificate the better the language skills will be. Although the link between educational and vocational qualifications and the labor market is not very close in France (Brauns et al. 1999), the signaling power of formal qualifications is relatively reliable. If migrant groups with identical educational qualifications to autochthonous people do not have the same chances on the labor market, this can be interpreted as a sign of statistical discrimination.

4.4   Research framework

Taking all the theoretical considerations into account, I developed a model (Figure 4.1) of labor market placement that can be tested empirically.

It represents an extension of what has been called the OED triangle (Breen and Luijkx 2004) and combines the perspective of both integration research and social stratification research (Kalter et al. 2007). On the one hand, the model assumes an impact of social, ethnic, and cultural origins (O) via educational attainment (E) on labor market entry chances (D).

Figure 4.1: The extended OED triangle model as a framework to explain ethnic inequalities on the labor market
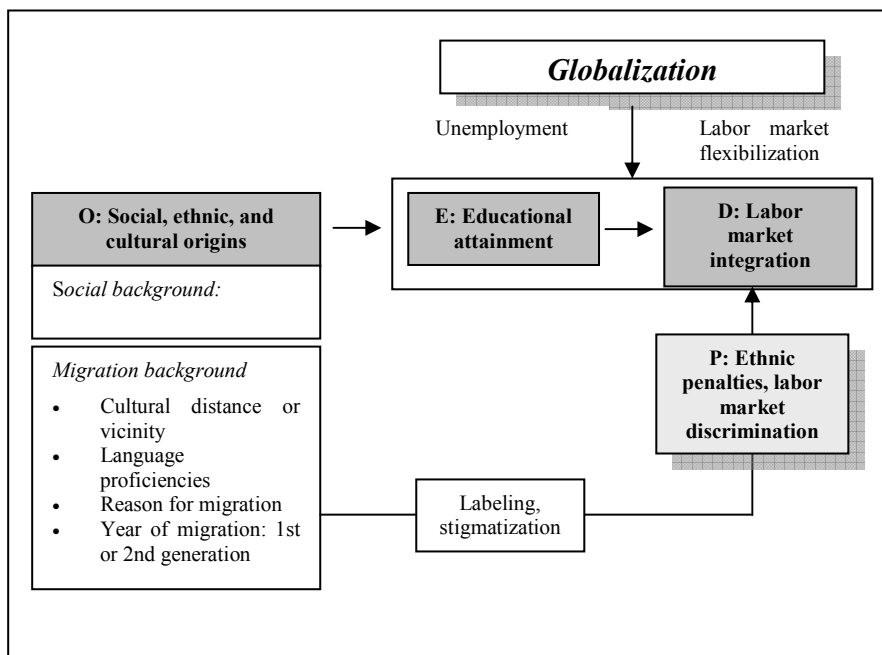
Source: Own illustration.

In order to account for migration-specific characteristics and to differentiate both between as well as within different migrant groups, the social origin (O) component is supplemented by indicators reflecting the individual migration background as explained in Section 4.3. If these explanatory variables remain significant even when controlling for differential educational attainment, it is possible to assume that ethnic penalties (P) are influencing the recruitment process at labor market entry.

4.5 Hypotheses

Based on this theoretical framework, I derived the following hypotheses in relation to the three research questions:

H1: Human capital or discrimination?

Against the background of the French model of integration, which is focused on universalism rather than on biological concepts, it is assumed initially that labor market discrimination does not play a crucial role in France.[30] Therefore, it is hypothesized instead

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[30] This is based on the assumption that citizens are formed by national institutions, in the first instance, by the educational system. "School can be regarded as the main instrument and symbol of the French model of integration; l'école républicaine is supposed to produce a cohesive French nation. […] School has always been

that *inequalities on the labor market are related to human capital resources, that is, educational certificates and parental social background rather than to systematic ethnic-based discrimination.* Generally, it is assumed that both a higher educational qualification as well as a higher occupational status in the parents, will raise the likelihood of starting in a good job position and avoiding unemployment in the later career. Beyond this, it is assumed that education influences occupational chances for all migrants in the same way as it does for French native youths.

However, following discrimination-based approaches, it is expected that relevant human capital resources of migrant and native youths may be perceived differently depending on the educational level considered: It is assumed that there are no differences between migrant and French native youths with the lowest or no qualifications, because the jobs they can achieve are normally low skilled jobs, in which it is of no importance whether the person has a migration background or not. The same is expected for the most highly qualified people, among whom the qualifications and labor market chances of migrants are supposed to be broadly similar to those of native youths. Especially in times of increased economic globalization and transnationalization, a migration background might even be an advantage in some high-skilled job positions. However, for youths at an intermediate level of educational qualifications, it is hypothesized that there will be differences between youths with a migration background and autochthonous French youths. This assumption is based on the fact that these jobs are often jobs in which language skills play a crucial role because of, for instance, personal customer contacts. If the language skills of a person with a migration background are not sufficient, then an employer will prefer to hire a native French person with the same educational level.

H2: Interethnic differentiation

Considering the different historical and political reasons for migration, it can be supposed that the situation of migrant groups within the receiving society will differ due to their other cultural, historical, and political origins. This, in turn, will also have an impact on the perception of employers in the receiving society. It is thus hypothesized that youth's chances at labor market entry will be influenced by ethnic background variables: Specifically, it is assumed that due to their closer cultural proximity to French natives,

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considered to be, and still is, the institution where socialization into and acculturation of French culture takes place." (Schnapper et al. 2003: 23)

migrant youths of Southern European origin will have the least problems. Maghrebian youths, however, are expected to experience the greatest problems on the French labor market, because of the sharp condemnations they face within French society. Similar results, though not as pronounced as for Maghrebians, are expected for Sub-Saharan Africans, because they stand out comparably due to their skin color and their alien culture. Turkish and Indo-Chinese youths are expected to have more difficulties than young people with a Southern European background because of the cultural distance. But it is assumed that their difficulties will not be as pronounced as those of Maghrebian and Sub-Saharan youths because of the lack of the historical burden of colonialism and the negative image this has in French society.

Following human capital theory, it is expected that the main effect will be explained through educational qualification and parental social background, implying that migration variables will decline in their explanatory power, once these two variables are accounted for. However, if ethnic differences remain strong and significant determinants of labor market success even when controlling for human capital characteristics, this should point to the importance of (statistical) discrimination mechanisms.

H3: Intraethnic differentiation

However, even within the aforementioned migrant groups, differences according to migrant generations are expected. Due to the duration of stay in the receiving country, it is assumed that the second-generation of immigrants will have better conditions for success at labor market entry. They have grown up in France and are thus more familiar with French language and culture. Their cultural adaptation and language skills are more advanced, helping them to bridge the gap between the home and the host country. Human capital resources are expected to be of higher value for the second-generation, because they were acquired in France. Should differences between French natives and different groups of migrants remain significant, even after accounting for education and migrant generation, this may again be a sign of discrimination.

4.6   Data and Methods

Answers to these research questions require not only detailed longitudinal individual-level data but also differentiated information about ethnic and migration background. The CEREQ databases meet all these demands. The three nationally representative surveys were combined to produce a fairly large sample with a high number of migrants. The affiliation

to the three school-leaver cohorts is ignored, and all respondents are treated as one sample. This procedure is justified because the research interest does not focus on cohort-specific differences, but more on general differences in labor market entry and employment integration patterns for young people with a migration background compared with French natives. And these chances and risks are supposed to have not changed substantially over the past two decades.

The analyses are built up analogously to those in the previous chapter. Thus, labor market entry and early employment career outcomes are measured with piecewise-constant exponential models and logit models (see Section 3.4, p. 61).

To test the three hypotheses outlined above, the following indicators are (additionally) introduced as explanatory independent variables:

Human capital attainment is measured using two indicators:

- *Educational attainment (H1):* Individual educational attainment is captured by the modified CASMIN classification scheme with six categories (see Table 3.1, p. 68).

- *Parental social background (H1):* The father's occupation is used as an approximation of the social origin of the respondent (see Table 3.1, p. 68).

Migrant status is also measured with two indicators:

- *Interethnic differentiation (H2):* To enable a comparison *between* groups, the following ethnicities are differentiated and defined by the respective country of birth: (1) Maghrebians who originate from Algeria, Morocco, and Tunisia; (2) Sub-Saharans from Cameroun, Mali, and Senegal; (3) Indo-Chinese from Cambodia, Laos, and Vietnam; (4) Southern Europeans from Portugal, Italy, and Spain; (5) Turks; and, of course, (6) French natives (see below).

- *Intraethnic differentiation: First- and second-generation migrants (H3):* To analyze integration processes *within* migrant groups by the duration of stay in the receiving society, I distinguished intraethnically between first- and second-generation migrants: If a person is born abroad, he or she is defined as a first-generation migrant. Otherwise, if the country of birth is France, but at least one parent was born abroad, this person is defined as a second-generation migrant. In the analyses, the corresponding reference

group are natives, that is, 'autochthonous' French who were born in France just like their parents.

Other sociodemographic indicators are included in the models as control variables. However, the choice of covariates is modified according to the present research interest. First of all, the *socioeconomic area* is no longer considered as the covariate measuring the place in which young people finished their educational track, because, as explained above, migrants do not live equally distributed across the French territory, but are concentrated and segregated around the big cities and economic agglomerations.[31] Beyond this, there are also first-generation youths who have completed their education in their host country. They would not be tapped with that variable. These arguments also indicate that this covariate is redundant and not a decisive factor in this framework.

Another decision refers to the measurement of economic circumstances or changes. In the previous chapter, it has become clear that most changes depend strongly on the economic cycle that ameliorates over the period of the observation window. The main signs of an increasing labor market flexibilization are not only the increased use of fixed-term contracts at labor market entry but also growing difficulties over time in turning a fixed-term into a permanent contract. But, in general, the situation for young labor market entrants has improved across cohorts. Young migrants show a relatively stable pattern of disadvantages at labor market entry but a trend of improvement over time in the early employment career. Thus, most of the differences can be better explained by the current economic cycle and therefore by the actual level of unemployment. For this reason, some models are calculated exemplarily ex ante, using interaction effects of cohort and migrant dummies to check whether significant differences or even disadvantages can be observed that relate to the membership of certain school-leaver cohorts. However, the results are not very meaningful or convincing. One explanation could be that it is very likely that the sample size becomes too small when differentiating between cohorts and between migrants as well as between the first and second-generation within a single migrant group (see Table A.5 in the Appendix)These considerations reinforce the decision not to distinguish between the three education-leaver cohorts as well. Because the main focus is on differences or even on unequal opportunities between migrant and French native youths in flexibilized labor

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[31] Unfortunately, it is not possible to measure residential segregation with the data, that is, whether or not young migrants live in the so-called *banlieus*. However, the occupational status of the father may give hints to the social and economic situation of the family, so that a higher parental social status may indicate the financial ability to live in a more attractive environment.

markets, the predominant interest is in detecting the patterns in labor market entry and the early career process for different migrant groups. Thus, period effects measured by the yearly average unemployment rate are presumed to be more decisive than cohort effects when comparing disadvantages of youths with a migration background to French native youths. This is the reason why the general unemployment rate is included instead of the cohort dummies.

Other covariates that will be part of the following analyses are gender, previous job experiences gained during school, and job characteristics such as firm size and branch. Furthermore, characteristics of the first job are included in those models analyzing the early employment career. All these additional covariates will be interpreted and mentioned only when they enhance understanding of the results.

To answer the three research questions, each regression model is built up stepwise. The first model contains the covariates separately to capture their net effect and to provide a first impression of the general picture. Because 'education' and 'social background' are considered to be the most influential variables, interaction effects are calculated separately for both covariates. This makes it possible to compare the chances of migrant groups (separated into first and second-generation) with those of French natives, holding educational class or father's occupational status constant. The models containing the interaction effects are calculated separately for each of the five migrant groups using French natives as the reference group. The focus is on the comparison between different migrant groups and French natives, and not primarily on a comparison between the individual migrant groups themselves.

4.7   Results

4.7.1   Labor market entry

Educational attainments as distinctive starting conditions

Before labor market entry and early careers are analyzed in more depth, Table 4.1 provides descriptive statistics for the distribution of educational attainment among the six ethnic groups under study in order to identify the specific 'starting conditions' before labor market entry.

Compared to French natives, youths with a migration background—especially Turkish youths—more often finish their educational track with low educational degrees or even

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without any certificate.[32] Furthermore, among youths who left school at tertiary level, the proportion of migrant youths is generally lower than that of their native French peers. Only young people with a Sub-Saharan and Indo-Chinese background are somewhat overrepresented in the sample.

Taken together, the results show overall that the distribution of educational attainment differs tremendously between native French and migrant youths. Young people with a migration background more often achieve lower certificates than their French counterparts and less frequently attain a tertiary degree.

Table 4.1:   Educational attainment among native and migrant youths in France

	France	Maghreb	Sub-Sahara	Indo-china	Southern Europe	Turkey
Elementary education (Casmin 1ab)	12.47	22.95	16.86	13.13	17.12	53.12
Basic vocational education (Casmin 1c)	8.39	5.41	5.80	3.13	9.44	7.74
Intermediate vocational education (Casmin 2a)	14.22	14.01	13.44	9.69	16.08	13.76
Intermediate general education (Casmin 2bc)	22.11	23.90	23.32	28.44	24.72	13.76
Lower tertiary education (Casmin 3a)	21.5	14.21	17.13	20.63	17.63	5.81
Higher tertiary education (Casmin 3b)	21.31	19.53	23.45	25.00	15.01	5.81
Total	51,223	4,532	759	320	3,358	465

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

Thus, the 'starting conditions' (of educational attainments) are not distributed equally between the six different ethnic groups, suggesting that this will have consequences for their chances at labor market entry as well as later on in the first years of their employment careers.

Transition to the first job

Against the background of the findings above, a deeper insight comes from analyzing the duration until finding a first job and its determinants. More precisely, I shall now focus on which groups need longer or shorter periods to enter first employment after completing their education, and what role ethnicity plays in this context.

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[32]   For the Turkish population, however, it is important to consider the small sample size for this group.

Table 4.2 shows how many persons in the starting sample from each migrant group and among French natives have found a first job. It is clear that Maghrebian, Sub-Saharan, and Turkish youths show the lowest successful school-to-work transitions.

The piecewise constant exponential models presented in Table 4.3 differentiate explicitly between each of the five migrant groups and native French youths (as the reference category).

Table 4.2:   How many people in the sample have entered into first employment?

	Starting sample	Finding a first job	
	Total	Total	in %
French natives	51,247	46,975	91.7
Maghreb First-generation	858	742	86.5
Maghreb Second-generation	3,678	3,229	87.8
Sub-Saharan Africans First-generation	263	231	87.8
Sub-Saharan Africans second-generation	496	432	87.1
Indochina First-generation	147	131	89.1
Indochina second-generation	173	159	91.9
Southern Europe First-generation	203	193	95.1
Southern Europe Second-generation	3,156	2,888	91.5
Turkey First-generation	245	214	87.3
Turkey Second-generation	220	193	87.7
Total	60,686	55,387	100 %

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

Additionally, they account for all covariates outlined in the methods section. However, as the focus is now on analyzing inter- and intraethnic differences, the latter should largely be treated as mere control variables in order to concentrate instead on ethnic effects and their interactions with other sociodemographic variables. In this table, the covariates are added separately to capture their net explanatory power and to provide a first brief overview. In Model 1, ethnicity and the cohort dummies are included as the only covariates. This shows that all youths with a migration background need longer to get a first job than French native youths. Only Southern European youths show no significant differences compared to the reference group of French natives. When adding other covariates such as educational attainment (Model 2) and then parental social background, gender, previous job experiences, and the yearly average unemployment rate (Model 3), the significant effect for second-generation Indo-Chinese and first-generation Turks disappears as well.

Table 4.3:   Transition to the first job after leaving the educational system, inter- and intraethnic differentiation (piecewise constant exponential models)

	1	2	3
Periods			
up to 3 months	-1.09**	-0.88**	-0.71**
3 to 6 months	-1.73**	-1.52**	-1.33**
6 to 9 months	-2.12**	-1.89**	-1.67**
9 to 12 months	-2.41**	-2.15**	-1.92**
12 to 24 months	-2.65**	-2.34**	-2.10**
24 and more months	-3.31**	-2.97**	-2.71**
Migrant groups (French natives = ref.)			
Maghreb first-generation	-0.39**	-0.25**	-0.24**
Maghreb second-generation	-0.23**	-0.12**	-0.11**
Sub-Saharan Africans first-generation	-0.20**	-0.16*	-0.16*
Sub-Saharan Africans second-generation	-0.22**	-0.17**	-0.17**
Indochina first-generation	-0.18*	-0.25**	-0.22*
Indochina second-generation	-0.24**	-0.10	-0.10
Southern Europe first-generation	0.09	0.03	0.06
Southern Europe second-generation	-0.02	-0.01	0.01
Turkey first-generation	-0.37**	-0.14*	-0.10
Turkey second-generation	-0.57**	-0.19**	-0.13+
Educational qualification (Lower tertiary education (3a) = ref.)			
Elementary education (1ab)		-0.79**	-0.70**
Basic vocational training (1c)		-0.16**	-0.08**
Intermediate vocational education (2a)		-0.35**	-0.29**
Intermediate general education (2bc)		-0.26**	-0.23**
Higher tertiary education (3b)		-0.11**	-0.14**
Parental social background (Worker = ref.)			
Farmer			0.12**
Principal of a firm, Tradesman, Artisan			0.12**
Self-employed, Teacher, Engineer, Manager			0.10**
Technician, Foreman, Middle-class positions			0.08**
Employee			0.09**
Men (Women = ref.)			0.18**
Previous job experiences			0.22**
Yearly average unemployment rate			-0.01**
Cohort (1998 = ref.)			
1992	-0.23**		
2001	0.32**		
Events	55,387	55,387	55,387
Total persons	60,657	60,657	60,657
Censored persons	5,270	5,270	5,270
-2*diff.(LogL)	29,932	30,722	32,036

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

This first impression indicates, on the one hand, that there might be some groups of migrants who are disadvantaged at labor market entry; but, on the other hand, that the significance of coefficients in the models depends strongly on the composition of covariates. Therefore, it is important to analyze in more detail whether there are also differences between migrant and French native youths within the educational classes as well as for each father's occupational status.

Table 4.4 presents the results calculated separately for each of the five migrant groups with French native youths as the reference group (46,975 persons).

The models contain interaction effects, thus controlling simultaneously for education (Model 1) and parental social background (Model 2) together with the migrant dummies, separated by first and second-generation.

In contrast to the results in Table 4.3, the picture changes notably in Model 1 of Table 4.4 because there are no longer significant effects between French native and second-generation Maghrebian, Indo-Chinese, Southern European, or Turkish youths. The impact of ethnic background on job search duration loses its explanatory power after ethnic differences in educational attainment are taken into account. This finding supports the first hypothesis that it is the differences in educational attainment rather than ethnic origin as such that are most decisive for explaining different labor market entry chances.

However, there are indeed some interethnic differences at specific educational levels. Maghrebian youths, especially the second-generation, seem to be disadvantaged compared to French natives, as indicated by the significantly negative terms for elementary education as well as for intermediate vocational education. *Second-generation Maghrebian youths with these diplomas (or even with no diplomas) need a longer searching time to find a first job.* Given the comparatively large share of Maghrebian youths with elementary education (23% compared to 12.5% for French natives, see Table 4.1), it seems that this ethnic group is particularly disadvantaged at labor market entry.

First-generation Maghrebians with a university degree, however, do have better prospects than the reference group of French youths with lower tertiary degrees. This may be related to the fact that those youths who have achieved these highest diplomas, are viewed as being particularly qualified and ambitious.

The main effect of ethnicity for the group of Sub-Saharan Africans is significant for the second-generation, showing longer job search duration than French native youths. The interaction effects reveal that whereas first-generation Sub-Saharan Africans with intermediate vocational education need longer than French natives with lower tertiary degrees, second-generation Sub-Saharan Africans with basic vocational education as well as those with higher tertiary degrees do relatively better in finding first employment. In line with Hypothesis 3, this may be a hint that they are more advanced in their integration process than the first-generation.

Table 4.4: Transition to the first job, for each migrant group split into first and second-generation compared with French native youths (piecewise constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 3 months	-0.74**	-0.73**	-0.76**	-0.75**	-0.77**	-0.77**	-0.75**	-0.76**	-0.77**	-0.77**
3 to 6 months	-1.36**	-1.36**	-1.37**	-1.37**	-1.38**	-1.38**	-1.36**	-1.36**	-1.39**	-1.39**
6 to 9 months	-1.71**	-1.70**	-1.72**	-1.71**	-1.73**	-1.73**	-1.71**	-1.72**	-1.74**	-1.74**
9 to 12 months	-1.96**	-1.95**	-1.98**	-1.97**	-1.98**	-1.98**	-1.95**	-1.96**	-1.99**	-1.99**
12 to 24 months	-2.13**	-2.12**	-2.14**	-2.13**	-2.14**	-2.14**	-2.13**	-2.13**	-2.15**	-2.15**
24 and more months	-2.76**	-2.75**	-2.77**	-2.76**	-2.77**	-2.77**	-2.74**	-2.75**	-2.77**	-2.77**
Migrant groups (French natives = ref.)										
First-generation	-0.28*	-0.22**	-0.03	-0.37**	-0.46*	-0.36*	-0.13	0.08	-0.17	-0.05
Second-generation	-0.06	-0.15**	-0.28*	-0.22**	-0.15	-0.05	-0.01	0.05(+)	-0.20	-0.11
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	-0.71**	-0.72**	-0.71**	-0.71**	-0.71**	-0.71**	-0.72**	-0.70**	-0.71**	-0.71**
Basic vocational training (1c)	-0.08**	-0.08**	-0.08**	-0.08*	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**
Intermediate vocational education (2a)	-0.27**	-0.28**	-0.27**	-0.28**	-0.27**	-0.27**	-0.27**	-0.28**	-0.27**	-0.28**
Intermediate general education (2bc)	-0.23**	-0.24**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**
Higher tertiary education (3b)	-0.15**	-0.14**	-0.15**	-0.14**	-0.15**	-0.15**	-0.15**	-0.15**	-0.15**	-0.15**
*Interaction: Migrant group * Educational qualification*										
First-generation * Elementary edu. (1ab)	0.05		0.14		0.39		0.51*		0.11	
Second-generation * Elementary edu. (1ab)	-0.11+		0.05		-0.07		0.21**		0.04	
First-generation * Basic voc. edu. (1c)	-0.09		0.33		0.01		0.49+		0.31	
Second-generation * Basic voc. edu. (1c)	-0.02		0.42+		0.42		-0.11		-0.02	
First-generation * Intermediate voc. edu. (2a)	-0.06		-0.49*		0.26		0.24		-0.02	
Second-generation * Interm. voc. edu. (2a)	-0.17*		-0.06		-0.27		-0.04		-0.10	
First-generation * Intermediate gen. edu. (2bc)	-0.05		-0.28		0.21		0.17		-0.06	
Second-generation * Interm. gen. edu. (2bc)	-0.07		0.15		0.28		0.01		0.24	
First-generation * Higher tertiary edu. (3b)	0.23+		-0.13		0.49*		0.01		0.04	
Second-generation * Higher tertiary edu. (3b)	0.04		0.27+		-0.01		0.01		0.61	
Parental social background (Father's occupational status) (Worker = ref.)										
Farmer	0.12**	0.12**	0.13**	0.13**	0.13**	0.13**	0.12**	0.13**	0.13**	0.13**
Principal of a firm, Tradesman, Artisan	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**
Self-employed, Teacher, Engineer, Manager	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**
Technician, Foreman, Middle-class positions	0.08**	0.09**	0.09**	0.09**	0.09**	0.09**	0.08**	0.09**	0.09**	0.09**
Employee	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.08**	0.09**	0.09**	0.09**

Table 4.4   continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
*Interaction: Migrant group * Parental social background*										
First-generation* Farmer		-0.43+		-0.19		1.08		0.13		-0.01
Second-generation * Farmer		-0.01		0.21		-0.69		-0.27		-0.52
First-generation * Principal of a firm		-0.14		0.55*		0.59*		0.18		-0.37+
Second-generation * Principal of a firm		-0.02		-0.01		-0.13		-0.04		-0.04
First-generation * Teacher		0.18		0.32+		0.34		-0.25		1.12
Second-generation * Teacher		0.14**		-0.04		0.01		0.05		0.45
First-generation * Technician		-0.12		-0.43		-0.23		-0.10		-0.47
Second-generation * Technician		-0.08		0.43*		-0.27		-0.12		1.45*
First-generation * Employee		-0.05		0.58*		0.23		-0.12		0.17
Second-generation * Employee		0.09+		0.19		0.03		-0.13		-0.15
Men (Women = ref.)	0.18**	0.18**	0.18**	0.18**	0.18**	0.1787**	0.18**	0.18**	0.18**	0.18**
Yearly average unemployment rate	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.0036**	-0.01**	-0.01**	-0.01**	-0.01**
Previous job experiences	0.22**	0.22**	0.21**	0.21**	0.22**	0.2152**	0.22**	0.22**	0.22**	0.22**
Events	50,946	50,946	47,638	47,638	47,265	47,265	50,056	50,056	47,382	47,382
Total persons	55,755	55,755	51,982	51,982	51,543	51,543	54,581	54,581	51,688	51,688
Censored persons	4,809	4,809	4,344	4,344	4,278	4,278	4,525	4,525	4,306	4,306
-2*diff.(LogL)	29,486	29,484	26,336	26,344	25,942	25,942	27,172	27,156	26,374	26,378

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Indo-Chinese, Southern European, and Turkish migrants differ least from French native youths. For the Indo-Chinese, differences emerge only for the first-generatio. The interaction terms of education and ethnicity are significant within the group of Southern European youths with the lowest educational attainments. They more rapidly find first employment than their French counterparts. This may be because they are more willing to accept any job they can get at this lowest educational level, or perhaps they can refer to social networks in the tertiary sector such as restaurants or other kind of personal services. First-generation Indo-Chinese youths with higher tertiary degrees also have better chances than French natives with lower tertiary degrees.

Therefore, support for Hypotheses 2 and 3 is split: Intraethnic differences can certainly be detected, with the most severe disadvantages being for Maghrebian youths. Surprisingly, second-generation Maghrebian youths seem to have more difficulties in entering the labor market than the first-generatio. This finding runs counter to Hypothesis 3. One reason could be that the first-generatio is still more willing to accept any job position, whereas second-generation youths may already develop higher expectations. They feel themselves to be French and do not want to be disadvantaged in comparison with native French youths possessing the same educational attainments. These discrepancies may also provide some explanation for the recent incidents in the *banlieus*.

Parental occupational status has an additional impact on labor market entry mostly for Maghrebian, Sub-Saharan, and even Indo-Chinese and Turkish youths. In contrast, young people with a Southern European background do not differ in their speed of getting a first foothold on the labor market in terms of their parental background. Maghrebian youths of the second-generation can profit from their social background when their father is a teacher or an employee. As mentioned earlier (Section 4.2), parents who are aware of the importance of educational qualifications for both social integration and upward social mobility often invest large amounts of money in giving their children better educational attainments. Even migrants who have job positions as employees may be particularly interested in providing their children with these opportunities, because they have often experienced that their job positions help them decisively to improve their social integration. Furthermore, employees often possess permanent contracts that make it easier for them to make long-term plans and invest their salary in the education of their children.

Above all, first-generation Sub-Saharan and Indo-Chinese youths find first employment faster when their father is the principal of a firm or an employee. Also second-generation

Sub-Saharan and Turkish youths profit if their father is a technician. Again, these parents may be more aware of the importance of educational attainments and can financially afford to help their children achieve better qualifications. Additionally, it has been shown that the father's occupational status can impact on the decision to hire an employee, because it is seen as an indication of solid educational qualifications.

To summarize, the above analyses show that the effects of migration backgrounds disappear especially for Maghrebian and Sub-Saharan African migrants once interaction effects for education and ethnicity are included in the model. However, if interaction effects for parental social background and ethnicity are included instead, migrant dummies remain largely significant. Both the parental social background and the job prestige of the father's occupation may be important for supporting the children's school success. However, even when accounting for these influences, it is still individual rather than parental education that appears to be the most decisive factor in explaining (ethnic) differences in the speed of finding a first job.

When the unemployment rate is also considered in the models, split for the first and second-generation, the dependence on the economic cycle becomes evident (see Table A.6 in the Appendix). The main effects for ethnicity disappear for almost all groups. The same is true for the interaction effects of education and ethnicity. Only a few coefficients remain significant, indicating, however, that these are empirically the most persistent effects. Thus, mainly second-generation Maghrebian and first-generation Sub-Saharan African youths with intermediate vocational education belong to the most disadvantaged groups. It is also mainly second-generation Maghrebians, but also second-generation Sub-Saharan Africans and Southern European youths who show the strongest dependence on the unemployment rate.

Thus, in times of economic downswings, the economic situation eclipses human capital resources especially in these groups. As a result, the level of unemployment proves to be the strongest variable explaining the smoothness of their school-to-work transitions.

Quality of the first job

The previous results on labor market entry and job search duration suggest that, by and large, finding a first job is not a major problem in France even for youths with a migration background. However, it has yet to be considered what kind of job young migrants get when employed for the first-time. Are they forced to a greater extent than native French

youths to accept job positions that are more precarious with less employment security? The following analyses take a closer look at the ethnic-specific likelihood of ending up with a fixed-term contract, of working part-time,[33] or of starting in a job position for which applicants are overqualified.

A general picture of the three analyses measuring job quality is provided in Table 4.5. Again, in this first step, the covariates are included separately to gain a general overview on the situation of the different migrant groups compared to French native youths. It is worth noting that these three models do not capture the underlying and more precise patterns; they should show how far data modeling generates certain results.

Fixed-term contract

The first three models in Table 4.5 present the results of the risk of starting with a fixed-term contract. Model 1 includes only the covariates for ethnicity. The impression is that the risk is higher for Maghrebian youths. They are the only migrant group in which the coefficients are positive for both the first and the second-generation. First-generation youths from Sub-Saharan Africa, Indochina, and Southern Europe, in turn, have a lower risk than French native youths of getting a temporary employment contract. All other coefficients are not significant. If other covariates are added (Models 2 and 3), the effect for second-generation Maghrebians remains, whereas it disappears for the first-generatio. *Thus, second-generation Maghrebians are the only group who face a higher risk throughout of getting a fixed-term contract.*

As for starting with a fixed-term contract, the previous analyses of the first empirical study have shown that the respective risk is generally lowest among youths with basic vocational education and higher tertiary education. For the former, the risk of an employer hiring an inadequate employee is negligible, because job requirements are relatively low and, for those youths with vocational degrees, also largely standardized. In contrast, more highly educated people are expected to be the most adaptable in acquiring complex fields of activity.

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[33]   In line with the conceptual part as well as the results of the first empirical study, part-time work will be considered only marginally in the following analyses.

Table 4.5: Quality of the first job, inter- and intraethnic differentiation (logit models)

	Fixed-term contract			Overqualification			Part-time work		
	1	2	3	1	2	3	1	2	3
Constant	0.62**	0.68**	0.26**	-0.48**	-0.52**	-2.11**	-1.27**	-1.87**	-2.28**
Migrant groups (French natives = ref.)									
Maghreb first-generation	0.14+	0.09	0.04	0.57**	0.58**	0.57**	0.25**	0.09	0.10
Maghreb second-generation	0.18**	0.15**	0.13**	0.31**	0.29**	0.31**	0.13**	0.05	-0.02
Sub-Saharan Africans first-generation	-0.27*	-0.20	-0.17	0.37*	0.38*	0.42**	0.06	0.09	0.06
Sub-Saharan Africans second-generation	-0.08	-0.11	-0.12	0.24*	0.23+	0.24*	0.19	0.14	0.15
Indochina first-generation	-0.30+	-0.29	-0.32+	0.33	0.32	0.15	-0.05	-0.04	0.10
Indochina second-generation	-0.25	-0.25	-0.19	0.23	0.21	0.12	-0.18	-0.18	-0.10
Southern Europe first-generation	-0.53**	-0.60**	-0.64**	0.41*	0.41*	0.31	0.19	0.14	0.21
Southern Europe second-generation	0.04	-0.03	-0.07+	0.21**	0.20**	0.16**	0.19**	0.11*	0.12*
Turkey first-generation	-0.02	-0.22	-0.31*	0.45+	0.48+	0.37	-0.31	-0.61**	-0.43*
Turkey second-generation	-0.02	-0.29+	-0.34*	0.79**	0.76**	0.71**	-0.13	-0.49**	-0.49*
Educational qualification *(Lower tertiary education (3a) = ref.)*									
Elementary education (1ab)		0.32**	0.35**					1.13**	1.43**
Basic vocational training (1c)		-0.12**	0.00					0.61**	0.88**
Intermediate vocational education (2a)		0.29**	0.36**		-0.11**	-0.30**		1.01**	1.24**
Intermediate general education (2bc)		0.22**	0.30**		0.25**	0.09**		0.77**	0.94**
Higher tertiary education (3b)		-0.71**	-0.67**		-0.05+	0.02		0.29**	0.39**
Parental social background (Worker = ref.)									
Farmer			-0.33**			-0.34**			-0.06
Principal of a firm, Tradesman, Artisan			-0.33**			-0.22**			-0.07+
Self-employed, Teacher, Engineer, Manager			-0.28**			-0.20**			-0.11**
Technician, Foreman, Middle-class positions			-0.06+			-0.04			-0.10*
Employee			-0.08**			-0.08**			-0.09**
Firm size (0–9 employees = ref.)									
10–49 employees			-0.02			0.28**			0.05+
50–199 employees			0.16**			0.42**			-0.08*
200–499 employees			0.31**			0.36**			-0.33**
500 and more employees			-0.04			0.11**			-0.67**
Branch (Social services = ref.)									
Extractive			-0.40**			0.53**			-0.98**
Transformative			-0.11**			0.55**			-1.42**
Distributive services			-0.39**			0.72**			-0.42**
Producer services			-0.39**			0.34**			-0.68**
Personal services			-0.71**			0.63**			-0.07*
Men (Women = ref.)			-0.17**			0.10**			-0.77**
Previous job experiences			0.09**			0.20**			0.06**
Duration of first job search			0.02**			0.02**			0.03**
Yearly average unemployment rate			0.01**			0.01**			0.01**
Number of cases	55,008	55,008	55,008	37,737	37,737	37,737	52,797	52,797	52,797
-2*diff.(LogL)	5,222	7,050	8,566	1,884	2,052	3,546	17,292	18,678	24,166

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

This, of course, is time-consuming and, therefore, runs counter to the logic of a temporary employment contract. In contrast, for jobs requiring intermediate occupational qualification, employers tend to make use of temporary contracts both as screening tools to check whether the employee matches the firm and the job and to remain as flexible as possible in times of unpredictable markets.

When interaction effects between education and ethnicity are considered (Table 4.6, Model 1), the coefficients measuring the main effects of ethnicity show that there are no differences between young persons with or without a migration background. For second-generation Indo-Chinese youths, the risk of getting a fixed-term contract is even lower than for French youths.

Regarding the interaction coefficients for ethnicity and education, second-generation Maghrebians with intermediate general education face higher risks of being employed on a temporary basis. The likelihood for fixed-term employment is also higher for second-generation Indo-Chinese with the lowest or even without any educational attainments, with intermediate general education, and, surprisingly, also for those with university degrees. In contrast, youths with a Southern European background and the lowest educational attainment face a lower risk of ending up with a fixed-term contract.

If interaction effects for the father's occupational status and the migrant dummies are included (Model 2), all coefficients for the main effect of ethnicity are not significant, except for Southern European youths who have a lower risk of starting with a temporary contract than native French youths. For second-generation Maghrebians, it is an advantage if the father is an employee or a technician. This enhances their chance for getting a permanent job contract. Second-generation Sub-Saharan Africans profit as well if their father is a technician. First-generation youths from Southern Europe have a lower risk of getting a fixed-term contract if their father is an employee. Turks have the best chances of avoiding temporary employment if their father is self-employed or the principal of a firm.

Despite these occasional differences, however, by and large, the risk of starting with a temporary contract seems to be distributed relatively equally among youths largely irrespective of their ethnic origin.

Overqualification

Besides the permanence of the employment contract, it may also be a particular drawback for young migrants to accept a job position for which they are overqualified. This could turn into a barrier or even a trap impeding a later upward career (Scherer 2004).

The results in Table 4.5 show that the feeling of overqualification is widespread among young migrants. Almost all migrant groups have a higher risk of feeling overqualified in their first job than French native youths (Model 1). Only Indo-Chinese youths show no significant differences to French natives, but it is more likely that the nonexistent significant effect is due to the small sample size rather than to the empirical facts.

Mainly, the following arguments are used to explain why overqualification may occur more frequently among young migrants: (a) unobserved differences in the 'value' of degrees or in intrinsic skills; (b) problems with the recognition of degrees acquired in the country of origin, (c) a lack of human and social capital specific to the host country (e.g., proficiency in the language); (d) the local labor market situation; and (e) various forms of discrimination (OECD 2007). Whereas aspects (b) and (c) are mainly relevant for first-generation migrants, the other aspects can have an effect on every migrant youth. More detailed analyses are needed to find out the real reasons why young migrants feel more often overqualified than their native counterparts.

In the models with interaction effects for education and ethnicity (Model 1 in Table 4.7), the main effects for migration background show significant levels only for Maghrebian and Turkish youths. This is a first hint that the results of the table above do not reflect the real situation. Interaction effects for education and ethnicity reveal that only second-generation Maghrebian youths with intermediate general qualifications still more often consider themselves to be overqualified than French natives do. They may feel particularly disadvantaged, because despite holding qualified certificates—which are expected to open the door to better jobs—employers tend to prefer other (even migrant) youths. Thus, Maghrebian migrants with intermediate qualifications may feel that the effort they made at school is not being rewarded adequately. This would point to both arguments—a lack of human and social capital as well as labor market discrimination.

When including interaction effects for the father's occupational status and ethnicity, migrant dummies for the first and second-generation of Maghrebian youths mostly remain significant.

Table 4.6: Fixed-term contract in first job, for each migrant group split into first and second-generation compared with French native youths (logit models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Constant	0.22*	0.20*	0.23*	0.23*	0.20*	0.20*	0.25**	0.26**	0.20*	0.20*
Migrant groups (French natives = ref.)										
First-generation	0.12	-0.04	-0.14	-0.04	-0.50	-0.39	-0.47	-0.57**	-0.05	-0.15
Second-generation	-0.06	0.24**	-0.22	0.04	-0.90*	0.05	0.09	-0.10+	0.37	-0.19
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	0.42**	0.43**	0.42**	0.42**	0.42**	0.43**	0.42**	0.41**	0.42**	0.41**
Basic vocational training (1c)	0.01	0.02	0.01	0.01	0.02	0.02	0.02	0.01	0.02	0.02
Intermediate vocational education (2a)	0.40**	0.40**	0.39**	0.39**	0.40**	0.40**	0.40**	0.38**	0.40**	0.40**
Intermediate general education (2bc)	0.30**	0.32**	0.30**	0.30**	0.30**	0.30**	0.30**	0.29**	0.30**	0.30**
Higher tertiary education (3b)	-0.65**	-0.65**	-0.65**	-0.65**	-0.66**	-0.65**	-0.66**	-0.66**	-0.66**	-0.66**
Parental social background (Worker = ref.)										
Farmer	-0.34**	-0.34**	-0.33**	-0.33**	-0.33**	-0.33**	-0.33**	-0.34**	-0.33**	-0.33**
Principal of a firm, Tradesman, Artisan	-0.32**	-0.31**	-0.32**	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**	-0.32**	-0.31**
Self-employed, Teacher, Engineer, Manager	-0.28**	-0.27**	-0.28**	-0.28**	-0.27**	-0.27**	-0.27**	-0.28**	-0.28**	-0.28**
Technician, Foreman, Middle-class positions	-0.06	-0.04	-0.05	-0.05	-0.05	-0.05	-0.05	-0.05	-0.05	-0.05
Employee	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**
Interaction: Migrant group Educational qualification*										
First-generation * Elementary education (1ab)	0.06		0.17		0.51		-0.28		-0.40	
Second-generation * Elementary education (1ab)	0.24+		0.33		1.12+		-0.26+		-0.89	
First-generation * Basic vocational education (1c)	-0.21		-0.49		1.54		-1.07+		-0.08	
Second-generation * Basic vocational education (1c)	0.19		-0.25		1.74		-0.13		-0.62	
First-generation * Intermediate vocational education (2a)	0.07		0.46		-0.41		-0.20		-0.02	
Second-generation * Intermediate vocational education (2a)	0.15		-0.32		1.03		-0.35*		0.09	
First-generation * Intermediate general education (2bc)	-0.23		-0.14		-0.31		-0.29		0.10	
Second-generation * Intermediate general education (2bc)	0.37**		0.35		0.84+		-0.14		-0.59	
First-generation * Higher tertiary education (3b)	-0.09		-0.05		0.88+		0.48		-0.36	
Second-generation * Higher tertiary education (3b)	0.18		0.14		0.87+		-0.13		-0.84	

Table 4.6 continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
*Interaction: Migrant group * Parental social background*										
First-generation* Farmer		1.39*		-0.58		15.61		0.26		0.45
Second-generation * Farmer		-0.44		0.69		-15.59		0.66		-1.07
First-generation * Principal of a firm		0.07		-0.73		-0.50		-0.14		-0.82+
Second-generation * Principal of a firm		-0.18		0.13		-0.42		-0.03		-0.33
First-generation * Teacher		-0.11		-0.27		0.64		1.02		-18.18
Second-generation * Teacher		-0.10		-0.42		0.07		0.28+		-18.63
First-generation * Technician		0.17		0.40		1.59		0.57		-18.14
Second-generation * Technician		-0.30+		-1.03*		-0.59		-0.06		-0.38
First-generation * Employee		0.53*		0.28		-0.18		-0.76+		0.19
Second-generation * Employee		-0.20+		0.04		-0.43		0.04		0.02
Firm size (0–9 employees = ref.)										
10–49 employees	-0.02	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01	0.00	0.00	-0.01
50–199 employees	0.16**	0.16**	0.16**	0.16**	0.17**	0.17**	0.17**	0.17**	0.18**	0.18**
200–499 employees	0.30**	0.30**	0.32**	0.32**	0.33**	0.33**	0.33**	0.33**	0.33**	0.33**
500 and more employees	-0.07*	-0.07*	-0.07+	-0.07+	-0.06	-0.06	-0.05	-0.05	-0.05	-0.05
Branch (Social services = ref.)										
Extractive	-0.42**	-0.42**	-0.44**	-0.44**	-0.44**	-0.44**	-0.43**	-0.43**	-0.44**	-0.44**
Transformative	-0.09**	-0.09**	-0.10**	-0.10**	-0.10**	-0.10**	-0.12**	-0.13**	-0.10**	-0.10**
Distributive services	-0.37**	-0.37**	-0.36**	-0.36**	-0.36**	-0.36**	-0.37**	-0.37**	-0.36**	-0.36**
Producer services	-0.37**	-0.37**	-0.35**	-0.35**	-0.35**	-0.35**	-0.36**	-0.36**	-0.35**	-0.35**
Personal services	-0.70**	-0.70**	-0.67**	-0.67**	-0.68**	-0.68**	-0.69**	-0.68**	-0.68**	-0.68**
Men (Women = ref.)	-0.20**	-0.20**	-0.21**	-0.21**	-0.21**	-0.21**	-0.20**	-0.20**	-0.21**	-0.21**
Previous job experiences	0.07**	0.07**	0.07**	0.07**	0.08**	0.08**	0.07**	0.07**	0.08**	0.07**
Yearly average unemployment rate	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**
Number of cases	50,607	50,607	47,329	47,329	46,960	46,960	49,724	49,724	47,076	47,076
-2*diff.(LogL)	7,840	7,846	7,044	7,050	6,996	6,992	7,384	7,380	7,034	7,042

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Also, first-generation Sub-Saharan Africans and second-generation Turks feel overqualified. Most of the interaction coefficients are not significant, indicating that the father's occupation has no impact on the feeling of overqualification. Or, to put it differently, the parental social background cannot explain the phenomenon of overqualification. However, for second-generation Maghrebian youths, the likelihood of being overqualified is lower than that for French youths when the father is a principal of a firm, a teacher, a technician, or an employee. Thus, second-generation Maghrebian youths from better social backgrounds have better prospects of avoiding overqualification. These higher-qualified job positions of the father may be regarded as an indirect effect on the feeling of overqualification, insofar as it is more probable that the children's better educational attainments protect them from overqualification. Hence, this effect is probably better explained by the educational qualification of the child than by the father's occupational status.

However, despite this finding, the impact of ethnicity is not strong enough to support the discrimination hypothesis here. Once again, it is the amount of education that matters. The only exception is for second-generation Maghrebian youths.

Part-time work

As the first empirical study has shown, part-time work is not very pronounced in France. Even for migrants, it is not a big issue, although they are slightly more exposed to part-time work than French native youths. Descriptive statistics show that 24% of migrants start with a part-time job compared to only 22% of French native youths. At first glance, the coefficients in Table 4.5 create the impression that Maghrebians, second-generation Sub-Saharan Africans, and Southern Europeans are more exposed to part-time work than French youths. However, when interaction effects are calculated for education and father's occupational status (see Appendix A.7), results show that most of the coefficients are not significant—for either the main or the interaction effects. All in all, this indicates that it is not necessary to investigate the risk of working part-time for young migrants here.

Preliminary conclusion

A more profound analysis of labor market entry reveals that young migrants show only slight differences compared to French native youths when simultaneously controlling for education and ethnicity with interaction effects. Most of the effects that are misleadingly related to ethnic background can be explained by the educational qualification.

Table 4.7:　Overqualification in first job, for each migrant group split into first and second-generation compared with French native youths (logit models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2 [a]	1	2	1	2
Constant	-2.13**	-2.16**	-2.16**	-2.16**	-2.16**	-	-2.18**	-2.17**	-2.17**	-2.17**
Migrant groups (French natives = ref.)										
First-generation	0.88**	0.63**	0.46	0.55*	-0.01	-	0.14	0.37	0.89+	0.45
Second-generation	0.19+	0.53**	0.27	0.20	0.36	-	0.11	0.09	1.70*	0.91**
Educational qualification (Lower tertiary edu. (3a) = ref.)										
Intermediate vocational education (2a)	-0.29**	-0.28**	-0.28**	-0.28**	-0.28**	-	-0.28**	-0.28**	-0.28**	-0.28**
Intermediate general education (2bc)	0.10**	0.11**	0.10**	0.10**	0.10**	-	0.10**	0.10**	0.10**	0.09**
Higher tertiary education (3b)	0.04	0.04	0.04	0.04	0.04	-	0.04	0.04	0.04	0.04
Parental social background (Worker = ref.)										
Farmer	-0.34**	-0.33**	-0.33**	-0.33**	-0.33**	-	-0.33**	-0.33**	-0.33**	-0.33**
Principal of a firm, Tradesman, Artisan	-0.25**	-0.22**	-0.22**	-0.22**	-0.22**	-	-0.20**	-0.22**	-0.22**	-0.22**
Self-employed, Teacher, Engineer, Manager	-0.21**	-0.17**	-0.17**	-0.17**	-0.17**	-	-0.17**	-0.18**	-0.17**	-0.17**
Technician, Foreman, Middle-class positions	-0.04	-0.02	-0.02	-0.02	-0.01	-	-0.02	-0.02	-0.02	-0.02
Employee	-0.10**	-0.08*	-0.08*	-0.08*	-0.07*	-	-0.06*	-0.08*	-0.08*	-0.08*
*Interaction: Migrant group * Educational qualification*										
First-generation * Intermediate vocational education (2a)	-0.18		0.00		0.48		0.09		-0.29	
Second-generation * Intermediate vocational education (2a)	0.18		0.01		-0.80		0.04		-1.08	
First-generation * Intermediate general education (2bc)	-0.19		-0.16		0.68		0.69		-0.66	
Second-generation * Intermediate general education (2bc)	0.28*		0.01		-0.08		0.02		-1.27	
First-generation * Higher tertiary education (3b)	-0.55+		0.06		-0.36		-0.17		-1.41	
Second-generation * Higher tertiary education (3b)	0.01		-0.05		-0.36		0.15		0.32	
*Interaction: Migrant group * Parental social background*										
First-generation* Farmer		1.19		-0.69		-		0.18		0.69
Second-generation * Farmer		-0.22		-0.07		-		-0.44		17.76
First-generation * Principal of a firm		0.08		-0.19		-		-0.07		-0.26
Second-generation * Principal of a firm		-0.37*		0.63		-		0.23		-0.39
First-generation * Teacher		-0.52+		-0.31		-		-1.56		18.32
Second-generation * Teacher		-0.50**		0.34		-		0.18		-18.09
First-generation * Technician		0.54		-0.21		-		-0.47		0.06
Second-generation * Technician		-0.46*		-0.13		-		-0.14		17.93
First-generation * Employee		0.00		0.11		-		0.26		-0.78
Second-generation * Employee		-0.21+		-0.32		-		0.23+		-1.20

Table 4.7   continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Firm size (0–9 employees = ref.)										
10–49 employees	0.28**	0.29**	0.28**	0.28**	0.28**	-	0.28**	0.27**	0.27**	0.27**
50–199 employees	0.42**	0.42**	0.42**	0.42**	0.42**	-	0.43**	0.43**	0.42**	0.42**
200–499 employees	0.34**	0.34**	0.34**	0.34**	0.34**	-	0.35**	0.35**	0.34**	0.33**
500 and more employees	0.10**	0.10**	0.10*	0.10*	0.09*	-	0.11**	0.11**	0.10*	0.10*
Branch (Social services = ref.)										
Extractive	0.52**	0.52**	0.55**	0.55**	0.55**	-	0.55**	0.55**	0.55**	0.56**
Transformative	0.56**	0.56**	0.58**	0.58**	0.59**	-	0.58**	0.58**	0.59**	0.59**
Distributive services	0.72**	0.72**	0.73**	0.73**	0.72**	-	0.74**	0.74**	0.72**	0.73**
Producer services	0.33**	0.33**	0.36**	0.36**	0.36**	-	0.37**	0.37**	0.36**	0.36**
Personal services	0.63**	0.63**	0.66**	0.66**	0.65**	-	0.65**	0.65**	0.65**	0.66**
Men (Women = ref.)	0.08**	0.08**	0.06*	0.06*	0.06*	-	0.05*	0.05*	0.06*	0.05*
Previous job experiences	0.18**	0.18**	0.18**	0.18**	0.18**	-	0.19**	0.19**	0.18**	0.18**
Yearly average unemployment rate	0.01**	0.01**	0.01**	0.01**	0.01**	-	0.01**	0.01**	0.01**	0.01**
Number of cases	34,999	34,999	32,899	32,899	32,644	-	34,383	34,383	32,568	32,568
-2*diff.(LogL)	3,312	3,328	3,200	3,206	3,194	-	3,304	3,310	3,190	3,194

Source   Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.
[a] The model could not be estimated because the sample size of Indochinese was too small to display interaction effects for father's occupational status and first and second-generation young Indochinese's.

Differences in education are therefore more decisive than ethnicity. The only exception is young Maghrebians, especially in the second-generation.

Before summarizing their patterns, it is necessary to take a closer look at the further employment career. The next section reports on the risk of losing the first job. Afterward, the chances of becoming reemployed will be compared in French native and migrant youths. The last analyses focus on job mobility.

4.7.2 Early employment career

Unemployment after the first job and chances of reemployment

The results of the first empirical study have shown that youths with a migration background generally face a higher unemployment risk than French native youths. However, more differentiated analyses are necessary to check whether this result holds true for all migrant groups alike. It is assumed that prior education determines developments in the early employment career. Therefore, further analyses will concentrate only on interaction effects for education and ethnic background and drop those for parental social background. This decision is based on the consideration that further developments in the early employment career are determined more by individual human capital resources than by the father's occupational class. This assumption is reinforced by the fact that migrants and also the parents of second-generation migrants lack networks on the labor market because of their short duration of stay in the receiving society. As a result, they can draw on fewer social capital resources than the parents of French natives in equivalent job positions.[34]

As the descriptive results in Table 4.8 show, the median duration of unemployment after the first job ranges from about 5 months for French natives up to 8 months for first-generation Turks.[35] More than 50% of young people are therefore unemployed for about half a year. Maghrebian and Turkish youths also have clearly above-average rates of first job loss and subsequent unemployment.

The results presented in Table 4.9 provide a deeper insight into the situation of young migrants at risk of becoming unemployed following their first job.

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[34] The decision to follow this procedure is also strengthened by the results on the early employment career for the third empirical study that are calculated separately for each migrant group (see p. 196ff.).

[35] The results for Turks should be interpreted very carefully because of the small case numbers and therefore high standard deviations.

Table 4.8:   Median duration of unemployment after first job (in months)

	Number of persons who found a first job	Number of persons who lose their first job	Share of those who lose their first job (%)	Median duration of unemployment (in months)
French natives	46,975	15,119	32.2	5
Maghreb first-generation	742	340	45.8	6
Maghreb second-generation	3,229	1,238	38.3	6
Sub-Saharan Africans first-generation	231	58	25.1	6
Sub-Saharan Africans second-generation	432	163	37.7	6
Indochina first-generation	131	41	31.3	7
Indochina second-generation	159	62	39.0	4
Southern Europe first-generation	193	64	33.2	5
Southern Europe second-generation	2,888	1,037	35.9	6
Turkey first-generation	214	106	49.5	8
Turkey second-generation	193	107	55.4	5

Source: Own calculations based on the combined three surveys Génération 1992, Génération 1998, and Génération 2001. CEREQ

If the variables are entered separately into the model (Model 1), the migrant dummy variables are significant for Maghrebian youths, second-generation Indo-Chinese youths, and Turkish youths. Adding interaction effects for education (Model 2), nearly all the main effects disappear, remaining significant only for first-generation Maghrebian youths. *As in the previous analyses of labor market entry, differences between ethnic groups cannot be related to ethnicity as such, but rather result from different ethnic-specific educational attainment levels.* Hence, it is not at all justified to imply that young migrants face a higher unemployment risk. A closer look at the interaction effects reveals, once again, that the results are most striking for second-generation Maghrebian youths: In particular, those with elementary, basic, and intermediate vocational education as well as intermediate general education tend to lose their first job more often than French natives do. But second-generation Indo-Chinese youths with intermediate vocational and with higher tertiary attainments also face a higher risk of unemployment after their first job.

Beyond that, interaction effects for ethnicity and the average yearly unemployment rate indicate that only Maghrebian youths are strongly dependent on changes in the economic cycle. If unemployment increases in the total population, their risk of losing the first job and becoming unemployed increases as well. All other migrant groups are not exposed to this extent—the coefficients are not significant.

Generally speaking, the pattern for young people with a migration background is quite convergent with that of French native youths. There are no substantial differences observable, except for second-generation Maghrebian youths who are confronted with several disadvantages.

Chances of reemployment

The results on reentry chances from unemployment show that in the first model (Table 4.10), all second-generation youths with a migration background (except Turks) as well as first-generation Maghrebian and Sub-Saharan African youngsters have better reemployment chances than French natives.

However, when simultaneously accounting for education and migration background with interaction effects, most coefficients capturing the main effect for ethnicity lose their significance. The main effect for second-generation Turks and Indo-Chinese is even positive, thus indicating better reemployment chances than those for French native youths. However, when looking at the interaction terms, it becomes obvious that second-generation Maghrebians and Indo-Chinese with elementary and intermediate vocational qualifications have worse reemployment chances than French native youths. First-generation youths with a Southern European background have better reemployment chances with university degrees.

A closer look at the interaction terms for ethnicity and the yearly average unemployment rate illustrates very clearly the strong relationship with the economic cycle. Whereas the main effect for the unemployment rate is positive (for an interpretation, see the first empirical study, p. 93), the coefficients of the interaction effects show that the chances of reentering the labor market after a certain time of unemployment are lower for Maghrebian and Sub-Saharan Africans as well as for first-generation Indo-Chinese and Turkish youths the higher the level of unemployment in the total population. Also second-generation youths with a Southern European background have worse reemployment chances in times of economic recession. Thus, in times of economic recession, the chances for these youths are clearly even worse than those for French natives.

To summarize, considering only the main effects for ethnicity in Model 1, it seems that youths with a migration background have even better reemployment chances than their French native counterparts. However, a more detailed inspection of the data with interaction effects for ethnicity and education or the unemployment rate reveals some decisive

differences. It is once again second-generation Maghrebian youths with lower educational attainments as well as with intermediate vocational certificates who are disadvantaged. Nearly all migrant youths are clearly dependent on the respective macroeconomic situation.

Job mobility in the early employment career and labor market establishment

The following analyses investigate the developments in the early employment career in more depth. The question is whether and how the situation at labor market entry influences future career developments in young migrants. Is it possible for them to improve their occupational position in the same way as French youths do after starting in an unfavorable job? Or, what pattern of labor market establishment do young migrants show instead?

Duration until turning the fixed-term contract of the first job into a permanent one

The first empirical study revealed no significant differences related to ethnic background in the 1998 and 2001 education-leaver cohorts. At first glance, this result can also be seen in Table 4.11. The main effect is only significant for first-generation Maghrebian and Sub-Saharan African youths (Model 1). They seem to have more problems turning their fixed-term contracts into permanent ones during their early employment career. However, when interaction terms for education and migration background are considered, the significant effects disappear (Model 2).

Within the different educational classes, some specific differences turn out to be more relevant for explaining the chances of getting a permanent contract after starting with a temporary one. Thus, Maghrebian youths in particular seem to have more difficulties than French native youths in turning the fixed-term contracts in their first employment into later permanent contracts. Second-generation Maghrebian youths with elementary and also with intermediate general education have more difficulties in gaining a permanent contract in their early employment career when they started their first job with a temporary contract. In addition, first-generation Maghrebians as well as second-generation Southern European youths with basic vocational education have worse chances of becoming employed on an unlimited job contract basis. French youths with the same educational attainments acquired by completing a vocational track seem to be more favored by employers when it comes to permanent contracts. Employers may be more reserved and tend to prolong the probation period in order to be sure before offering a permanent contract. This behavior cannot just be interpreted as discrimination; these disadvantages are based more on human caution in an uncertain market.

Table 4.9:   Risk of unemployment after first job, for each migrant group split into first and second-generation compared with French native youths (piecewise constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 3 months	-7.75**	-7.75**	-7.75**	-7.75**	-7.75**	-7.75**	-7.75**	-7.75**	-7.75**	-7.75**
3 to 6 months	-7.23**	-7.22**	-7.22**	-7.22**	-7.22**	-7.22**	-7.21**	-7.21**	-7.22**	-7.22**
6 to 9 months	-7.31**	-7.30**	-7.30**	-7.30**	-7.29**	-7.29**	-7.28**	-7.28**	-7.29**	-7.29**
9 to 12 months	-7.85**	-7.84**	-7.84**	-7.84**	-7.84**	-7.83**	-7.83**	-7.83**	-7.83**	-7.83**
12 to 24 months	-7.49**	-7.48**	-7.48**	-7.48**	-7.49**	-7.48**	-7.48**	-7.48**	-7.49**	-7.48**
24 and more months	-7.47**	-7.47**	-7.48**	-7.48**	-7.49**	-7.48**	-7.47**	-7.48**	-7.48**	-7.48**
Migrant groups (French natives = ref.)										
First-generation	0.91**	0.90**	-0.07	-0.37	-0.62	-0.98	-0.46	-0.90	0.62	-0.05
Second-generation	0.54**	0.32+	0.11	0.02	1.24*	0.38	0.22	0.28	0.93+	0.70
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	0.30**	0.29**	0.30**	0.30**	0.31**	0.30**	0.29**	0.30**	0.30**	0.30**
Basic vocational training (1c)	-0.13**	-0.15**	-0.14**	-0.14**	-0.13**	-0.14**	-0.13**	-0.14**	-0.14**	-0.14**
Intermediate vocational education (2a)	0.12**	0.10**	0.10**	0.10**	0.11**	0.10**	0.10**	0.10**	0.11**	0.10**
Intermediate general education (2bc)	0.05+	0.04	0.04	0.04	0.04	0.04	0.03	0.04	0.04	0.04
Higher tertiary education (3b)	-0.11**	-0.11**	-0.11**	-0.11**	-0.10**	-0.11**	-0.11**	-0.11**	-0.11**	-0.11**
*Interaction: Migrant group * Educational qualification*										
First-generation * Elementary education (1ab)		-0.20		-0.31		0.40		-0.08		0.60
Second-generation * Elementary education (1ab)		0.32*		0.39		0.56		-0.09		-0.15
First-generation * Basic vocational education (1c)		0.47		0.77		1.20		0.64		0.92
Second-generation * Basic vocational education (1c)		0.35+		-0.42		1.18		0.13		0.40
First-generation * Intermediate vocational education (2a)		0.28		-0.01		0.31		0.33		0.47
Second-generation * Intermediate vocational education (2a)		0.34*		-0.09		1.39+		-0.08		0.64
First-generation * Intermediate general education (2bc)		0.10		-0.11		0.01		0.33		1.11
Second-generation * Intermediate general education (2bc)		0.32*		0.36		0.35		-0.20		0.15
First-generation * Higher tertiary education (3b)		-0.31		0.45		0.73		0.73		0.78
Second-generation * Higher tertiary education (3b)		0.18		0.07		1.32*		-0.02		1.09
Firm size (0–9 employees = ref.)										
10–49 employees	0.08**	0.08**	0.08**	0.08**	0.09**	0.08**	0.08**	0.08**	0.08**	0.08**
50–199 employees	0.08**	0.08**	0.08**	0.08**	0.08**	0.08**	0.08**	0.08**	0.07*	0.07*
200–499 employees	0.03	0.02	0.01	0.01	0.01	0.00	0.01	0.01	0.00	0.00
500 and more employees	-0.07+	-0.07*	-0.08*	-0.08*	-0.08*	-0.08*	-0.08*	-0.08*	-0.08*	-0.08*

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Table 4.9 continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Branch (Social services = ref.)										
Extractive	0.41**	0.41**	0.39**	0.40**	0.40**	0.40**	0.40**	0.40**	0.39**	0.39**
Transformative	0.16**	0.16**	0.16**	0.16**	0.16**	0.16**	0.17**	0.17**	0.16**	0.16**
Distributive services	0.19**	0.19**	0.20**	0.20**	0.20**	0.20**	0.19**	0.19**	0.19**	0.19**
Producer services	0.17**	0.18**	0.19**	0.19**	0.19**	0.19**	0.19**	0.20**	0.19**	0.19**
Personal services	0.13**	0.13**	0.14**	0.14**	0.14**	0.14**	0.14**	0.14**	0.14**	0.14**
Men (Women = ref.)	-0.38**	-0.38**	-0.39**	-0.39**	-0.39**	-0.39**	-0.39**	-0.39**	-0.39**	-0.39**
Previous job experiences	-0.17**	-0.17**	-0.16**	-0.16**	-0.15**	-0.15**	-0.16**	-0.16**	-0.15**	-0.15**
Yearly average unemployment rate	0.03**	0.03**	0.03**	0.03**	0.03**	0.03**	0.03**	0.03**	0.03**	0.03**
*Interaction: Migrant group * Unemployment rate*										
First-generation * Unemployment rate	0.01*	0.01*	0.00	0.00	0.01	0.01	0.00	0.01	-0.01	-0.01
Second-generation * Unemployment rate	0.01*	0.01**	0.00	0.00	-0.01+	-0.01	0.00	0.00	0.00	0.00
Events	11,467	11,467	10,508	10,508	10,433	10,433	11,127	11,127	10,512	10,512
Total persons	50,946	50,946	47,638	47,638	47,265	47,265	50,056	50,056	47,382	47,382
Censored persons	39,479	39,479	37,13	37,13	36,832	36,832	38,929	38,929	36,87	36,87
-2*diff.(LogL)	20,154	20,176	18,758	18,768	18,604	18,618	19,742	19,752	18,698	18,712

Source Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Table 4.10: Chances of reemployment after first unemployment period, for each migrant group split into first and second-generation compared with French native youths (piecewise-constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 3 months	-4.05**	-1.91**	-3.94**	-1.89**	-3.94**	-1.89**	-3.99**	-1.90**	-3.96**	-1.90**
3 to 6 months	-3.54**	-1.43**	-3.43**	-1.42**	-3.43**	-1.42**	-3.48**	-1.42**	-3.45**	-1.42**
6 to 9 months	-3.69**	-1.63**	-3.58**	-1.62**	-3.59**	-1.62**	-3.63**	-1.62**	-3.61**	-1.63**
9 to 12 months	-3.92**	-1.90**	-3.82**	-1.89**	-3.82**	-1.90**	-3.87**	-1.90**	-3.84**	-1.90**
12 to 24 months	-3.91**	-2.03**	-3.81**	-2.01**	-3.82**	-2.02**	-3.84**	-2.00**	-3.83**	-2.02**
24 and more months	-3.96**	-2.51**	-3.90**	-2.49**	-3.90**	-2.49**	-3.96**	-2.49**	-3.92**	-2.50**
Migrant groups (French natives = ref.)										
First-generation	2.65**	-0.30	7.13**	-0.06	2.66	-0.73	2.10	-0.49	1.89	-0.41
Second-generation	1.82**	-0.03	2.39**	-0.17	2.57+	1.05+	2.23**	-0.11	1.23	1.21+
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	-0.64**	-0.68**	-0.63**	-0.68**	-0.62**	-0.68**	-0.61**	-0.68**	-0.62**	-0.68**
Basic vocational training (1c)	-0.44**	-0.32**	-0.43**	-0.32**	-0.43**	-0.32**	-0.41**	-0.32**	-0.42**	-0.32**
Intermediate vocational education (2a)	-0.39**	-0.33**	-0.39**	-0.33**	-0.38**	-0.33**	-0.36**	-0.33**	-0.39**	-0.33**
Intermediate general education (2bc)	-0.21**	-0.27**	-0.21**	-0.27**	-0.20**	-0.27**	-0.19**	-0.27**	-0.21**	-0.27**
Higher tertiary education (3b)	-0.17**	-0.28**	-0.18**	-0.27**	-0.17**	-0.27**	-0.17**	-0.28**	-0.17**	-0.28**
*Interaction: Migrant group * Educational qualification*										
First-generation * Elementary education (1ab)		-0.23		-0.90		-0.15		0.94		-0.08
Second-generation * Elementary education (1ab)		-0.32*		0.11		-1.41+		0.01		-1.19
First-generation * Basic vocational education (1c)		-0.15		0.20		-0.12		0.94		-0.18
Second-generation * Basic vocational education (1c)		-0.31		-0.13		-1.69		0.04		-0.90
First-generation * Intermediate vocational education (2a)		-0.09		-0.90		0.41		0.27		-0.23
Second-generation * Intermediate vocational education (2a)		-0.30+		-0.34		-1.37+		0.22		-1.23
First-generation * Intermediate general education (2bc)		-0.47		-0.08		1.07		0.70		-0.15
Second-generation * Intermediate general education (2bc)		-0.19		0.26		-0.57		0.03		-1.52+
First-generation * Higher tertiary education (3b)		0.35		-0.33		0.19		1.27+		-1.11
Second-generation * Higher tertiary education (3b)		-0.12		0.10		-0.92		-0.19		-0.80

Table 4.10 continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Fixed-term contract in first job	0.05+	0.12**	0.03	0.13**	0.04	0.12**	0.04	0.13**	0.04	0.12**
Part-time work in the first job	-0.33**	-0.26**	-0.34**	-0.27**	-0.33**	-0.26**	-0.34**	-0.28**	-0.33**	-0.26**
Overqualified in first job	0.00	0.02	0.00	0.02	0.01	0.02	0.01	0.02	0.01	0.03
Men (Women = ref.)	0.07**	0.05*	0.07**	0.04	0.07**	0.04	0.07**	0.04+	0.08**	0.05*
Yearly average unemployment rate	0.02**		0.02**		0.02**		0.02**		0.02**	
Cohort (1998 = ref.)										
1992		-0.21**		-0.22**		-0.22**		-0.22**		-0.22**
2001		-0.15**		-0.15**		-0.15**		-0.15**		-0.15**
*Interaction: Migrant group * Unemployment rate*										
First-generation * unemployment rate	-0.03**		-0.07**		-0.03+		-0.02		-0.02+	
Second-generation* unemployment rate	-0.02**		-0.02**		-0.02		-0.02**		-0.01	
Events	8,774	8,774	8,132	8,132	8,087	8,087	8,604	8,604	8,137	8,137
Total persons	11,467	11,467	10,508	10,508	10,433	10,433	11,127	11,127	10,512	10,512
Censored persons	2,693	2,693	2,376	2,376	2,346	2,346	2,523	2,523	2,375	2,375
-2*diff.(LogL)	4,198	1,544	3,558	1,296	3,522	1,298	3,794	1,394	3,616	1,328

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Once again, second-generation Maghrebian and Sub-Saharan African youths with intermediate general education seem to be particularly disadvantaged on the labor market, because they belong to the group of better educated youths who have struggled to cope with their disadvantaged situation in French society because of their ethnic background. But their efforts are not valued adequately by employers, because they prefer to provide permanent contracts to French youths and not in equal measure to second-generation Maghrebian youths with the same education attainments. A closer look at the interaction coefficients measuring ethnicity and the yearly average unemployment rate in the total population reveals that only second-generation Maghrebian and Sub-Saharan African youths are influenced by the economic cycle. Their chances of turning fixed-term into permanent contracts during their early years after employment entry worsen in times of economic recession. Thus, the higher the average unemployment rate in the total population, the lower the chances of getting a permanent contract. The fact that only these two subgroups suffer most from the economic circumstances once again highlights their particularly disadvantaged situation on the labor market.

Upward occupational mobility: A subjective measurement of job adequacy

Young people with a migration background face a higher risk of getting a first job for which they feel themselves overqualified, and they also have more problems in leveling out this mismatch in the early employment career. Is this the case for all young migrants alike, or do differences emerge again between different groups?

Table 4.12 shows that the main effects for ethnicity are significant for all first-generation migrants except Maghrebian and Indo-Chinese youths (Model 1). Whereas Sub-Saharan African youths have better chances of getting a job in which the job requirements match their qualifications adequately, Southern European and Turkish youths need longer to level out their initial mismatch. Therefore, the results of the previous study do not generalize to all groups of migrants. When including interaction effects for ethnicity and educational qualification (Model 2), the main effect for first-generation Sub-Saharan Africans disappears, whereas it now becomes significantly positive for the second-generation. The same can be observed for first-generation Indo-Chinese youths.

An inspection of the interaction terms reveals that second-generation Sub-Saharan African youths with intermediate vocational and general education as well as with higher tertiary degrees have lower chances of getting an adequate job later on.

Table 4.11: Duration until turning the fixed-term contract of the first job into a permanent contract, for each migrant group split into first and second-generation compared with French native youths (piecewise-constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 6 months	-4.11**	-4.12**	-4.10**	-4.10**	-4.10**	-4.10**	-4.08**	-4.09**	-4.10**	-4.10**
6 to 12 months	-3.80**	-3.81**	-3.80**	-3.80**	-3.80**	-3.80**	-3.79**	-3.79**	-3.80**	-3.80**
12 to 18 months	-3.98**	-3.98**	-3.98**	-3.98**	-3.98**	-3.98**	-3.97**	-3.97**	-3.98**	-3.98**
18 to 24 months	-4.23**	-4.24**	-4.22**	-4.22**	-4.23**	-4.23**	-4.22**	-4.22**	-4.22**	-4.22**
24 to 36 months	-4.29**	-4.29**	-4.29**	-4.29**	-4.28**	-4.29**	-4.29**	-4.29**	-4.28**	-4.28**
36 and more months	-4.70**	-4.71**	-4.71**	-4.71**	-4.71**	-4.71**	-4.71**	-4.71**	-4.71**	-4.70**
Migrant groups (French natives = ref.)										
First-generation	-0.28*	0.04	-0.57*	-0.53	-0.02	0.14	-0.04	0.13	0.05	0.31
Second-generation	-0.03	0.09	0.14	0.21	0.20	0.42	0.01	0.05	0.00	-7.03
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	-0.39**	-0.37**	-0.37**	-0.37**	-0.38**	-0.37**	-0.37**	-0.37**	-0.37**	-0.37**
Basic vocational training (1c)	-0.11**	-0.10*	-0.10**	-0.10**	-0.10**	-0.10*	-0.12**	-0.10*	-0.10**	-0.10*
Intermediate vocational education (2a)	-0.14**	-0.13**	-0.14**	-0.13**	-0.14**	-0.13**	-0.12**	-0.13**	-0.14**	-0.13**
Intermediate general education (2bc)	-0.17**	-0.16**	-0.16**	-0.16**	-0.16**	-0.16**	-0.16**	-0.16**	-0.16**	-0.16**
Higher tertiary education (3b)	0.07*	0.08**	0.08**	0.08**	0.08**	0.08**	0.07*	0.08**	0.08**	0.08**
*Interaction: Migrant group * Educational qualification*										
First-generation * Elementary education (1ab)		-0.24		-1.14		-1.19		0.30		-0.19
Second-generation * Elementary education (1ab)		-0.30*		-0.11		-1.32		0.04		7.05
First-generation * Basic vocational education (1c)		-1.00+		-0.64		-0.50		-0.59		-0.63
Second-generation * Basic vocational education (1c)		-0.12		-0.09		0.18		-0.41*		6.77
First-generation * Intermediate vocational education (2a)		-0.42		-0.47		0.10		0.21		-0.45
Second-generation * Intermediate vocational education (2a)		-0.17		-0.26		-0.75		0.10		6.49
First-generation * Intermediate general education (2bc)		-0.16		0.37		-0.32		-0.14		-0.33
Second-generation * Intermediate general education (2bc)		-0.25*		-0.56+		-0.77		0.00		7.07
First-generation * Higher tertiary education (3b)		-0.35		-0.25		-0.14		-0.44		-0.90
Second-generation * Higher tertiary education (3b)		-0.18		-0.15		0.05		-0.15		6.49
Firm size of first job (0–9 employees = ref.)										
10–49 employees	0.03	0.03	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
50–199 employees	-0.06*	-0.06*	-0.07*	-0.07*	-0.06*	-0.06*	-0.07**	-0.07**	-0.07*	-0.07*
200–499 employees	-0.09*	-0.09*	-0.08*	-0.08*	-0.08*	-0.08*	-0.07+	-0.07+	-0.08*	-0.08*
500 and more employees	-0.18**	-0.17**	-0.19**	-0.19**	-0.19**	-0.19**	-0.18**	-0.18**	-0.18**	-0.18**

Table 4.11 continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Branch of first job (Social services = ref.)										
Extractive	0.38**	0.39**	0.39**	0.39**	0.38**	0.38**	0.37**	0.37**	0.38**	0.38**
Transformative	0.17**	0.17**	0.17**	0.17**	0.17**	0.17**	0.17**	0.17**	0.17**	0.17**
Distributive services	0.27**	0.27**	0.26**	0.26**	0.26**	0.26**	0.25**	0.25**	0.26**	0.26**
Producer services	0.28**	0.28**	0.27**	0.27**	0.27**	0.27**	0.27**	0.27**	0.27**	0.27**
Personal services	0.38**	0.38**	0.37**	0.37**	0.37**	0.37**	0.35**	0.35**	0.37**	0.37**
Duration of first job search	-0.03**	-0.03**	-0.03**	-0.03**	-0.03**	-0.03**	-0.03**	-0.03**	-0.03**	-0.03**
Overqualified in first job	0.05*	0.05*	0.05*	0.05*	0.05*	0.06*	0.05*	0.05*	0.05*	0.05*
Number of fixed-term contracts	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**	-0.31**
Number of unemployment periods	0.30**	0.30**	0.31**	0.31**	0.31**	0.31**	0.31**	0.31**	0.31**	0.31**
Men (Women = ref.)	0.34**	0.34**	0.35**	0.35**	0.35**	0.35**	0.35**	0.35**	0.35**	0.35**
Yearly average unemployment rate	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**
*Interaction: Migrant group * Unemployment rate*										
First-generation* Unemployment rate	0.00		0.00		0.00		0.00		0.00	
Second-generation* Unemployment rate	-0.01*		-0.01*		0.00		0.00		-0.01	
Events	12,039	12,039	11,300	11,300	11,246	11,246	11,927	11,927	11,261	11,261
Total persons	33,050	33,050	30,747	30,747	30,511	30,511	32,330	32,330	30,603	30,603
Censored persons	21,011	21,011	19,447	19,447	19,265	19,265	20,403	20,403	19,342	19,342
-2*diff.(LogL)	3,872	3,880	3,684	3,688	3,652	3,660	3,848	3,860	3,648	-3,654

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Second-generation youths with a Southern European background who have acquired university degrees also have more difficulties in their early employment career than their French counterparts if they were overqualified in their first job. In addition, first-generation Turks with intermediate vocational education also belong to this group of youths who face more problems.

Therefore, the results indicate that the conclusions of the first empirical study need to be placed in perspective. Young migrants do not generally have more difficulties than French native youths in escaping the potential trap of an overqualified first job position. It is a very selective minority who have more difficulties in their early employment career than their French counterparts when overqualified for their first job. One explanation could be that overqualified migrants are cheap and better qualified labor than adequately qualified workers. Employers, therefore, try to avoid enhancing their skills by providing them with further training.

However, it is remarkable that young Maghrebians do not belong to these disadvantaged groups. Although they more often feel overqualified in their first job than their French counterparts, it seems that they do not face any serious later problems with their early employment career. Looking at the interaction effects for the yearly average unemployment and ethnicity, the results for both first- and second-generation Maghrebian youths show that they are not influenced by the economic cycle. In contrast, second-generation Sub-Saharan and Southern European youngsters suffer more because their chances decline significantly as unemployment increases in the total population.

Upward occupational mobility: An objective measurement

In the first empirical study, the coefficients capturing the effect for ethnicity show hardly any significant differences between migrant and French native youths. The results in Table 4.13 seem to negate this result. When considering the covariates separately (Model 1), it becomes apparent that second-generation Maghrebians, Indo-Chinese, and Turkish youths have better upward career prospects than their French native counterparts. It seems that they can overcome their initial drawbacks. However, for second-generation Maghrebian and Turkish youths, this is only true in times of economic upswings, because their chances strongly depend on the unemployment rate (Model 2). If unemployment is relatively low in the total population, they can gain a job position with better prestige more easily and quickly than in times when unemployment is high.

When interaction effects for ethnicity and educational classes are included (Model 2), only second-generation Sub-Saharan Africans still show significant differences. The effects for all other groups disappear, which means that they are eclipsed by the impact of educational attainment. However, the only interaction terms that show significant results are found in the group of Sub-Saharan Africans. This is the only group in which a differentiated pattern of upward mobility chances related to educational attainment can be ascertained. First-generation Sub-Saharan Africans with elementary, intermediate general, and vocational qualifications have better upward mobility chances than French youths with lower tertiary degrees.

In contrast, second-generation Sub-Saharan African youths with intermediate vocational education as well as with university degrees have worse prospects. They are particularly disadvantaged. As mentioned above in the context of overqualification, aspirations might be higher for the second-generation, because these youths are born and grown up in France and feel closer to the French culture than the first-generatio. But they receive less support from employers in climbing up the social ladder. This may be because of their foreign background and their visible differentness. Although they have achieved high or even the highest diplomas, they are unable to gain the same job positions as French native youths.

Surprisingly, Maghrebian youths, especially the second-generation, are once again not influenced in the same way. The interaction effects show no significant differences. As just mentioned above, their chances, in contrast, vary more with the economic cycle.

Except for Sub-Saharan African youths, upward mobility chances are distributed relatively equally among young people despite their ethnic or migration background.

Downward occupational mobility

The analyses in the first empirical study measuring downward mobility show no significant differences between French natives and youths with a migration background. However, a more differentiated examination of the situation of young people with a migration background does reveal some slight differences (Table 4.14, Model 1). Thus, first-generation Sub-Saharan Africans face a lower risk of downward occupational mobility, whereas second-generation Indo-Chinese tend to move upward faster than French native youths.

Table 4.12: Duration until the subjective feeling of overqualification in the first job is leveled-out, for each migrant group split into first and second-generation compared with French native youths (piecewise-constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 6 months	-4.29**	-4.29**	-4.29**	-4.29**	-4.29**	-4.29**	-4.28**	-4.28**	-4.27**	-4.27**
6 to 12 months	-3.45**	-3.45**	-3.44**	-3.44**	-3.43**	-3.43**	-3.43**	-3.43**	-3.42**	-3.42**
12 to 18 months	-3.60**	-3.60**	-3.60**	-3.60**	-3.60**	-3.61**	-3.59**	-3.60**	-3.59**	-3.60**
18 to 24 months	-3.98**	-3.99**	-3.99**	-3.98**	-3.98**	-3.99**	-3.98**	-3.99**	-3.97**	-3.97**
24 to 36 months	-4.10**	-4.10**	-4.09**	-4.09**	-4.09**	-4.09**	-4.10**	-4.11**	-4.08**	-4.08**
36 and more months	-4.56**	-4.56**	-4.56**	-4.55**	-4.55**	-4.55**	-4.56**	-4.56**	-4.54**	-4.54**
Migrant groups (French natives = ref.)										
First-generation	-0.15	-0.27	-0.45+	-0.92	0.08	0.67+	-0.48+	-0.12	-0.92*	0.04
Second-generation	-0.07	0.04	-0.04	0.49+	0.30	0.49	-0.08	0.01	0.27	-0.28
Educational qualification (Lower tertiary education (3a) = ref.)										
Intermediate vocational education (2a)	-0.07+	-0.07+	-0.08+	-0.08+	-0.08+	-0.08+	-0.07+	-0.08+	-0.08+	-0.08+
Intermediate general education (2bc)	-0.10**	-0.09*	-0.09**	-0.09*	-0.10**	-0.09*	-0.11**	-0.09*	-0.10**	-0.09*
Higher tertiary education (3b)	-0.01	0.00	0.00	0.01	0.00	0.01	-0.02	0.00	0.01	0.01
*Interaction: Migrant group * Educational qualification*										
First-generation * Intermediate vocational education (2a)		0.53		0.80		-1.02		-0.39		-2.06+
Second-generation * Intermediate vocational education (2a)		-0.21		-1.38*		-0.70		0.04		0.81
First-generation * Intermediate general education (2bc)		0.00		1.09		-0.88		-0.98		-1.71
Second-generation * Intermediate general education (2bc)		-0.15		-0.66+		0.09		-0.23		0.14
First-generation * Higher tertiary education (3b)		-0.63		-0.28		-0.42		-0.58		-9.55
Second-generation * Higher tertiary education (3b)		-0.19		-0.87*		-0.41		-0.35+		1.18
Firm size of first job (0–9 employees = ref.)										
10–49 employees	0.03	0.03	0.04	0.04	0.04	0.04	0.03	0.03	0.04	0.04
50–199 employees	-0.08*	-0.08*	-0.08*	-0.08*	-0.08*	-0.08*	-0.10*	-0.10*	-0.09*	-0.09*
200–499 employees	-0.17**	-0.17**	-0.18**	-0.18**	-0.19**	-0.19**	-0.17**	-0.17**	-0.19**	-0.19**
500 and more employees	-0.32**	-0.32**	-0.32**	-0.32**	-0.32**	-0.32**	-0.33**	-0.33**	-0.32**	-0.32**

Table 4.12   continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Branch of first job (Social services = ref.)										
Extractive	0.01	0.01	0.00	0.00	-0.02	-0.01	-0.01	-0.01	-0.01	-0.01
Transformative	0.09*	0.08*	0.09*	0.09*	0.08+	0.08+	0.10*	0.09*	0.08*	0.08*
Distributive services	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Producer services	0.08	0.08	0.09+	0.09+	0.09+	0.09+	0.10*	0.10*	0.09+	0.09+
Personal services	0.25**	0.24**	0.22**	0.22**	0.22**	0.22**	0.23**	0.23**	0.21**	0.21**
Duration of first job search	-0.02**	-0.02**	-0.02**	-0.03**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**
Fixed-term contract in first job	0.45**	0.45**	0.47**	0.47**	0.47**	0.47**	0.45**	0.46**	0.47**	0.47**
Number of fixed-term contracts	0.13**	0.13**	0.13**	0.13**	0.13**	0.12**	0.12**	0.12**	0.12**	0.13**
Number of unemployment periods	0.48**	0.48**	0.48**	0.48**	0.49**	0.49**	0.50**	0.50**	0.49**	0.49**
Prestige score of first job (French socioeconomic index of occup. status)	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**
Men (Women = ref.)	0.01	0.01	0.02	0.02	0.02	0.02	0.03	0.03	0.02	0.02
Yearly average unemployment rate	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**
*Interaction :Migrant group * Unemployment rate*										
First-generation* Unemployment rate	-0.01		0.00		0.00		-0.11		-0.11	
Second-generation* Unemployment rate	0.00		-0.01+		0.01		-0.01+		0.00	
Events	5,630	5,630	5,256	5,256	5,242	5,242	5,510	5,510	5,219	5,219
Total persons	13,587	13,587	12,600	12,600	12,484	12,484	13,239	13,239	12,461	12,461
Censored persons	7,957	7,957	7,344	7,344	7,242	7,242	7,729	7,729	7,242	7,242
-2*diff.(LogL)	4,920	4,928	4,624	4,634	4,572	4,574	4,870	4,870	4,572	4,578

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Table 4.13: Upward occupational mobility since the early 1990s, objective measurement with the French socioeconomic index of occupational status, for each migrant group split into first and second-generation compared with French native youths (piecewise constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 6 months	-1.02**	-1.01**	-0.98**	-0.98**	-0.99**	-0.99**	-0.97**	-0.96**	-0.98**	-0.98**
6 to 12 months	-0.81**	-0.80**	-0.78**	-0.77**	-0.77**	-0.77**	-0.76**	-0.76**	-0.77**	-0.77**
12 to 18 months	-1.13**	-1.12**	-1.11**	-1.10**	-1.10**	-1.11**	-1.08**	-1.08**	-1.10**	-1.10**
18 to 24 months	-1.48**	-1.48**	-1.47**	-1.46**	-1.46**	-1.46**	-1.45**	-1.44**	-1.45**	-1.45**
24 to 36 months	-1.66**	-1.66**	-1.64**	-1.64**	-1.65**	-1.65**	-1.63**	-1.62**	-1.64**	-1.64**
36 and more months	-2.07**	-2.07**	-2.05**	-2.05**	-2.05**	-2.06**	-2.04**	-2.04**	-2.05**	-2.05**
Migrant groups (French natives = ref.)										
First-generation	-0.07	-0.36	0.03	-0.57	-0.24	-0.03	-0.14	-0.21	-0.04	0.04
Second-generation	0.14**	0.06	0.17	0.50*	0.35+	0.13	0.02	-0.03	0.29+	-0.35
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	-0.90**	-0.92**	-0.94**	-0.94**	-0.94**	-0.94**	-0.92**	-0.94**	-0.93**	-0.94**
Basic vocational training (1c)	-1.01**	-1.01**	-1.02**	-1.02**	-1.02**	-1.02**	-1.02**	-1.02**	-1.02**	-1.02**
Intermediate vocational education (2a)	-0.71**	-0.71**	-0.72**	-0.72**	-0.72**	-0.72**	-0.72**	-0.72**	-0.72**	-0.72**
Intermediate general education (2bc)	-0.44**	-0.44**	-0.44**	-0.45**	-0.45**	-0.45**	-0.45**	-0.45**	-0.45**	-0.45**
Higher tertiary education (3b)	0.48**	0.48**	0.48**	0.49**	0.48**	0.49**	0.49**	0.49**	0.48**	0.49**
*Interaction: Migrant group * Educational qualification*										
First-generation * Elementary education (1ab)		0.38		0.99+		-0.27		0.48		-0.10
Second-generation * Elementary education (1ab)		0.13		-0.42		0.03		0.16		0.64
First-generation * Basic vocational education (1c)		0.22		0.78		0.10		-0.10		-0.60
Second-generation * Basic vocational education (1c)		0.08		-0.67		-0.26		-0.06		0.10
First-generation * Intermediate vocational education (2a)		0.02		0.96+		-0.08		0.09		0.12
Second-generation * Intermediate vocational education (2a)		-0.04		-1.20**		-0.03		0.05		0.31
First-generation * Intermediate general education (2bc)		0.40		1.27**		-0.43		0.04		-0.67
Second-generation * Intermediate general education (2bc)		-0.05		-0.16		0.31		0.08		0.42
First-generation * Higher tertiary education (3b)		0.32		0.52		-0.66		-0.24		-0.64
Second-generation * Higher tertiary education (3b)		-0.05		-0.68*		-0.34		0.01		0.52

Table 4.13 continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Firm size of first job (0–9 employees = ref.)										
10–49 employees	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.02	0.02
50–199 employees	-0.02	-0.02	-0.02	-0.02	-0.03	-0.03	-0.04	-0.04	-0.03	-0.03
200–499 employees	-0.05	-0.05	-0.06	-0.06+	-0.06+	-0.06+	-0.05	-0.05	-0.06+	-0.06+
500 and more employees	-0.18**	-0.18**	-0.20**	-0.20**	-0.21**	-0.21**	-0.20**	-0.20**	-0.20**	-0.20**
Branch of first job (Social services = ref.)										
Extractive	0.00	0.00	-0.01	-0.01	-0.01	-0.01	0.00	0.00	-0.02	-0.02
Transformative	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.00	0.00
Distributive services	0.00	0.00	-0.01	-0.01	-0.02	-0.02	-0.01	-0.01	-0.02	-0.02
Producer services	0.20**	0.20**	0.20**	0.20**	0.20**	0.20**	0.20**	0.20**	0.20**	0.20**
Personal services	0.22**	0.22**	0.21**	0.21**	0.21**	0.21**	0.21**	0.21**	0.21**	0.21**
Duration of first job search	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**	-0.02**
Fixed-term contract in first job	0.72**	0.72**	0.74**	0.74**	0.75**	0.75**	0.74**	0.74**	0.74**	0.74**
Overqualified in first job	0.20**	0.21**	0.20**	0.20**	0.20**	0.20**	0.21**	0.21**	0.20**	0.20**
Number of fixed-term contracts	-0.14**	-0.14**	-0.14**	-0.14**	-0.14**	-0.14**	-0.15**	-0.15**	-0.14**	-0.14**
Number of unemployment periods	0.32**	0.32**	0.32**	0.32**	0.32**	0.32**	0.32**	0.32**	0.32**	0.32**
*Prestige score of first job (*French socioeconomic index of occup.status*)*	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**
Men (Women = ref.)	0.23**	0.23**	0.23**	0.23**	0.23**	0.23**	0.24**	0.24**	0.24**	0.24**
Yearly average unemployment rate	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**
*Interaction: Migrant group * Unemployment rate*										
First-generation* unemployment rate	0.00		0.01+		0.00		0.00		0.00	
Second-generation* unemployment rate	-0.01**		0.00		0.00		0.00		-0.01+	
Events	13,221	13,221	12,317	12,317	12,218	12,218	13,039	13,039	12,265	12,265
Total persons	50,359	50,359	47,093	47,093	46,731	46,731	49,478	49,478	46,848	46,848
Censored persons	37,138	37,138	34,776	34,776	34,513	34,513	36,439	36,439	34,583	34,583
-2*diff.(LogL)	17,464	17,458	16,57	16,59	16,51	16,512	17,518	17,524	16,5	16,502

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

When controlling for educational attainment and ethnicity with interaction effects, the main effect for second-generation Maghrebian youngsters also become negatively significant, indicating a lower downward mobility risk. However, those with intermediate general education have higher risks of suffering a loss of job prestige. Second-generation Sub-Saharan Africans with intermediate vocational education are also confronted with the same risk. This may be because they are forced to change their firm more often in order to establish themselves in a secure job position. This result is in line with the findings above that these youths also need a longer time before obtaining a permanent contract.

It is not worth mentioning that first-generation Sub-Saharan African and Indo-Chinese youths with elementary education have lower downward mobility risks. They are already in low and the lowest job positions in which a further decrease in job prestige is not possible.

Looking at the dependence on the unemployment rate (Model 2), it becomes apparent that second-generation Maghrebian and Southern European youths have higher risks of downward mobility in times of high unemployment in the total population. Their careers seem to be influenced strongly by the macroeconomic situation.

4.8   Preliminary conclusions on the second empirical study

The results of this analysis provide a clear picture of different labor market outcomes for youths in France. Taken together, the amount of accumulated individual human capital determines successful employment entry and early career establishment more than any other characteristics. This finding is very much in line with the hypotheses, and also corresponds largely with the French model of individual integration irrespective of ethnic, religious, or regional origins. In some cases, particularly at labor market entry, parental background provides an additional explanation as to why some immigrant children have better starting conditions on the labor market than others. Parents who are aware of the high importance of educational qualifications try to pave the way for their children by enabling them to gain the best possible school qualifications and the best labor market entry prospects (Didier and Lapeyronnie 1994). Furthermore, the prestige of the father's occupation can serve as a proxy indicator for the seriousness of the child's educational investment for some employers, or at least as a signal regarding the young person's social background.

However, what turns out to be decisive is that labor market entry and early career establishment processes vary across the groups under observation. Thus, migrants cannot be assessed as one homogeneous group either inter- or intraethnically.

Second-generation Maghrebian youths, who make up a quantitatively large group in France, seem to face particular problems that cannot be reduced solely to their educational qualifications.

The analyses show that they do not have the same chances even when they have the same educational qualifications as their French counterparts or other migrant groups. This result runs counter to the hypotheses.Even though the results cannot directly detect and explain the reasons and mechanisms behind these disadvantages, there is clear evidence that this group of youths does not have equal opportunities compared to other labor market groups. The fact that they have a segregated living situation in the *banlieus*, are non-White, and Muslim, combined with the deep roots of the colonial past within the French nation make it especially difficult for this group to escape their situation as an ethnically disadvantaged group. Racial discrimination is a fact they have to face continuously in their everyday lives. This is clear to see in a comment from a Maghrebian migrant quoted in a recent article in the German newspaper *Die Welt*: "In the suburbs in which we are living, our everyday lives are characterized by discrimination during the job search, on the housing market, in our leisure time, and even at school. This means a social and cultural exclusion that, by and by, turns us irreversibly into people without any identity" (Welt Online 15.01.2010, http://www.welt.de/die-welt/debatte/article5854488/Ich-bin-Franzose-zweiter-Klasse.html).

Particularly second-generation Maghrebian youths with intermediate general education often have more difficulties than French native youths—especially at labor market entry but also in the early employment career when looking for a permanent contract after having started with a fixed-term one. This is a serious problem, especially because this group of youths have gained better diplomas that should open the door to better jobs and also promote a smooth labor market career. But, instead, they more often feel disadvantaged compared to French youths with the same educational certificates and therefore the same starting conditions. It seems that employers tend to prefer to hire a French native person before giving a job to a second-generation Maghrebian youth. Beyond this, the chances in the early employment career depend strongly on the current economic situation.

Table 4.14: Downward occupational mobility since the early 1990s, objective measurement with the French socioeconomic index of occupational status, for each migrant group split into first and second-generation compared with French native youths (piecewise constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 6 months	-8.58**	-8.56**	-8.55**	-8.55**	-8.53**	-8.54**	-8.58**	-8.58**	-8.55**	-8.55**
6 to 12 months	-8.34**	-8.33**	-8.31**	-8.30**	-8.29**	-8.30**	-8.33**	-8.32**	-8.30**	-8.30**
12 to 18 months	-8.54**	-8.53**	-8.52**	-8.51**	-8.50**	-8.51**	-8.53**	-8.53**	-8.51**	-8.52**
18 to 24 months	-8.88**	-8.86**	-8.86**	-8.86**	-8.84**	-8.85**	-8.88**	-8.87**	-8.86**	-8.86**
24 to 36 months	-9.19**	-9.18**	-9.17**	-9.17**	-9.15**	-9.16**	-9.20**	-9.20**	-9.16**	-9.17**
36 and more months	-9.80**	-9.79**	-9.77**	-9.76**	-9.76**	-9.76**	-9.81**	-9.80**	-9.76**	-9.76**
Migrant groups (French natives = ref.)										
First-generation	-0.10	-0.30	-0.59*	-1.92+	-0.18	0.51	-0.03	-0.40	0.21	0.35
Second-generation	0.07	-0.25+	0.07	0.05	0.34+	0.78*	0.01	-0.12	0.27	-0.13
Educational qualification (Lower tertiary education (3a) = ref.)										
Elementary education (1ab)	1.31**	1.30**	1.29**	1.28**	1.28**	1.28**	1.29**	1.29**	1.29**	1.29**
Basic vocational training (1c)	1.01**	1.00**	0.99**	0.99**	0.98**	0.99**	1.01**	1.00**	1.00**	1.00**
Intermediate vocational education (2a)	1.17**	1.16**	1.15**	1.15**	1.15**	1.15**	1.15**	1.16**	1.14**	1.15**
Intermediate general education (2bc)	0.75**	0.73**	0.73**	0.72**	0.72**	0.72**	0.74**	0.73**	0.73**	0.73**
Higher tertiary education (3b)	-0.48**	-0.49**	-0.49**	-0.49**	-0.49**	-0.49**	-0.50**	-0.49**	-0.49**	-0.49**
*Interaction: Migrant group * Educational qualification*										
First-generation * Elementary education (1ab)		0.12		1.86+		-0.58		0.70		-0.17
Second-generation * Elementary education (1ab)		0.24		-0.06		-1.15*		0.00		0.14
First-generation * Basic vocational education (1c)		0.59		1.30		-8.87		0.43		-0.11
Second-generation * Basic vocational education (1c)		0.05		-10.75		-9.63		0.15		0.92
First-generation * Intermediate vocational education (2a)		0.16		1.42		-0.48		-0.68		-1.20
Second-generation * Intermediate vocational education (2a)		0.28		-0.99+		-0.39		0.00		-0.95
First-generation * Intermediate general education (2bc)		0.12		1.74		-0.84		0.87		0.22
Second-generation * Intermediate general education (2bc)		0.30+		0.15		-0.44		0.22		0.61
First-generation * Higher tertiary education (3b)		0.19		0.88		-0.97		-0.27		-0.98
Second-generation * Higher tertiary education (3b)		0.26		0.25		-0.30		-0.06		1.53

Table 4.14 continued

	Maghreb		Sub-Saharan Africa		Indochina		Southern Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Firm size of first job (0–9 employees = ref.)										
10–49 employees	0.14**	0.14**	0.14**	0.14**	0.14**	0.14**	0.13**	0.13**	0.14**	0.14**
50–199 employees	-0.08*	-0.08*	-0.09*	-0.09*	-0.08*	-0.08*	-0.09*	-0.08*	-0.09*	-0.09*
200–499 employees	-0.14**	-0.14**	-0.13*	-0.13*	-0.13**	-0.13**	-0.11*	-0.11*	-0.13**	-0.13**
500 and more employees	-0.23**	-0.23**	-0.22**	-0.22**	-0.21**	-0.21**	-0.21**	-0.21**	-0.22**	-0.22**
Branch of first job (Social services = ref.)										
Extractive	0.10	0.10	0.11	0.11	0.11	0.11	0.13+	0.13+	0.10	0.10
Transformative	0.14**	0.13**	0.13**	0.13**	0.13**	0.13**	0.13**	0.12**	0.13**	0.13**
Distributive services	0.18**	0.18**	0.18**	0.18**	0.19**	0.19**	0.18**	0.18**	0.18**	0.18**
Producer services	0.25**	0.25**	0.27**	0.27**	0.27**	0.27**	0.26**	0.26**	0.27**	0.27**
Personal services	0.56**	0.56**	0.57**	0.57**	0.57**	0.57**	0.56**	0.57**	0.57**	0.57**
Duration of first job search	0.00+	0.00+	0.00	0.00	0.00	0.00	0.00	0.00	0.00+	0.00
Fixed-term contract in first job	0.97**	0.97**	0.99**	0.99**	0.98**	0.98**	0.99**	0.99**	0.98**	0.98**
Overqualified in first job	0.19**	0.19**	0.18**	0.18**	0.18**	0.18**	0.19**	0.19**	0.18**	0.18**
Number of fixed-term contracts	-0.19**	-0.19**	-0.20**	-0.20**	-0.20**	-0.20**	-0.21**	-0.21**	-0.20**	-0.20**
Number of unemployment periods	0.50**	0.50**	0.50**	0.50**	0.51**	0.51**	0.51**	0.51**	0.51**	0.51**
Prestige score of first job (French socioecon. index of occup. status)	0.06**	0.06**	0.05**	0.05**	0.05**	0.05**	0.06**	0.06**	0.06**	0.06**
Men (Women = ref.)	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.10**	0.10**	0.09**	0.09**
Yearly average unemployment rate	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**
*Interaction: Migrant group * Unemployment rate*										
First-generation* Unemployment rate	0.00		0.00		0.00		0.00		0.00	
Second-generation* Unemployment rate	0.01**		0.00		0.00		0.01*		-0.01	
Events	8,072	8,072	7,497	7,497	7,462	7,462	7,883	7,883	7,485	7,485
Total persons	50,359	50,359	47,093	47,093	46,731	46,731	49,478	49,478	46,848	46,848
Censored persons	42,287	42,287	39,596	39,596	39,269	39,269	41,595	41,595	39,363	39,363
-2*diff.(LogL)	6,968	6,966	6,430	6,450	6,394	6,404	6,900	6,908	6,402	6,414

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001)
Notes: **Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

The interaction effects for ethnicity and the unemployment rate have shown that the chances of upward mobility decrease when unemployment increases in the total population. Employers, therefore, immediately react with a reluctance to promote second-generation young Maghrebians when the economic cycle moves into recession. With regard to their prospects in the early employment career, similar results are found Sub-Saharan African youths—to some extent, probably for the same reason: their skin color.

In contrast, second-generation Southern European youths seem to be best integrated into the labor market. Their labor entry proceeds as smoothly as that of French youths. Although their chances of leveling out educational mismatches in the early employment career as well as their risk of downward mobility depend on the current unemployment rate, they do not face any serious problems in establishing themselves on the labor market. Moreover, they do not seem to be confronted with particular disadvantages as is the case for second-generation Maghrebian youths. Their labor market entry and early career patterns are very similar to those of their French native counterparts.

To summarize, the study has shown that crucial differences can be found between migrant groups. However, having a migration background does not automatically lead to disadvantages on the labor market. To capture the real mechanisms, it is important to differentiate between migrant groups and not to lump them together as one heterogeneous group. The ways in which ethnic differences and their causal backgrounds are modeled are therefore crucial when explaining the situation of different ethnic groups on the French labor market. As demonstrated, an interpretation based only on the net effects of single covariates would indeed have supported discrimination theory. However, if interaction effects between ethnic origin and education are considered as well, the impact of ethnicity on labor market chances largely disappears, thus suggesting that migration-specific human capital attainment rather than mere migration status plays a decisive role in labor market integration.

These results give rise to a number of policy recommendations: As the descriptive statistics have shown, many youths with a migration background still finish school with worse educational qualifications than their native French peers. However, as demonstrated, education is the most important ingredient for successful labor market entry and also for the subsequent early employment career on the French labor market. School results of immigrant children need to be enhanced through better group-specific promotion and the reduction of ethnic segregation in schools. School failure needs to be reduced by

implementing well-targeted supportive measures and improving French language proficiency at an early age. Especially in schools with a very high share of immigrant children, school class compositions need to be rearranged to achieve a better balance between French natives and immigrant children, and thereby provide better learning environments for migrants.[36] Furthermore, it is essential for young immigrants to be integrated into French society as early as possible—not only formally in national institutions but also in everyday life—so that the barriers and prejudices between cultures will decline and, ideally, even racial discrimination may be reduced in the long-run. To be effective, such measures would need to start already in nursery schools (*maternelle*) and continue throughout the school years. When young Maghrebian migrants live in segregated areas and are recognized and labeled as 'outsiders' from the very beginning, it is not surprising that they very easily lose the motivation to improve their situation and develop their potential. Hence, although systematic support and targeted policies for specific marginal groups run counter to the French concept of universalism and egalitarianism, it is crucial that especially young Maghrebian migrants are provided with equal opportunities right from the start so that they will achieve the same educational levels as French youths.

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36 Up to 1963 parents faced no restrictions when choosing a school for their children. Afterwards, the so-called 'carte scolaire' was introduced to reduce school choice to a specific geographical area close to the place of residence. The aim was to achieve a balanced share of students related to population density and social structure, and thereby, to simultaneously contribute to democratization (Brauns 1998).

5 Empirical Study 3
Vocational training in France

A promising resource? Even for young migrants?

5.1 Introduction

The previous two empirical parts have shown that education is the key element to ensure a smooth labor market entry and early career establishment—this is true for both French native youths and youths with a migration background. The first empirical study has shown that it is not just youths with tertiary degrees who are in the best position. Those with an apprenticeship or vocational training diploma can manage the school-to-work transition better than those with general diplomas. Therefore the question arises whether it might be an appropriate strategy for young migrants to orient themselves more toward these vocational training and apprenticeship tracks in order to improve their labor market chances.

Over the past decades, much effort has been invested in strengthening the role of apprenticeships and in motivating young people to pursue a practical or technical track instead of a general qualification (Bonnal et al. 2002). This has included an increase in the levels of certification, a diversification of curricula, as well as the extension of vocational training to higher educational levels. The French government has implemented a lot of different measures and programs to make apprenticeships attractive for both youths and employers. One of these has been incentives for employers in the form of subsidies and tax exemptions for hiring young workers (OECD 2009).

Therefore, the third part of my empirical research is dedicated to the role of vocational training and apprenticeship in France in a time of intensifying globalization, expanding new technologies, and increasing implementation of labor market flexibilization strategies. To integrate the results of the first and the second empirical study, I shall also focus on comparing French natives with migrant youths. More precisely, I shall investigate the following two research questions empirically:

1) Alongside tertiary diplomas, can a vocational training or apprenticeship certificate improve the situation for young people (even) in times of increasing labor market flexibilization?

2) If so, can youths with a migration background profit from it in the same way as French natives do?

To answer the first research question, each educational qualification based on vocational training or apprenticeship is compared with general diplomas. To answer the second research question, separate models are calculated for French native youths, for second-generation Maghrebian youths, and second-generation Southern European youths. I decided to concentrate on these three groups because the earlier results have shown that second-generation Maghrebian youths face particular problems mainly at labor market entry but also in their early career. Their labor market integration seems to be more problematic. In contrast, second-generation Southern European youngsters manage much better, and they belong to the group of youths whose labor market integration proceeds much more smoothly. Both groups were born in France, and it can therefore be assumed that they intend to stay and are willing to integrate themselves into French society. Finally, French native youths are considered as the 'reference group' representing the typical pattern of labor market entry and early career establishment on the French labor market.

This empirical study is structured as follows: The next section starts by explaining the vocational training system in France since the major reforms in the 1980s as well as the regional disparities in training supply (Section 5.2). Then Section 5.3 discusses the theoretical approaches to the two research questions. The first focuses on the role of vocational training and apprenticeship as well as the strong traditional emphasis on general diplomas in France. The second explains how educational qualifications can be influenced or even devalued by ethnic characteristics. Afterwards, Section 5.4 explains the data and methods along with the composition of the empirical models and the research design. Section 5.5 follows this up with the main hypotheses deduced from the theoretical part. Section 5.6 presents the results of the empirical investigations. Finally, Section 5.7 concludes the study by summarizing the main empirical findings and making recommendations for policymakers.

5.2   The reformed vocational training system

The vocational training system was strongly restructured during the 1980s in response to the increasing demand for more highly qualified and more specialized workers. It is now embedded into both secondary and tertiary education. One of the most important outcomes of these reforms has been to upgrade the qualification profile. Today, there is a high level of stratification within the French vocational training system that mainly occurs in secondary school. After 2 years of lower secondary education (at the age of 12 to 15 years), students can decide whether to continue with general education or to start a preparatory class potentially leading to a vocational training certificate. In upper secondary education (16 to 18 years), students can choose between two options: they can follow the general track again (*lycée général*) or start at a technical secondary school (*lycée technique*). After 3 years, they then graduate with either a general or a technological diploma (*baccalauréat général, baccalauréat technologique, BTn*). These qualifications are based on centralized, national examinations and are the prerequisites for admission to university. In 1998, about 18% of students took the *Bac technologique*, and 83% of these continued into higher education (Brauns 1999: 76).

Alongside these two types of *baccalauréat*, students can also start with vocational education in order to obtain a professional qualification diploma (*certificat d'aptitude professionelle, CAP*); a vocational training certificate (*brevet d'études professionelles, BEP*), which was created in 1967; or even a vocational *baccalauréat* (*baccalauréat professionel, BAC Pro*), created in 1985. A *CAP* qualifies for skilled or semiskilled jobs such as fitter, hairdresser, cook, or agricultural vineyard worker. The *BEP* instead provides access to a broader occupational field and prepares for more skilled jobs in, for example, retail sales or healthcare. Young people holding a BEP can decide whether to continue with a 2-year course leading to a vocational *baccalauréat* (*BAC Pro*). With this certificate, they can start work as technicians or as skilled technical and clerical staff in specialized fields such as electrical equipment and installation, the automobile industry, restoration or artistic trades in the service sector, or even in agriculture as agricultural mechanics. As Brauns (1999) summarizes, in 1996–1997, a total of 10% of students followed a CAP track; 67%, a BEP track; and 23%, a *BAC Pro*. These figures represent a clear improvement compared to the situation in 1970–1971 when 79% were training for a CAP and 21% for a BEP certificate (ebd.: 75).

> "The 'bac pro,' which was intended from the start to be a gateway to the labor market, was presented as being a particularly innovative project. In terms of the modes of access

involved, it gives holders of BEP and CAP certificates an opportunity of continuing their studies, which was hardly ever possible in the past. Secondly, it is based on a novel pedagogical approach, since on average, these courses include a 16-week period of practical experience at firms, thus providing a new mode of acquiring occupational know-how. The fact that vocational training is organized here on the basis of occupational fields rather than disciplines also makes it easier to link it up with general subjects. The last point worth noting about the 'bac pro' is that it makes provision for the knowledge acquired to be systematically assessed using the ongoing method of assessment.**" (Kirsch and Kogut-Kubiak 2010: 1)

Since 1987, during the course of the vocational training reform, three major occupational fields have been created to provide vocational training at the tertiary level. Universities and *grandes écoles* offer vocational courses of study at all levels. Technical schools as well as technical universities provide short courses leading to a vocational diploma (Fachabitur), a technical diploma with university education (*diplômes universitaires de technologie, DUT*), or even a technical diploma with school-based education (*brevet de techniciens supérieurs, BTS*). Since 1994, there is the option of supplementing the *DUT* with an additional year of study leading to higher technical qualifications. These courses teach more technical knowledge than occupational skills. All vocational certificates and some technological diplomas can be obtained within school-based vocational training at an upper vocational school (*lycée professionel,* LP) or within an apprenticeship. However, most young people choose the first option, that is, full-time schooling institutions (Brauns 1999). Apprenticeship in France proceeds as an alternation between workplace training and classroom schooling.

However, "large-scale industrial companies in France show little enthusiasm for providing apprenticeship training. Such training is concentrated in smaller businesses in the skilled trades and retail sectors, that is, in sectors that are not particularly innovative or growth-oriented" (ebd.: 78). The apprenticeship system was reformed decisively by the 1987 and 1992 laws with the consequence that apprenticeships can now be obtained within a wider range of occupations.

Additionally, there are also large-scale public intervention strategies, as already mentioned in the conceptual part of this thesis (p. 37), that have been developed since the 1970s when youth unemployment started to increase. These measures aim primarily to create jobs in the public sector, to promote training programs in the private sector, and to reduce total labor costs in the private sector by providing employers with incentives such as payroll tax subsidies.

Regional disparities in vocational training demand and supply

Since 2004, all competencies and responsibilities for vocational training have been assigned to the regions. This has led to increased spatial disparities in training supply. As Grelet (2004) shows in the socioeconomic areas she has clustered on the basis of 348 employment zones (see p. 20), this has led to the emergence of local specificities in the educational system that "appear to be partly a response to families' educational demand and partly to labor market needs" (p. 1). Thus, in Type 1 (rural zones with agriculture), students receive only low levels of vocational qualifications. However, secondary schools offer a broader than average range of tertiary sector specialties. Type 2 (rural zones with industries) has a stronger orientation toward manufacturing occupations than is common in the other socioeconomic environments. Many youths stop after the CAP-BEP and do not continue to study toward higher educational certificates. Type 3 (declining manufacturing industry) also has many students who choose a vocational pathway with an overrepresentation of industrial specialties. Vocational training is absolved mainly in vocational school rather than in apprenticeships. In contrast, in Type 4 (dynamic manufacturing industry), students in the eastern regions mainly follow a vocational track on the secondary level as apprentices. Moreover, this socioeconomic area has a tradition of shorter study courses and vocational tracks. In Type 5 (tertiary activity and small firms), general education dominates. However, students training for vocational certificates do this predominantly through apprenticeships in the tertiary sector. Type 6 (urban zones) is characterized by having a balanced share of those who follow a general or a vocational track (ebd.: 7–8).

5.3   Theoretical concepts

Research question 1: Vocational training in internal and occupational labor markets

It has often been argued that vocational training facilitates the immediate school-to-work transition and helps to avoid long phases of switching from one job to the next until mismatches are leveled out. Because young people learn job-specific skills, their real professional qualifications are more transparent for employers and it is also easier for the young people themselves to find an appropriate job position. Therefore, vocational certificates help to reduce skill mismatches and inadequate staffing particularly at labor market entry. In addition, the early employment career also proceeds more smoothly when qualifications are clearly identifiable.

However, this is mainly the case in so-called occupational labor markets such as Germany or Denmark in which vocational training is not only strongly standardized but also highly

workplace-oriented instead of school-based as in France. The high degree of standardization teaches young people the skills for specific occupations that can be applied in any firm (Allmendinger 1989; Blossfeld 1994; Shavit and Müller 1998). The fact that skills are transferrable makes interfirm mobility very likely in occupational labor markets. Not only do certificates entitle their holders to a specific employment, but also their wage levels are determined centrally. Moreover, they have long-term career prospects.

This is not the case in France. "Unlike in Germany, where the state guarantees that the basic elements of practical training are uniform nationwide, in France, apprenticeship training is heavily influenced by the individual nature of the business providing the training and by the needs of local industry" (Brauns 1999: 79). Vocational training and apprenticeship therefore depend strongly on specific organizations. This makes interfirm mobility less possible. Instead, intrafirm mobility is more likely to form the basis for young people's careers. As outlined in the first part of this thesis (Section 2.9, p. 27), skill upgrading through training depends strongly on the firm. Young people are therefore much more dependent on support from employers when advancing their careers (Eyraud et al. 1990). In addition, wages are decentralized and negotiated on the firm or branch level rather than nationwide.

In contrast to Germany, the French vocational training system is strongly embedded in the school system. There is a preference for full-time school-based vocational training rather than training at the workplace, so that apprenticeships still play a minor role in France. This is mainly related to the strong tradition of general education. As pointed out above, general diplomas enjoy a higher prestige in France than vocational or apprenticeship degrees. From this perspective, acquiring one of the latter qualifications signifies that a student was unable to follow a general track.

> "Put it in a very simplified way: the best students get the opportunity to complete the general maturity certificate, the *Baccalauréat Général*. Students who do not perform as well typically enter some type of vocational education: The second best in the 'performance queue' are channeled into the long technological track, the third best into the short vocational track, and the end of the queue is oriented toward apprenticeship training." (Brauns 1999:75)

This evaluation of general and vocational diplomas makes it difficult to change prestige in the French context and make practically oriented qualifications more attractive for both young people and employers. Brauns states that at "job recruitment, German school-leavers are recruited based on specific occupational skills that demonstrate their competence to perform in a given occupation or job, while French school-leavers are ranked according to their relative position in the hierarchy of credentials" (ebd.: 87).

However, growing mechanization and the implementation of new technologies since the 1980s have enhanced the demand for specialized workers with specialized skills and qualifications. The vocational training reforms aim to improve the prestige as well as the differentiation and upgrading of qualifications by implementing vocational training on higher educational levels. The question is whether these diplomas have gained in attractiveness and even serve as signals of concrete employability to employers in the French labor market—particularly in times of increasing labor market flexibilization. This last aspect leads to signaling theory.

Research question 2: Signaling theory

In the context of the second research question, *signaling theory* offers an adequate way to explain how vocational qualifications should generally enhance labor market chances because of the transparency of the job-specific skills acquired. Additionally, the theory is able to explain how ethnic background can influence hiring and career prospects.

Employers tend to hire new workers on the basis of easily accessible information. This information should function as indicators for the real abilities of the applicant. According to signaling theory (Spence 1974), they mainly rely on directly observable, cost-saving, and reliable characteristics that will give them reasonable hints regarding the applicant's motivation to work, willingness to perform, and productivity. Spence (1974) distinguishes between changeable and unchangeable market signals. Changeable market signals are, for instance, educational qualifications; whereas unchangeable market signals are, for instance, gender, year of birth, or even ethnic background. Employers use these indicators to make specific inferences on the present and future behavior of applicants on the basis of stereotypes. Or, as Blossfeld and Mayer (1988: 265) have put it, employers make their "decisions about an individual applicant on the basis of behavioral probabilities in occupation groups." This procedure is also-called statistical discrimination (Arrow 1973) (see also Section 4.3, p. 148).

One of the most important market signals is the level of educational qualification. Especially in the French context, a longer stay within the educational system is regarded as an indicator of better achievement, higher motivation, and greater individual capacities. It demonstrates a willingness and interest to learn as well as a sense of responsibility and trustworthiness. This stereotyped thinking also explains the high value of general education in France.

In vocational training and apprenticeship, it is assumed that young people acquire not only job-specific skills and qualifications but also job-related social competencies and virtues such as punctuality, diligence, discipline, and respect for authority—all together characteristics delivering hints regarding an applicant's 'employability' (Seibert and Solga 2005). In countries in which the link between vocational training and the labor market is very strong, labor market entries are supposed to proceed better and more smoothly for vocationally trained youths compared to those who obtain general qualifications. In France, however, in which this link is not very close, the advantage of vocational certificates is not very pronounced.

Alongside educational qualification, there are the unchangeable indicators such as gender or migration background. In the context of the research question in this study, ethnicity is regarded as a crucial factor influencing an employer's decision during the application procedure. An ethnic-specific perception may lead to unequal opportunities for young people with a migration background even when they have the same educational qualifications as their native counterparts. "The membership of certain cultural circles, anticipated acculturation, or competencies in the lingua franca are responsible here for a purported ethnically specific relation between documented educational achievement and future productivity" (ebd.: 367). Accordingly, employers impute lower productivity to these migrant groups, because educational qualification as a market signal is devalued by ethnic-specific expectations. As the results of the previous study have shown, this problematic perception may apply particularly to Maghrebian and Sub-Saharan Africans because of their visible foreignness and the prejudices in French society.[37]

5.4   Data and methods

To answer the two research questions, it is necessary to diversify the 6-point CASMIN classification used in the former two studies. I applied an 11-point CASMIN scale that makes it possible to distinguish more precisely between general and vocational qualifications (Brauns and Steinmann 1999). The 11 qualifications are differentiated as follow:

- 1a: Inadequately completed general education
- 1b: General elementary education

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[37]   A recent pilot study for Germany has shown that young women as well as migrants have the same chances of getting a job when the application documents have made anonymous (Alt et al. 2012).

- 1c: Basic vocational education
- 2a: Intermediate vocational education
- 2b: Intermediate general education
- 2c_gen: General maturity certificate
- 2c_voc: Vocational maturity certificate
- 3a_gen: Lower tertiary education – general diplomas
- 3a_voc: Lower tertiary education – diplomas with vocational emphasis
- 3b_low: Higher tertiary education (lower level)
- 3b_high: Higher tertiary education (higher level)

Additionally, a dummy variable is computed on the basis of this 11-point CASMIN scale that groups together all educational qualifications based on vocational training or apprenticeship (*Degree prepared by vocational training or apprenticeship*). The reference category for this consists of all general education qualifications. The dummy variable has the value 1 for Educational qualifications 1c, 2a, 2c_voc, 3a_voc and the value 0 for all other qualifications. This dummy variable is applied alternatively to the 11-point CASMIN scale in order to show the general trends in vocational training or apprenticeships compared to general diplomas.

To investigate how the relevance of an apprenticeship qualification changes over time, interaction effects are estimated for the cohort variable and the apprenticeship dummy.

In principle, the main research framework of the first empirical study is also applied in then present study (see Figure 3.4, p. 61). Accordingly, the analyses are built up analogously to the two previous empirical studies, except that each model is calculated separately for the three groups under observation: French native youths, second-generation Maghrebian youths, and second-generation Southern European youths.

5.5 Hypotheses

H1:   The impact of vocational training and general diplomas on the smoothness of labor market entry and early career prospects

As mentioned in the theoretical part of this study, vocational certificates generally have a lower prestige than a general diploma. Therefore, it is assumed that youths with vocational qualifications will not have better chances than youths with a general diploma. However, two arguments commend the opposite view: First, young people have acquired skills for specific jobs for which people without a vocational diploma or an apprenticeship would

normally have no job prospects. This means, for instance, that becoming an electrician requires specialized knowledge normally acquired through vocational training. Therefore, youths with a general diploma cannot compete for these jobs. The second argument relates to the reduced skill mismatches when young people have a vocational or apprenticeship diploma. It is easier for employers to hire adequate employees right from the start, because their qualifications deliver concrete information on the knowledge and job-specific skills acquired during vocational training. Skill mismatches therefore occur less often. In contrast, employers do not have the same information about applicants with general diplomas. Thus, they do not know exactly whether the person matches the job or not. Job changes are then expected to occur more frequently. Especially for young people with tertiary level diplomas, it might be an advantage to have acquired job-specific knowledge and proficiencies. They are prepared for jobs that require specialized workers.

However, the fact that vocational training is mainly school-based as well as only slightly standardized makes it difficult for young people to acquire competencies that transfer from one firm to another. This reduces interfirm compatibility and the attractiveness of the employee. Due to this internal labor market logic, job mobility in the early employment career may therefore be accompanied more often by a loss of the current job prestige or downward mobility.

H2:   Differences in signaling power for French native, second-generation Maghrebian, and Southern European youths

Theoretically, there should be no significant differences between the three groups with regard to labor market entry and early employment career establishment chances because of the universalistic view of the citizen in French society. The concept of integration is based mainly on political rather than ethnic criteria, so that it requires a high degree of individual assimilation. Therefore, ideally, the principle of equal opportunities should dominate the recruitment process.

However, this basic concept is undermined by assumptions about the effectiveness of youths with a migration background. More precisely, employers may more often tend to assess the achievement of migrants as being below that of French natives. This assumption was confirmed in the previous study in that second-generation Maghrebian youths more often showed disadvantages compared to French native youths with the same educational qualifications. This result cannot be explained by the covariates included in the model, but is due to unobserved reasons (that may well include labor market discrimination).

It is therefore likely that the labor market entry and early employment career chances of young people with vocational degrees will vary according to their affiliation to different migrant groups. Accordingly, it is hypothesized that the patterns of second-generation Maghrebian and French native youths will diverge more than those between second-generation Southern European and French native youths. This hypothesis is derived from the low cultural distance between Southern Europeans and French native youths compared to that between the latter and Maghrebian youths (see also the explanations of the first hypothesis in the previous study (Section 4.5, p. 150). Empirically, the results should show that if French native youths profit from a vocational diploma, this effect will not generalize to second-generation Maghrebian youths. Furthermore, it could be possible that the differences in patterns between the three groups are determined more by the qualification level of vocational training, that is, whether the diploma is secondary or tertiary, rather than by the general distinction between general and vocational diplomas. This means that second-generation Maghrebian youths may profit more from tertiary than secondary vocational diplomas. On the one hand, the skills on this high level of vocational qualification are relatively easy for employers to assess. On the other hand, they can also assume that youths with these kinds of diplomas are motivated and willing to work.

5.6 Results

Preliminary note

To provide a clear picture of the situation of French native, second-generation Maghrebian, and Southern European youths, results on the two research questions are presented separately for each group by describing the main patterns and changes over time. At first, the pattern of French native youths will be described, because it is the reference for the other two groups. Afterwards, the patterns for second-generation Maghrebian and Southern European youths will be compared with those of French native youths in order to detect differences and similarities.

5.6.1 Pattern and changes of French native youths

Labor market entry

The picture from the empirical analyses of French native youths is clear-cut: An apprenticeship degree has a positive effect throughout both labor market entry and early employment career establishment.

Regarding the *duration until first employment* (Table 5.1), an apprenticeship diploma facilitates the school-to-work transition (measured with the dummy variable). An increasing speed across cohorts can also be observed (Models 3 and 4) in line with the generally enhanced speed over time observed in the first empirical study (see Figure 3.6, p. 71). Considering the educational qualifications separately (Model 2), it becomes apparent that students with vocational degrees also have better or the same chances of finding a first employment relatively fast compared to the reference group of youths with lower tertiary level general diplomas. However, this is not the case for those with intermediate vocational education. These are the qualifications with which youths apply for jobs in, for instance, personal or social services as craftspeople, salespeople, or machine operators in traditional manufacturing and construction industries. The decision whether to hire an employee or not does not just depend on the respective educational qualification. The physical constitution is also a decisive criterion because of the strength and endurance required for these jobs. According to the logic of internal labor markets, employers in some sectors often prefer to hire youths with elementary education rather than those with intermediate vocational education, because they can pay lower wages to the former. Moreover, the decision to hire a less well qualified youth is also reinforced by the fact it is also often necessary to train new employees and impart the specific skills for the job position within the firm.

In contrast, young people with tertiary level diplomas are in the best position; They find a first job fastest. Even youths with higher tertiary diplomas need a longer searching time. *In this respect, a vocational qualification, especially on the tertiary level, proves to be the best degree enabling French native youths to complete an immediate school-to-work transition. This result can be clearly seen as a success of the vocational training reform, particularly on the tertiary level.*

Looking at the impact of the local socioeconomic background (Model 3) reveals that young people who have completed their educational track with vocational training or apprenticeships have the slowest transition process in urban regions, whereas an immediately school-to-work transition can be observed in all other regions. This can be related to the high share of jobs on high qualification levels in Paris and its surroundings, so that employers prefer youths with general rather than practical diplomas. As mentioned above, the proportion of those with general and vocational degrees is quite balanced in urban zones. In socioeconomic areas in which the industrial sector is predominant, a vocational or apprenticeship degree is much more suitable.

Whereas the duration of first job search is much shorter for youths with an apprenticeship or vocational training, the impact on *first job quality* (Table A.8–A.10 in the Appendix) is not always just as positive. The risk of getting a fixed-term contract remains higher for youths with vocational qualifications (Models 3 and 4).

It is young people with higher tertiary education (Models 1 and 2) who have the lowest risk of getting a fixed-term contract. Changes over time reveal a monotonic trend of improvement: The risk for those with vocational diplomas (including apprenticeships) declines across cohorts. This pattern diverges from the general trend: The highest risk of getting a temporary contract is in the 1998 cohort before declining in the 1992 and 2001 education-leaver cohorts. *Whereas the general time trend follows the cyclical trend of the economic cycle with its peak in 1998, the pattern of youths with vocational diplomas show a monotonic trend of improvement instead. This can be interpreted as a sign that an apprenticeship diploma has gained in importance over time and has become more valuable for young employees to successfully avoid temporary jobs.*

Young people with an apprenticeship or vocational training degree have a clearly lower risk of starting overqualified than those with general diplomas (Models 3 and 4). Thus, young people with both intermediate and lower tertiary level vocational diplomas feel less overqualified than the reference group. The time trend (i.e., the cohort comparison) shows a declining risk of overqualification over time. Again, this monotonic amelioration runs counter to the general development of overqualification characterized by a cyclical pattern with the lowest risk in the 1998 cohort. *Once more, the results reveal that practical diplomas have become of increasing importance in avoiding overqualification. Cautiously interpreted, this might reveal a tendency for vocational training diplomas to function slightly more as market signals in France and help to facilitate the process of recruiting adequate working staff.*

Part-time employment is also less pronounced for young people with an apprenticeship or vocational training (Models 3 and 4). Again, a monotonic improvement can be observed across cohorts in line with the general decline of part-time work over time. Regarding educational qualifications separately, it is young people with vocational diplomas on the lower tertiary level as well as those with university degrees who have the lowest risk. *A tertiary level vocational diploma is therefore a profitable investment to avoid part-time employment*. The coefficients for all other educational qualifications show higher risks throughout—irrespective of whether the diploma is general or vocational.

The location of completing schooling has a different impact on first job quality (Model 3): Young people with vocational or apprenticeship degrees face a lower risk of getting a fixed-term contract in rural zones in which agriculture or industry is predominant and in dynamic manufacturing industry areas. This reveals a regional stratification of risks that relates clearly to the local labor market structure and its main economic sectors.

In contrast, overqualification and part-time work in the first job is distributed much more equally across the French territory for those with vocational diplomas or apprenticeships. The risk of starting overqualified is lower only in areas with tertiary sector and small businesses, whereas the risk of part-time work is found less often in zones with dynamic manufacturing industry.

To summarize, labor market entry is not just faster when young people complete their educational track with a vocational training or apprenticeship degree. This also impacts on first job quality, with lower risks of starting overqualified or with part-time work. As hypothesized, skill mismatches can indeed be reduced with these diplomas. Although the chances of getting a permanent contract right from the start cannot be enhanced by these qualifications, young people with vocational diplomas show a clear trend toward improvement. The amelioration of the situation for these youths is found for all three indicators measuring the quality of the first job. In this respect, the decision to absolve vocational training or an apprenticeship seems to be a profitable investment leading to a fast and even smooth school-to-work transition. However, it is still necessary to investigate whether young people with these qualifications can also use their advantageous situation in the early employment career to lower their unemployment risks and become established in secure job positions.

Table 5.1: Transition to the first job in French native, second-generation Maghrebian, and second-generation Southern European youths (piecewise constant exponential models)

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Periods												
up to 3 months	-0.91**	-1.15**	-1.52**	-1.50**	-0.48**	-1.20**	-1.65**	-1.64**	-0.48*	-0.98**	-1.43**	-1.43**
3 to 6 months	-1.56**	-1.74**	-2.11**	-2.08**	-1.27**	-1.91**	-2.36**	-2.35**	-1.00**	-1.43**	-1.86**	-1.86**
6 to 9 months	-1.94**	-2.10**	-2.47**	-2.44**	-1.58**	-2.20**	-2.66**	-2.65**	-1.46**	-1.87**	-2.31**	-2.31**
9 to 12 months	-2.20**	-2.35**	-2.73**	-2.70**	-1.86**	-2.47**	-2.93**	-2.92**	-1.61**	-2.01**	-2.45**	-2.45**
12 to 24 months	-2.39**	-2.52**	-2.91**	-2.89**	-2.13**	-2.71**	-3.19**	-3.18**	-2.02**	-2.41**	-2.86**	-2.86**
24 and more months	-3.08**	-3.13**	-3.55**	-3.53**	-2.77**	-3.30**	-3.78**	-3.77**	-2.45**	-2.81**	-3.26**	-3.26**
Cohort (1998 = ref.)												
1992		-0.22**	-0.21**	-0.21**		-0.26**	-0.28**	-0.29**		-0.19**	-0.20**	-0.20**
2001		0.25**	0.24**	0.24**		0.27**	0.24**	0.24**		0.39**	0.37**	0.37**
Educational qualification (Lower tertiary with general emphasis (3a gen) = ref.)												
Inadequately completed general education (1a)		-1.16**				-1.13**				-0.96**		
General elementary education (1b)		-0.56**				-0.69**				-0.58**		
Basic vocational education (1c)		0.03				0.01				-0.30*		
Intermediate vocational education (2a)		-0.13**				-0.28*				-0.35*		
Intermediate general education (2b)		-0.35**				-0.49**				-0.36*		
Vocational maturity certificate (2c_voc)		-0.03				-0.14				-0.29*		
General maturity certificate (2c_gen)		-0.24**				-0.25*				-0.31*		
Lower tertiary education–diplomas with vocational emphasis (3a_voc)		0.15**				0.12				-0.06		
Higher tertiary education (lower level) (3b_low)		-0.03				-0.06				-0.17		
Higher tertiary education (higher level) (3b_high)		-0.05				0.06				-0.32*		
Degree prepared by vocational training or apprenticeship	0.25**		0.29**	0.25**	0.25**		0.22**	0.20**	0.13**		0.16*	0.16*
Parental social background (Worker = ref.)												
Farmer	0.20**	0.12**	0.18**	0.18**	0.22	0.12	0.17	0.16	-0.21	-0.13	-0.09	-0.09
Principal of a firm, Tradesman, Artisan	0.20**	0.12**	0.16**	0.16**	0.20**	0.09	0.16*	0.16*	0.13*	0.10+	0.11+	0.12*
Self-employed, Teacher, Engineer, Manager	0.30**	0.08**	0.20**	0.20**	0.42**	0.15**	0.35**	0.35**	0.30**	0.15+	0.17*	0.17*
Technician, Foreman, Middle-class positions	0.23**	0.09**	0.16**	0.16**	0.10	0.02	0.09	0.09	0.08	0.01	-0.01	-0.01
Employee	0.15**	0.06**	0.09**	0.09**	0.21**	0.16**	0.16**	0.16**	-0.01	-0.06	-0.09+	-0.08

Table 5.1   continued

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Socioeconomic area (Urban zones = ref.)												
Rural zones with agriculture			-0.05**	-0.10**			0.04	0.06			-0.24**	-0.07
Rural zones with industry			0.06**	0.00			0.09	-0.02			-0.01	0.12
Declining manufacturing industry			-0.11**	-0.14**			-0.18**	-0.18**			-0.13*	-0.18*
Dynamic manufacturing industry			0.13**	0.09**			0.09	0.03			0.02	-0.03
Tertiary sector and small businesses			-0.12**	-0.17**			-0.18**	-0.19*			-0.17**	-0.19+
Men (Women = ref.)	0.17**	0.19**	0.17**	0.17**	0.13**	0.19**	0.14**	0.14**	0.11**	0.14**	0.13**	0.13**
Previous job experiences			0.28**	0.28**			0.38**	0.38**			0.34**	0.34**
Yearly average unemployment rate	-0.01**				-0.01**				-0.01**			
*Interaction: Cohort * Apprenticeship degree*												
Cohort 1992 * Degree prepared by voc. Training/Apprenticeship			-0.07**	-0.06**			-0.03	-0.02			-0.04	-0.05
Cohort 2001 * Degree prepared by voc. Training/Apprenticeship			0.05*	0.06*			0.14	0.14			0.04	0.04
*Interaction: Socioeconomic area * Apprenticeship degree*												
Rural zones with agriculture * Vocational degree				0.09*				-0.04				-0.28
Rural zones with industry* Vocational degree				0.10**				0.26				-0.20
Declining manufacturing industry* Vocational degree				0.05*				-0.01				0.09
Dynamic manufacturing industry* Vocational degree				0.06*				0.13				0.08
Tertiary sector and small businesses* Vocational degree				0.10**				0.03				0.03
Events	46,975	46,975	46,975	46,975	3,229	3,229	3,229	3,229	2,888	2,888	2,888	2,888
Total persons	51,223	51,223	51,223	51,223	3,674	3,674	3,674	3,674	3,155	3,155	3,155	3,155
Censored persons	4,248	4,248	4,248	4,248	445	445	445	445	267	267	267	267
-2*diff.(LogL)	23,708	26,932	26,652	26,668	2,230	2,556	2,506	2,508	1,260	1,450	1,474	1,480

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Early employment career

Unemployment after the first job and reemployment chances

The risk of becoming unemployed after the first job as well as the chances of being reemployed after a certain period of unemployment are generally lower for youths with apprenticeships or vocational diplomas (Table 5.2, Models 2 and 3). The best position is taken by not only youths with higher tertiary education but also those with basic vocational education, an intermediate vocational maturity certificate, and a lower tertiary level vocational diploma. The situation for youths with vocational or apprenticeship certificates has even improved across cohorts, whereas the general trend in unemployment risks and reemployment chances corresponds to the economic cycle with the lowest risk and the best chances in the 1998 cohort.

Therefore, a vocational or apprenticeship degree seems to protect young people increasingly against unemployment risks. This can again be regarded as a gain in importance for these diplomas. Reemployment prospects in case of unemployment after first job have also ameliorated in younger cohorts for young people with vocational certificates.

Finally, unemployment as well as reemployment chances are largely distributed equally across the French territory, because no regional disparities can be found for those with vocational training or apprenticeships.

Job mobility

Regarding job mobility in the early years after employment entry, French youths with apprenticeships or vocational training diploma have better chances of turning the fixed-term contract in their first job into a permanent one later on (Model 2). Youths with lower tertiary vocational diplomas and with higher tertiary education have the next best chances, whereas young people with the lowest educational qualifications have the worst prospects. Young people with basic vocational education, intermediate vocational education, or a vocational maturity certificate are also in a relatively advantageous position: They have similar chances compared to the reference group in turning their temporary contract into a permanent one later. However, when interaction effects are added to the model (Model 3), the significant effect for the vocational training dummy variable disappears.

Table 5.2: Risk of unemployment after the first job in French native, second-generation Maghrebian, and second-generation Southern European youths (piecewise constant exponential models)

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Periods									
up to 3 months	-6.07**	-8.70**	-5.99**	-5.98**	-7.95**	-5.55**	-6.40**	-8.74**	-6.00**
3 to 6 months	-5.56**	-8.12**	-5.48**	-5.55**	-7.45**	-5.13**	-5.69**	-7.96**	-5.30**
6 to 9 months	-5.69**	-8.15**	-5.61**	-5.64**	-7.48**	-5.21**	-5.76**	-7.93**	-5.37**
9 to 12 months	-6.28**	-8.67**	-6.20**	-6.25**	-8.02**	-5.82**	-6.39**	-8.48**	-6.00**
12 to 24 months	-6.17**	-8.28**	-6.09**	-6.00**	-7.55**	-5.58**	-6.30**	-8.16**	-5.91**
24 and more months	-6.84**	-8.19**	-6.76**	-6.36**	-7.36**	-5.96**	-6.85**	-7.97**	-6.46**
Cohort (1998 = ref.)									
1992	0.47**		0.40**	0.42**		0.26*	0.41**		0.54**
2001	0.20**		0.23**	0.40**		0.16	0.27*		0.41*
Educational qualification (Lower tertiary education with general emphasis (3a gen) = ref.)									
Inadequately completed general education (1a)	0.44**			1.19**			0.49		
General elementary education (1b)	0.43**			1.01**			0.83*		
Basic vocational education (1c)	0.06			0.41			0.34		
Intermediate vocational education (2a)	0.26**			0.69*			0.56		
Intermediate general education (2b)	0.27**			0.73*			0.69+		
Vocational maturity certificate (2c_voc)	0.09			0.39			0.28		
General maturity certificate (2c_gen)	0.11			0.59+			0.44		
Lower tertiary education–diplomas with vocational emphasis (3a_voc)	-0.03			-0.06			0.42		
Higher tertiary education (lower level) (3b_low)	-0.05			0.44			0.31		
Higher tertiary education (higher level) (3b_high)	0.19*			0.29			0.51		
Degree prepared by vocational training or apprenticeship		-0.12**	-0.18**		-0.17*	-0.58**		-0.01	-0.08
Firm size (0–9 employees = ref.)									
10–49 employees	0.11**	0.07**	0.11**	0.17+	0.09	0.13	-0.03	-0.10	-0.03
50–199 employees	-0.04	-0.01	-0.05	0.12	0.07	0.09	-0.12	-0.13	-0.12
200–499 employees	-0.17**	-0.15**	-0.19**	0.10	0.28*	0.00	-0.01	-0.03	0.01
500 and more employees	-0.28**	-0.18**	-0.30**	-0.28*	-0.15	-0.36**	-0.56**	-0.35*	-0.56**

Table 5.2   continued

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Branch (Social services = ref.)									
Extractive	0.79**	0.62**	0.83**	0.87**	0.60**	0.99**	0.85**	0.74**	0.93**
Transformative	0.42**	0.27**	0.48**	0.38**	0.21*	0.53**	0.59**	0.42**	0.64**
Distributive services	0.42**	0.36**	0.44**	0.43**	0.31*	0.51**	0.34*	0.28+	0.36*
Producer services	0.46**	0.30**	0.42**	0.34**	0.21+	0.24*	0.51**	0.45**	0.46**
Personal services	0.59**	0.39**	0.63**	0.46**	0.28**	0.60**	0.60**	0.45**	0.62**
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture	0.00	0.03	0.00	-0.27	-0.03	-0.44	-0.21	-0.16	0.05
Rural zones with industry	-0.03	0.01	0.06	0.13	0.01	0.15	0.03	0.04	-0.26
Declining manufacturing industry	0.03	0.04+	0.08*	0.10	0.02	0.22+	0.05	0.11	0.24
Dynamic manufacturing industry	-0.11**	-0.13**	-0.10+	-0.11	0.01	0.26+	0.13	0.18	0.00
Tertiary sector and small businesses	0.09*	0.16**	0.09	0.03	0.09	-0.16	0.13	0.23+	0.12
Parental social background (Worker = ref.)									
Farmer	-0.20**	-0.15**		-0.16	0.15		-0.01	-0.02	
Principal of a firm, Tradesman, Artisan	-0.15**	-0.14**		-0.10	-0.26*		-0.27*	-0.39**	
Self-employed, Teacher, Engineer, Manager	-0.13**	-0.15**		-0.47**	-0.49**		0.01	0.05	
Technician, Foreman, Middle-class positions	-0.01	-0.05		-0.27+	-0.24		-0.16	-0.21	
Employee	-0.06*	-0.04		-0.29**	-0.13		-0.17	-0.14	
Duration of first job search	0.03**	0.04**	0.03**	0.03**	0.04**	0.03**	0.03**	0.05**	0.04**
Fixed-term contract in first job	1.33**	1.02**	1.36**	0.91**	0.68**	1.00**	1.09**	0.87**	1.10**
Part-time work in first job	0.06*	-0.33**	0.09**	-0.04	-0.25**	0.09	0.09	-0.29**	0.09
Men (Women = ref.)	-0.30**	-0.34**	-0.27**	-0.29**	-0.27**	-0.20**	-0.27**	-0.34**	-0.27**
Yearly average unemployment rate		0.03**			0.03**			0.03**	
*Interaction: Cohort * Apprenticeship degree*									
Cohort 1992 * Voc. training/apprenticeship degree			0.18**			0.51**			-0.11
Cohort 2001 * Voc. training/apprenticeship degree			-0.15*			0.50**			-0.36

Table 5.2   continued

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
*Interaction: Socioeconomic area * Appr. degree*									
Rural zones with agriculture * Vocational degree			0.02			0.48			-0.41
Rural zones with industry* Vocational degree			-0.11			0.01			0.52
Declining manufacturing industry* Vocational degree			-0.03			-0.12			-0.26
Dynamic manufacturing industry* Vocational degree			0.04			-0.55*			0.25
Tertiary sector and small businesses* Voc. degree			0.00			0.34			0.06
Events	10,358	10,358	10,358	852	852	852	722	722	722
Total persons	46,975	46,975	46,975	3,229	3,229	3,229	2,888	2,888	2,888
Censored persons	36,617	36,617	36,617	2,377	2,377	2,377	2,166	2,166	2,166
-2*diff.(LogL)	8,764	21,188	8,554	0,592	1,450	0,518	0,532	1,362	0,514

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Therefore, this significant effect is mainly due to the strong advantages for youths with tertiary level vocational diplomas. With regard to changes over time, a slightly worsening trend can be observed for French native youths over time: Whereas the 1992 cohort still has better chances of leaving precarious work, there are no longer any significant differences between the 1998 and 2001 education-leaver cohorts. *In line with the decreasing risk over time of getting a temporary contract in their first job, the situation for youths with apprenticeship or vocational diplomas has not worsened substantially. Additionally, the main time trend reveals generally decreasing chances to turn a temporary into a permanent contract across cohorts. Therefore, it has become only marginally more difficult for this group to escape temporary employment.*

An apprenticeship or vocational training diploma helps to reduce the risk of overqualification in the first job. *But if young people with such a diploma start with this qualification mismatch, they have better chances of leveling it out later than youths with general diplomas (Table 5.4, Model 2).* However, the significant effect is mainly due to youths with lower tertiary vocational diplomas. They are clearly in the best position to level out overqualification together with youths who have higher tertiary educational qualifications. This pattern even shows an improvement across cohorts.

Considering geographical background, young people with vocational or apprenticeship degrees have lower chances in rural zones with industry and in declining manufacturing industry areas.

With regard to upward occupational mobility measured with the French socioeconomic index of occupational status (Table 5.5), there are no significant differences between young people with either a vocational or a general diploma.

The differentiation into each educational level (Model 1) shows that youths in the middle field of educational qualifications have the best upward mobility chances. These are mainly youths with intermediate general, intermediate vocational, vocational maturity, or general maturity certificates. Those with basic vocational education have lower upward mobility prospects, whereas those with general elementary education have faster upward mobility. Youths with basic vocational education work in specific low qualified jobs in which upward mobility prospects are not intended, whereas those youths with general elementary education may have chances to receive training, enhance their skills during their jobs, and

move upward after a certain while. With regard to changes over time, youths in the 1992 education-leaver cohort with vocational qualifications still have better upward mobility prospects than those in the 1998 and 2001 cohort. *An apprenticeship or vocational diploma is not a decisive factor for upward occupational mobility and has even become of decreasing relevance.* This result is not surprising, because after entering the labor market, youths mainly move upward within a firm by getting on-the-job training. After a certain while, the kind of diploma no longer represents a decisive factor. Whether or not young people receive training is what becomes more important instead.

This, indeed, is a stronger determinant of the chances of upward occupational mobility, and this distinguishes France from other countries with occupational labor markets in which youths with vocational diplomas are trained for specific jobs. Their skills are clearly defined, thereby making horizontal job mobility (without loss of job prestige) more likely than vertical job mobility.

The risk of downward occupational mobility is higher for youths with vocational or apprenticeship qualifications than for those with general diplomas (Table 5.6). However, a monotonic trend of improvement can be observed across cohorts. The risk is highest for young people with educational qualifications up to the secondary level, whereas the most protected against downward mobility are youths with tertiary level education. Young people with tertiary level vocational diplomas also belong to this group, which highlights yet again that this type of diploma has become an established success on the labor market.

Summary of the French pattern

To summarize the French pattern, an apprenticeship or vocational training helps to improve both a smooth school-to-work transition and a successful labor market establishment in the early employment career (see also Table 5.7, p. 239 that summarizes the main results). Unemployment after the first job can also be better avoided when young people have a vocational or apprenticeship diploma. Although they are not better protected against temporary employment in their first job, their chances of turning a fixed-term contract into a permanent one later are better than those for youths with general diplomas. Overqualification in the first employment is lower for young people with vocational diplomas; but, above all, it is easier for them to level out skill mismatches in their further employment careers. However, the prospects for upward occupational mobility are not influenced by the type of educational qualification.

Table 5.3: Duration until turning the fixed-term contract of the first job into a permanent contract in French native, second-generation Maghrebian, and second-generation Southern European youths (piecewise constant exponential models)

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Periods									
up to 6 months	-4.63**	-4.11**	-4.39**	-5.21**	-4.53**	-4.91**	-4.03**	-3.95**	-4.29**
6 to 12 months	-4.24**	-3.81**	-4.01**	-4.57**	-4.00**	-4.27**	-3.61**	-3.62**	-3.87**
12 to 18 months	-4.34**	-3.99**	-4.11**	-4.62**	-4.13**	-4.32**	-3.74**	-3.84**	-4.01**
18 to 24 months	-4.53**	-4.24**	-4.30**	-4.94**	-4.52**	-4.65**	-4.05**	-4.20**	-4.32**
24 to 36 months	-4.54**	-4.31**	-4.32**	-4.87**	-4.55**	-4.58**	-4.09**	-4.29**	-4.36**
36 and more months	-4.93**	-4.75**	-4.71**	-5.05**	-4.85**	-4.76**	-4.44**	-4.71**	-4.72**
Cohort (1998 = ref.)									
1992	0.25**		0.14**	0.22*		0.14	0.12		0.03
2001	-0.17**		-0.11*	0.12		0.04	-0.20+		-0.24
Educational qualification (Lower tertiary with gen. emphasis (3a gen) = ref.)									
Inadequately completed general education (1a)	-1.07**			0.17			-1.09+		
General elementary education (1b)	-0.19*			-0.17			-0.45		
Basic vocational education (1c)	0.06			0.24			-0.55+		
Intermediate vocational education (2a)	0.00			0.16			-0.13		
Intermediate general education (2b)	-0.06			-0.26			-0.31		
Vocational maturity certificate (2c_voc)	0.10			0.21			-0.29		
General maturity certificate (2c_gen)	-0.07			-0.03			-0.18		
Lower tertiary education–diplomas with vocational emphasis (3a_voc)	0.27**			0.55+			-0.07		
Higher tertiary education (lower level) (3b_low)	0.27**			0.09			-0.09		
Higher tertiary education (higher level) (3b_high)	0.30**			0.48			-0.22		
Degree prepared by vocational training or apprenticeship		0.08**	0.01		0.25**	0.04		0.05	0.09
Firm size of first job (0–9 employees = ref.)									
10–49 employees	-0.01	0.03	0.00	-0.02	0.02	0.00	-0.02	0.02	0.00
50–199 employees	-0.10**	-0.07*	-0.08**	0.07	0.07	0.08	-0.17	-0.12	-0.15
200–499 employees	-0.13**	-0.08*	-0.10**	-0.16	-0.15	-0.13	0.13	0.17	0.16
500 and more employees	-0.26**	-0.17**	-0.21**	-0.08	-0.02	-0.02	-0.22	-0.17	-0.15
Branch of first job (Social services = ref.)									
Extractive	0.37**	0.33**	0.31**	0.25	0.12	0.12	0.16	0.07	-0.03
Transformative	0.18**	0.11**	0.10**	0.09	0.06	0.03	0.13	0.04	0.01
Distributive services	0.23**	0.21**	0.18**	0.32*	0.30*	0.24+	0.02	-0.06	-0.06
Producer services	0.21**	0.29**	0.26**	0.21+	0.34**	0.31*	0.23+	0.25+	0.22
Personal services	0.33**	0.31**	0.25**	0.48**	0.43**	0.37**	0.08	0.03	0.00

Table 5.3   continued

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture	-0.13**	-0.16**	-0.18**	-0.15	-0.16	-0.66+	0.04	0.03	0.29
Rural zones with industry	-0.09**	-0.13**	-0.16**	0.13	0.09	0.27	-0.45*	-0.44*	-0.21
Declining manufacturing industry	-0.13**	-0.16**	-0.18**	-0.25*	-0.31**	-0.43**	-0.06	-0.06	-0.12
Dynamic manufacturing industry	0.03	-0.01	-0.02	-0.05	-0.14	-0.05	-0.21+	-0.27*	0.00
Tertiary sector and small businesses	-0.09*	-0.13**	-0.14*	-0.04	-0.02	-0.07	-0.28+	-0.30*	-0.10
Parental social background (Worker = ref.)									
Farmer	0.12**			0.64			-0.35		
Principal of a firm, Tradesman, Artisan	0.13**			0.15			-0.07		
Self-employed, Teacher, Engineer, Manager	0.08**			0.22+			0.20		
Technician, Foreman, Middle-class positions	0.07*			0.15			-0.14		
Employee	0.08**			0.06			-0.02		
Duration of first job search	-0.03**	-0.03**	-0.03**	-0.02**	-0.03**	-0.03**	-0.01+	-0.02*	-0.02*
Overqualified in first job	0.07**	0.11**	0.13**	0.10	0.06	0.13	0.05	0.14+	0.16+
Number of fixed-term contracts	-0.36**	-0.32**	-0.36**	-0.31**	-0.25**	-0.30**	-0.37**	-0.32**	-0.38**
Number of unemployment periods	0.18**	0.30**	0.16**	0.13**	0.23**	0.08+	0.16**	0.28**	0.15**
Men (Women = ref.)	0.34**	0.33**	0.31**	0.26**	0.23**	0.22**	0.38**	0.36**	0.37**
Yearly average unemployment rate		-0.01**			-0.01**			-0.01**	
*Interaction: Cohort * Apprenticeship degree*									
Cohort 1992 * Degree prepared by voc. training/apprenticeship			0.13**			0.22			0.11
Cohort 2001 * Degree prepared by voc. training/apprenticeship			-0.06			0.24			0.13
*Interaction: Socioeconomic area * Apprenticeship degree*									
Rural zones with agriculture * Vocational degree			0.04			0.88+			-0.43
Rural zones with industry* Vocational degree			0.06			-0.33			-0.39
Declining manufacturing industry* Vocational degree			0.01			0.22			0.09
Dynamic manufacturing industry* Vocational degree			0.03			-0.12			-0.36
Tertiary sector and small businesses* Vocational degree			0.08			0.14			-0.30
Events	11,182	11,182	11,182	715	715	715	704	704	704
Total persons	30,342	30,342	30,342	2,207	2,207	2,207	1,888	1,888	1,888
Censored persons	19,160	19,160	19,160	1,492	1,492	1,492	1,184	1,184	1,184
-2*diff.(LogL)	3,160	3,534	2,852	0,210	0,234	0,178	0,214	0,246	0,200

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

To climb the career ladder, it makes no difference whether a youth has received a general or a vocational diploma. Also downward mobility risks are higher with vocational or apprenticeship diplomas. But in contrast to upward mobility chances over time, a monotonic trend of improvement can be observed that runs counter to general stable time trend. This, at least, can be interpreted as a gain in the importance of practical diplomas over the past two decades for French native youths.

5.6.2 Pattern and changes of second-generation Maghrebian youths

The question is whether young migrants can also profit from vocational and apprenticeship diplomas in the same way as French natives do. Therefore, the French pattern will now be compared with that of second-generation Maghrebian youths.

Labor market entry

Similar to French native youths, second-generation Maghrebians can perform a faster school-to-work transition if they finish their educational track with a vocational or apprenticeship degree (Table 5.1). However, in contrast to their French counterparts, no improvement can be observed across cohorts. This means that second-generation Maghrebian youths find a job faster if they have completed a vocational track irrespective of the education-leaver cohort. However, the main pattern is similar to that of French natives: An enhanced speed in finding first employment can generally be detected over time. Regarding educational qualifications separately (Model 2), the pattern is quite similar except that young people with tertiary level vocational diplomas and higher tertiary degrees show no significant differences to the reference group with general tertiary level qualifications. This means that those youths with lower tertiary vocational diplomas do not have the same strong advantages as French native youths have. Whereas French native youths profit from their social class background, this is only partly the case for second-generation Maghrebian youths. The school-to-work transition proceeds faster when the father works in a highly skilled position or as an employee. Furthermore, no impact of the geographical background can be found for young Maghrebians with a vocational diploma in contrast to French natives whose entry chances differ between socioeconomic areas.[38]

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[38] This result also reinforces the decision not to integrate the geoeconomic background into the models of the second empirical study, because it confirms that regional stratification is not very much pronounced for migrants: As described in the second empirical study, the majority of migrants live concentrated around the large cities and agglomerations in France (p. 142).

Table 5.4: Duration until the subjective feeling of overqualification in the first job is leveled-out job in French native, second-generation Maghrebian, and second-generation Southern European youths (piecewise constant exponential models)

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Periods									
up to 6 months	-5.57**	-4.31**	-5.56**	-6.12**	-5.04**	-6.01**	-6.58**	-5.23**	-6.43**
6 to 12 months	-4.38**	-3.46**	-4.37**	-5.07**	-4.29**	-4.96**	-5.31**	-4.34**	-5.17**
12 to 18 months	-4.33**	-3.63**	-4.32**	-4.76**	-4.18**	-4.64**	-5.10**	-4.44**	-4.95**
18 to 24 months	-4.55**	-4.01**	-4.55**	-4.95**	-4.59**	-4.83**	-5.39**	-4.91**	-5.24**
24 to 36 months	-4.47**	-4.12**	-4.47**	-4.90**	-4.79**	-4.78**	-5.54**	-5.28**	-5.39**
36 and more months	-4.69**	-4.58**	-4.68**	-5.13**	-5.29**	-5.01**	-5.50**	-5.57**	-5.36**
Cohort (1998 = ref.)									
1992	0.03		0.18**	0.25+		0.04	-0.04		-0.23
2001	0.06		0.11+	0.25+		0.16	0.12		-0.29
Educational qualification (Lower tertiary education with general emphasis (3a gen) = ref.)									
Intermediate vocational education (2a)	0.05			0.02			0.56		
Intermediate general education (2b)	0.04			0.22			-0.23		
Vocational maturity certificate (2c_voc)	0.10			0.23			0.28		
General maturity certificate (2c_gen)	0.05			-0.09			0.19		
Lower tertiary education–diplomas with vocational emphasis (3a_voc)	0.29**			0.26			0.72+		
Higher tertiary education (lower level) (3b_low)	0.18*			0.05			0.17		
Higher tertiary education (higher level) (3b_high)	0.28**			-0.06			0.23		
Degree prepared by vocational training or apprenticeship		0.01	0.20**		0.17	-0.15		0.38**	0.15
Firm size of first job (0–9 employees = ref.)									
10–49 employees	0.00	0.05	0.00	-0.12	-0.12	-0.11	-0.06	-0.11	-0.07
50–199 employees	-0.09*	-0.08*	-0.09*	0.07	0.03	0.03	-0.10	-0.07	-0.13
200–499 employees	-0.17**	-0.19**	-0.16**	0.14	0.10	0.15	0.43*	0.29	0.41*
500 and more employees	-0.34**	-0.33**	-0.35**	-0.21	-0.26	-0.22	-0.37	-0.40+	-0.39+
Branch of first job (Social services = ref.)									
Extractive	-0.02	-0.01	0.02	0.41	0.46	0.45	-0.13	-0.59	-0.16
Transformative	0.04	0.08+	0.04	0.00	0.06	0.02	0.29	0.36*	0.33+
Distributive services	-0.05	-0.01	-0.04	0.10	0.30	0.13	0.08	0.06	0.11
Producer services	0.00	0.09+	0.04	-0.03	-0.01	0.00	0.16	0.26	0.26
Personal services	0.13**	0.20**	0.13**	0.43**	0.73**	0.46**	0.37+	0.56**	0.43*

Table 5.4 continued

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture	-0.10+	-0.13*	-0.01	-0.47	-0.63	-1.65	-0.16	-0.22	-0.02
Rural zones with industry	0.03	0.00	0.18*	0.17	0.29	0.47	-0.78*	-0.84**	0.01
Declining manufacturing industry	-0.05	-0.08*	0.05	-0.01	0.07	0.15	0.02	0.02	0.26
Dynamic manufacturing industry	-0.07	-0.12*	0.00	0.27	0.30	-0.09	-0.13	-0.23	-1.52*
Tertiary sector and small businesses	-0.06	-0.08	-0.06	0.25	0.25	-0.07	0.42*	0.39*	0.48
Parental social background (Worker = ref.)									
Farmer	0.10			-1.11			0.74		
Principal of a firm, Tradesman, Artisan	0.15**			-0.15			0.06		
Self-employed, Teacher, Engineer, Manager	0.11**			0.33*			-0.03		
Technician, Foreman, Middle-class positions	0.12**			-0.11			-0.01		
Employee	0.12**			-0.02			0.04		
Prestige score of first job (French socioeconomic index of occupational status)	-0.02**	-0.02**	-0.02**	-0.01	-0.01	-0.01	-0.01	0.00	0.00
Number of fixed-term contracts	0.03+	0.13**	0.03+	0.11*	0.21**	0.15**	-0.02	0.08	0.00
Number of unemployment periods	0.21**	0.49**	0.21**	0.07	0.43**	0.05	0.27**	0.70**	0.26**
Duration of first job search	-0.02**	-0.03**	-0.02**	-0.02+	-0.03*	-0.02+	0.00	-0.01	0.00
Men (Women = ref.)	0.06+	0.01	0.04	-0.02	-0.05	-0.03	0.20	0.17	0.22+
Yearly average unemployment rate		-0.02**			-0.02**			-0.02**	
*Interaction: Cohort * Apprenticeship degree*									
Cohort 1992 * Degree prepared by voc. Training/apprenticeship			-0.22**			0.42			0.29
Cohort 2001 * Degree prepared by voc. Training/apprenticeship			-0.06			0.27			0.67+
*Interaction: Socioeconomic area * Apprenticeship degree*									
Rural zones with agriculture * Vocational degree			-0.16			1.96+			-0.17
Rural zones with industry* Vocational degree			-0.26*			-0.38			-1.00
Declining manufacturing industry* Vocational degree			-0.18*			-0.43			-0.31
Dynamic manufacturing industry* Vocational degree			-0.13			0.54			1.65*
Tertiary sector and small businesses* Vocational degree			0.01			0.69*			-0.03
Events	5,196	5,196	5,196	363	363	363	301	301	301
Total persons	12,392	12,392	12,392	978	978	978	790	790	790
Censored persons	7,196	7,196	7,196	615	615	615	489	489	489
-2*diff.(LogL)	1,744	4,542	1,700	0,122	0,328	0,124	0,124	0,348	0,128

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

With regard to first job quality (Table A.8–A.10), second-generation Maghrebian youngsters with vocational or apprenticeship degrees also have a higher risk of starting with a temporary contract than their counterparts with a general diploma (Table A.8). However, there is no improvement over time: The coefficients of the interaction effects for cohorts and the apprenticeship dummy variable are not significant. Again, the situation for second-generation Maghrebians with vocational diplomas does not change across cohorts, whereas the general pattern across cohorts shows a cyclical trend related to the economic cycle.

Similar to French natives, second-generation Maghrebian youths with higher tertiary education have the best chances of starting with permanent contracts. As in French natives, a better social class background helps to reduce the risk of getting a temporary contract. But in contrast to French natives, no gender differences can be observed: Young women are no more exposed to fixed-term contracts than their male counterparts, in contrast to the situation for French females. The ethnic background seems to prevail and eclipse patterns of gender segregation.

An apprenticeship degree lowers the risk of overqualification in the first job (Table A.9, Model 2). But the coefficient loses its significance after accounting for interaction effects. This effect is not very pronounced. A separate inspection of educational qualifications reveals no substantial differences. Only youths with university degrees less often feel overqualified. However, compared to French native youths, second-generation Maghrebian youths more often feel overqualified in their first job. This result was also found in the previous empirical study (p. 167). It may relate to the fact that they more frequently accept job positions in which they work below their educational level. However, second-generation Maghrebian youths reveal an improvement in the 2001 cohort, because the risk is lower for those with a vocational or apprenticeship diploma than it was in either the 1998 or the 1992 education-leaver cohort. The parental background helps to reduce the feeling of overqualification as well. The risk is highest for second-generation Maghrebian youths whose fathers are farmers or workers.

Finally, part-time work is also less pronounced when second-generation Maghrebian youths enter the labor market with practice-oriented degrees (Table A.10). Youths with basic vocational education, tertiary vocational degrees, and higher tertiary degrees have the best chances of starting in a full-time position. They show no significant differences to the reference group, whereas members of most of the other educational qualification classes

face a higher risk of getting a part-time job in their first employment. Even previous job experience does not improve their situation like it does in French natives. But similar to the pattern of French native youths, the risk of part-time work decreases over time.

Early employment career

Unemployment after the first job and reemployment chances

Once they have found a first employment, young second-generation Maghrebians also reveal a lower risk of losing this job if they have a vocational diploma or apprenticeship (Table 5.2). Indeed, they profit substantially from their practical certificates with regard to the risk of unemployment, because they have the lowest risk together with youths with tertiary diplomas. Risk is also low for those with basic vocational education, with vocational maturity certificates, and lower tertiary vocational certificates. In contrast to French native youths, however, the risk for those with vocational qualifications is lowest for the 1998 cohort in which unemployment is generally lowest. A declining risk of unemployment can be observed in autochthonous French youths with vocational diplomas. Hence, the time trend for second-generation Maghrebians is determined mainly by the economic cycle.

Whereas French native youths are better protected against unemployment in larger firms with more than 200 employees, this effect cannot be ascertained in second-generation Maghrebian youngsters. Moreover, the parental background influences unemployment risks positively only when the father works in high status job positions such as a principal of a firm, a tradesman, teacher, or engineer. Furthermore, gender differences are not as pronounced as in French natives: Young females do not have higher unemployment risks than males (Models 1 and 3).

Second-generation Maghrebian youths with a vocational degree also have better prospects regarding reemployment chances after a certain period of unemployment (Table A.11, Model 2). However, when including interaction effects, the cohort dummy measuring the vocational degree loses its significance. This is mainly because the effect traces back to particularly good reentry chances of youths with lower tertiary level vocational diplomas. Alongside university graduates, they have the best prospect of being reemployed.

Table 5.5: Upward occupational mobility since the early 1990s (measured with the French socioeconomic index of occupational status) in French native, second-generation Maghrebian, and second-generation Southern European youths (piecewise constant exponential models)

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Periods									
up to 6 months	-5.30**	-4.91**	-5.17**	-1.52**	-1.65**	-2.03**	-0.67*	-1.23**	-1.49**
6 to 12 months	-5.05**	-4.75**	-4.93**	-1.30**	-1.55**	-1.82**	-0.45	-1.14**	-1.30**
12 to 18 months	-5.37**	-5.15**	-5.24**	-1.44**	-1.81**	-1.97**	-0.60+	-1.39**	-1.47**
18 to 24 months	-5.70**	-5.54**	-5.57**	-1.66**	-2.11**	-2.20**	-1.06**	-1.92**	-1.94**
24 to 36 months	-5.85**	-5.77**	-5.72**	-1.73**	-2.33**	-2.27**	-1.04**	-2.00**	-1.93**
36 and more months	-6.18**	-6.22**	-6.05**	-1.87**	-2.70**	-2.43**	-1.36**	-2.52**	-2.27**
Cohort (1998 = ref.)									
1992	-0.06**		-0.18**	-0.13		-0.27*	-0.27**		-0.44**
2001	-0.17**		-0.19**	0.19*		0.14	-0.03		0.06
Educational qualification (Lower tertiary with general emphasis (3a gen) = ref.)									
Inadequately completed general education (1a)	-0.32*			-0.52			-1.06*		
General elementary education (1b)	0.34**			-0.39			-0.70*		
Basic vocational education (1c)	0.06			-0.56+			-0.98**		
Intermediate vocational education (2a)	0.21**			-0.34			-0.61*		
Intermediate general education (2b)	0.40**			-0.22			-0.81*		
Vocational maturity certificate (2c_voc)	0.18**			-0.12			-0.40		
General maturity certificate (2c_gen)	0.36**			-0.01			-0.13		
Lower tertiary education–diplomas with vocational emphasis (3a_voc)	0.09			0.41			0.15		
Higher tertiary education (lower level) (3b_low)	0.08			0.54+			0.37		
Higher tertiary education (higher level) (3b_high)	-0.27**			0.62*			0.89**		
Degree prepared by vocational training or apprenticeship		0.01	-0.04		-0.14*	-0.20		-0.20**	-0.11
Firm size of first job (0–9 employees = ref.)									
10–49 employees	0.02	0.04	0.03	0.19*	0.18*	0.17+	-0.02	-0.02	0.02
50–199 employees	0.07*	0.04	0.06*	0.13	0.15	0.17+	-0.18	-0.13	-0.13
200–499 employees	0.07+	0.02	0.05	0.19	0.16	0.21	0.14	0.17	0.19
500 and more employees	-0.27**	-0.35**	-0.30**	0.08	0.01	0.12	-0.18	-0.17	-0.11
Branch of first job (Social services = ref.)									
Extractive	0.50**	0.60**	0.53**	0.29	0.26	0.30	0.18	0.06	0.10
Transformative	0.32**	0.41**	0.35**	-0.23*	-0.19+	-0.25*	0.02	-0.06	-0.09
Distributive services	0.21**	0.30**	0.25**	0.03	0.12	0.06	-0.07	-0.12	-0.12
Producer services	-0.04	-0.07+	-0.12**	-0.08	0.05	-0.02	0.01	0.05	0.04
Personal services	0.39**	0.55**	0.45**	0.09	0.22*	0.08	0.10	0.07	0.01

Table 5.5   continued

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			0.05			-0.46			-0.12
Rural zones with industry			0.08			0.17			-0.05
Declining manufacturing industry			-0.01			-0.08			0.17
Dynamic manufacturing industry			0.04			-0.08			0.12
Tertiary sector and small businesses			-0.02			0.14			0.07
Parental social background (Worker = ref.)									
Farmer	0.00			0.14			-0.36		
Principal of a firm, Tradesman, Artisan	-0.02			0.03			-0.03		
Self-employed, Teacher, Engineer, Manager	-0.04			0.03			0.19		
Technician, Foreman, Middle-class positions	0.07*			-0.11			0.27+		
Employee	0.03			-0.13			0.06		
Prestige score of first job (Socioeconomic index of occupational status)				-0.09**	-0.08**	-0.08**	-0.12**	-0.09**	-0.10**
Fixed-term contract in first job	-0.30**	-0.15**	-0.28**	-0.49**	-0.31**	-0.52**	-0.23**	-0.07	-0.26**
Overqualified first job	0.66**	0.63**	0.64**	0.23**	0.43**	0.47**	0.33**	0.72**	0.68**
Number of fixed-term contracts	0.01	0.08**	0.02*	0.00	0.05	-0.02	-0.02	0.00	-0.03
Number of unemployment periods	0.04**	0.21**	0.04**	-0.02	0.17**	-0.07	-0.02	0.12*	-0.05
Duration of first job search	0.00*	-0.01**	0.00	-0.02*	-0.03**	-0.02**	0.00	-0.01*	-0.01
Men (Women = ref.)	0.19**	0.20**	0.19**	0.19**	0.11	0.12+	0.32**	0.28**	0.27**
Yearly average unemployment rate		-0.01**			-0.01**			-0.01**	
*Interaction: Cohort * Apprenticeship degree*									
Cohort 1992 * Degree prepared by voc. training/apprenticeship			0.18**			0.23			0.11
Cohort 2001 * Degree prepared by voc. training/apprenticeship			-0.04			0.10			-0.13
*Interaction: Socioeconomic area * Apprenticeship degree*									
Rural zones with agriculture * Vocational degree			-0.08			0.72+			0.09
Rural zones with industry* Vocational degree			-0.04			0.05			-0.17
Declining manufacturing industry* Vocational degree			-0.01			0.11			-0.27
Dynamic manufacturing industry* Vocational degree			-0.05			-0.18			-0.08
Tertiary sector and small businesses* Vocational degree			-0.01			-0.20			-0.10
Events	12,154	12,154	12,154	872	872	872	837	837	837
Total persons	46,443	46,443	46,443	3,184	3,184	3,184	2,845	2,845	2,845
Censored persons	34,289	34,289	34,289	2,312	2,312	2,312	2,008	2,008	2,008
-2*diff.(LogL)	4,322	6,214	4,048	0,740	0,884	0,684	0,926	0,944	0,826

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

In contrast to French native youths with vocational diplomas who show a trend of improvement, no changes can be ascertained over time in second-generation Maghrebians. The same is true for gender differences: The group of second-generation Maghrebians shows no substantial differences between young women and young men.

Job mobility

Similar to French natives, at first sight, it seems that second-generation Maghrebian youths can turn their fixed-term contract in first job into a permanent contract faster when they have a vocational degree or apprenticeship (Table 5.3, Model 2). But here as well, the effect of the vocational training dummy variable is caused by the significant coefficient for youths with tertiary vocational diplomas: They have the best chances of getting a permanent contract after having started with a temporary one. It seems that these tertiary diplomas even pave the way toward a smoother labor market career for second-generation Maghrebian youngsters. In contrast to French youths, however, Maghrebian youths with vocational diplomas reveal no changes over time. Their prospects do not worsen across cohorts, regardless of whether they have general or vocational diplomas. Compared to French natives, the parental social background has no impact on getting a permanent contract after having started the first job with a temporary one.

Overqualification in the first employment cannot be better avoided with a vocational qualification. Also the chances of leveling out the job–qualification mismatch do not depend on the type of diploma—there are no significant differences between second-generation Maghrebian youths with general versus vocational qualifications (Table 5.4). Whereas French native youths reveal a trend of improvement over time, this pattern cannot be ascertained for Maghrebian youngsters—the interaction coefficients for the cohort and the apprenticeship dummies show no significant effects. It seems that ethnic background is a decisive factor, and that employers are reluctant to provide adequate job positions to youths with a migration background to the same extent as to French natives. Therefore, this effect seems to be due to the subjective assessments of employers who hire and keep migrants employed below their qualification level for a longer time, thereby more often exposing young migrants to a longer probation period before receiving on-the-job training to enhance their skills. Moreover, the father's occupation also has no impact on getting a job with an adequate qualification match. French native youths have better prospects throughout for all social classes, except when their father is a worker. Maghrebians only

have better chances when their father is self-employed, a teacher, or an engineer. Similar to French natives, no gender differences can be seen. Whereas young men more often feel overqualified, they do not have better chances to level out this mismatch later—irrespective of ethnic background. The geographical stratification of chances reveals no effects related to differences in local labor market structures. The chances for young Maghrebians with vocational or apprenticeship degrees prove to be better only in areas with predominately tertiary sector activities and small businesses.

Looking at upward mobility chances (measured with the French socioeconomic index of occupational status), it makes no difference whether young Maghrebians have a general or a vocational diploma. This pattern is also identified in French native youths (Table 5.5, Model 3). The same trend over time is even observable in both groups: Whereas members of the 1992 cohort still have better chances of upward mobility if they have a vocational diploma, significant differences can no longer be observed between the 1998 and the 2001 cohort. It is noteworthy that the main time trend for second-generation Maghrebian youths is characterized more by a general improvement, and is not determined by a cyclical trend as is the case for French native youths. This result might be related to the fact that young Maghrebians need a longer time to move upward, because they more often start in job positions with much lower job prestige than that appropriate to their educational qualifications. It is also plausible that the job–qualification gap at the beginning of their labor market career is even more pronounced than it is for French native youths, because young migrants often do not have the same job opportunities as French natives, and are therefore more often forced to accept any job. For this reason, they are even more self-depreciating in their self-assessment and therefore more willing to accept a job position with a much lower job prestige than a French native youth would do. This might explain why their upward mobility career patterns do not show any dependence on the economic cycle.

Finally, downward mobility risks also do not depend on the type of educational qualification (Table 5.6). Hence, whether young second-generation Maghrebians have completed their educational track with a general or a vocational diploma is of no relevance. Similar to French natives, downward mobility risks are most widespread in the middle field of educational classes. In contrast to the worsening development over time, a trend toward improvement can be seen in Maghrebians with a vocational or apprenticeship diploma,

because they can lower their risk over time. The same tendency is also found in French native youths. Alongside tertiary certificates, an apprenticeship degree may also have developed into a more crucial factor over time for second-generation Maghrebian youths as well.

Summary of the pattern of second-generation Maghrebian youths

To summarize, the main pattern of second-generation Maghrebian youths shows similarities to that of French natives in some respects, but there are also some crucial differences (see Table 5.7, p. 239). Vocational diplomas guarantee a faster school-to-work transition for second-generation Maghrebian youngsters just as they do for French native youths. However, first job quality does not reveal the same advantage of an apprenticeship or vocational degree in lowering the risk of overqualification in the first job for the former as found in the latter. Moreover, whether young Maghrebians have a general or an apprenticeship diploma has no influence on their chances of leveling out this initial mismatch during the years following employment entry. But they are likewise better protected against unemployment risks after the first job. Considering the situation in the early employment career, it becomes clear that second-generation Maghrebian youths no longer profit from a vocational diploma. They show no significant advantages compared to their counterparts with general diplomas. The main differences, however, can be seen in the changes over time: The pattern for second-generation Maghrebians with vocational degrees does not show the same trend of improvement observed in French native youths. Particularly at labor market entry, French native youths seem to be in an exceptionally advantageous position if they have an apprenticeship or vocational training diploma. Whereas the main time trend is characterized by the shifts in the economic cycle, the pattern for French natives with vocational diplomas stands out clearly: They can improve their situation over time despite general developments. This is true except for the chances of getting a permanent contract after starting with a fixed-term one. In this regard, a vocational diploma does not serve as an instrument with which French natives can combat the increasing spread of temporary contracts in times of enhanced labor market flexibilization. Only youths with tertiary level diplomas can more easily escape precarious forms of employment in their early career—they have the best chances (alongside those with higher tertiary degrees) of getting a permanent contract as well as of leveling out an initial qualification mismatch by gaining adequate job positions.

There are no signs of this trend toward improvement in second-generation Maghrebian youths with vocational diplomas. Their pattern is more stable over time. This indicates that autochthonous young people gain more advantages from a vocational diploma over time—particularly in terms of a smooth labor market entry, avoiding the risk of becoming unemployed after the first job, and being reemployed in case of unemployment. The early employment career is not influenced substantially by whether a diploma follows a general or a vocational track.

5.6.3 Pattern and changes of second-generation Southern European youths

Labor market entry

At first sight, the school-to-work transition for second-generation Southern European youths also proceeds faster when they have a vocational or apprenticeship diploma (Table 5.1). But although the speed in entering the labor market has generally enhanced for this group across cohorts, no such speed-up can be observed for young people with vocational training degrees. They show no significant changes over time. This pattern is quite similar to that of second-generation Maghrebian youths. Considering the educational qualifications separately, Southern European youths with vocational diplomas also do not reveal the same advantages as those found in French native and even second-generation Maghrebian youths. Those with lower tertiary general and vocational diplomas and those with higher tertiary education (on lower level) have the best chances. All others with lower educational qualifications need more time to find a first job. Similar to second-generation Maghrebians, where young Southern Europeans with vocational diplomas complete their educational track is irrelevant: No significant differences can be observed for the interaction effects (Model 3). Compared to youths with a vocational training or apprenticeship diploma, it seems that it is mainly young Southern Europeans with tertiary level vocational diplomas who can profit most in terms of a fast school-to-work transition.

Regarding the quality of the first job (Table A.8–A.10), it can be seen that second-generation Southern European youngsters—just like French native and second-generation Maghrebian youths—face higher risks of getting a fixed-term contract when they have a vocational training or apprenticeship (Table A.8, Model 2). However, when interaction effects are considered, the effect disappears in the same way as it does for Maghrebian youths (Model 3). In contrast to the improving situation for French native youths over time, no such enhancement can be found for second-generation Southern European youths with

vocational diplomas. French natives therefore increasingly profit from their vocational qualifications by reducing the risk of temporary employment across cohorts, whereas this cannot be stated for second-generation Southern European youths over time. The parental social background also has an even lower influence on the risk of getting a fixed-term contract, as is the case for French natives and second-generation Maghrebians. Only fathers who are principals of a firm or tradesmen help to enhance the chances of a permanent contract.

With regard to overqualification, Southern European youths can also reduce their risk with a vocational or apprenticeship degree (Table A.9, Model 2). But again, this significant effect disappears when interaction effects are included in the model (Model 3). This can be explained by considering the educational qualification classes separately: There are no significant differences for any groups except for youths with intermediate vocational education who less often feel overqualified in their first employment. Changes across cohorts show that French natives and second-generation Maghrebian youths can reduce the risk of starting overqualified over time when they hold vocational diplomas, whereas this is not the case for second-generation Southern European youths. There are no significant differences throughout in the interaction effects for cohorts and the vocational training dummy variable. Beyond this, it is surprising that the feeling of overqualification does not differ between males and females like it does in French natives and second-generation Maghrebian youths. There is also no substantial impact of the father's social class background on overqualification risks as it was in the two other groups.

Finally, the chances of getting a full-time position instead of starting with a part-time job can be enhanced when second-generation Southern European youths have vocational training. However, looking at the educational classes separately (Table A.10, Models 1 and 2), it becomes obvious that, in contrast to the other two groups, the risk of starting in a part-time job is distributed relatively equally. The same trend of improvement across cohorts found for French native youths with vocational training or apprenticeship degrees is also not to be seen (Model 4). The chances between cohorts do not vary for them.

To summarize, the results on the labor market entry pattern and changes across cohorts do not show the same advantages for second-generation Southern European youths as for French native youths. Especially with regard to changes over time, the improvement found in the French native youths does not spread to second-generation Southern European youths

with vocational diplomas. Therefore, it can be summarized that *the patterns for both the duration until first employment and the quality of the first job in second-generation Southern European youths deviate more from French native youths than those of second-generation Maghrebian youths.*

Early employment career

Unemployment after the first job and chances of reemployment

All in all, entering the labor market with a vocational diploma does not seem to be a major problem for second-generation Southern European youths. However, the crucial issue is how they can best manage to become established as labor market insiders. Once they have found first employment, second-generation Southern European youngster with vocational diplomas do not differ significantly from their counterparts with general qualifications in terms of losing their first job and becoming unemployed (Table 5.2). This, again, stands in contrast to the situation of French natives and second-generation Maghrebians. There are also no substantial changes over time. Hence, whether second-generation Southern European youngsters have general or vocational qualifications does not matter. Parental background also influences the risk of unemployment after the first job only when the father is in a high job position.

Reemployment prospects are better with a vocational than with a general diploma (Table A.11, Model 2). But this effect is also not very pronounced, because only slight differences in educational classes can be found (Model 1). As in French native youths, a trend toward improvement across cohorts can be observed in youths with vocational diplomas, whereas the general trend is characterized by a cyclical pattern related to the economic cycle. Similar to findings on Maghrebian youths, no gender inequalities in reemployment chances can be found.

Job mobility

A closer look at the results on the early career development shows that there is no significant effect of the type of diploma on the chances of turning a fixed-term into a permanent job contract for Southern European youths (Table 5.3). Moreover, youths with the lowest educational qualifications (basic vocational and inadequately completed general education) have the worst chances, and even reveal no changes across cohorts. This result differs from that in French natives. Other characteristics such as parental social background,

the local labor market structure, firm size of first job, or firm branch of first job also have no significant impact.

At first sight, second-generation Southern European youths with vocational diplomas seem to have an advantage when it comes to the prospects of leveling out the mismatch of overqualification in the first job by moving up into a position with an adequate job–educational qualification match (Table 5.4, Model 2). However, this result is due mainly to the significant coefficient for those with tertiary level vocational degrees (Model 1). The developments over time are quite similar to those of French natives: Whereas there are no significant differences between the 1992 and the 1998 education-leaver cohorts, the 2001 cohort has better prospects to level out overqualification with vocational diplomas (Model 3). This result runs counter to the main effect for the cohort variables, because the main time trend shows no significant differences between cohorts. Insofar, second-generation Southern European youths with a vocational degree have gained an increasingly more advantageous position than those with general diplomas. Young people with a Southern European background can also manage better to switch to an adequate job position in dynamic manufacturing industry areas.

Finally, young people with vocational diplomas have worse chances of upward mobility than those with general qualifications (Table 5.5). Whereas the main time trend relates to the economic cycle, no changes across cohorts can be observed for youths with vocational training or apprenticeship degrees. In contrast to French native youths, upward mobility occurs mainly in the upper field of educational classes, whereas youths with lower and intermediate education face the most severe difficulties.

The risk of downward mobility reveals no significant effect for second-generation Southern Europeans with vocational or apprenticeship degrees (Table 5.6). In contrast to the improving situation of French native youths, the pattern for second-generation Southern European youths remains stable over time.

Table 5.6: Downward occupational mobility since the early 1990s in French native, second-generation Maghrebian, and second-generation Southern European youths (piecewise constant exponential models)

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Periods									
up to 6 months	-5.58**	-5.17**	-5.58**	-5.49**	-4.73**	-5.08**	-9.48**	-6.66**	-7.64**
6 to 12 months	-5.30**	-4.96**	-5.29**	-5.30**	-4.63**	-4.87**	-8.96**	-6.26**	-7.11**
12 to 18 months	-5.43**	-5.20**	-5.43**	-5.33**	-4.77**	-4.90**	-9.15**	-6.57**	-7.30**
18 to 24 months	-5.72**	-5.57**	-5.72**	-5.56**	-5.11**	-5.13**	-9.32**	-6.83**	-7.46**
24 to 36 months	-5.96**	-5.90**	-5.95**	-5.77**	-5.45**	-5.34**	-9.74**	-7.39**	-7.89**
36 and more months	-6.44**	-6.54**	-6.42**	-6.20**	-6.09**	-5.77**	-10.23**	-8.08**	-8.37**
Cohort (1998 = ref.)									
1992	-0.02		-0.07	-0.26*		-0.49**	0.09		0.11
2001	-0.05		0.02	-0.07		-0.05	-0.11		-0.31
Educational qualification (Lower tertiary with general emphasis (3a gen) = ref.)									
Inadequately completed general education (1a)	0.02			0.21			0.78		
General elementary education (1b)	0.48**			0.79*			1.38**		
Basic vocational education (1c)	0.20*			0.23			1.26**		
Intermediate vocational education (2a)	0.48**			0.85*			1.24**		
Intermediate general education (2b)	0.51**			0.89*			1.16**		
Vocational maturity certificate (2c_voc)	0.35**			0.61+			0.94*		
General maturity certificate (2c_gen)	0.22*			0.71*			1.21**		
Lower tertiary education–diplomas with vocational emphasis (3a_voc)	0.02			-0.14			0.01		
Higher tertiary education (lower level) (3b_low)	-0.17+			0.03			-0.49		
Higher tertiary education (higher level) (3b_high)	-0.37**			-0.02			-1.02*		
Degree prepared by vocational training or apprenticeship		0.13**	0.16**		-0.05	-0.06		0.13	0.04
Firm size of first job (0–9 employees = ref.)									
10–49 employees	0.10**	0.14**	0.11**	-0.01	0.03	0.02	0.02	0.04	0.04
50–199 employees	-0.08*	-0.10**	-0.09*	-0.25+	-0.26*	-0.22+	-0.03	-0.01	-0.07
200–499 employees	-0.08+	-0.14**	-0.11*	-0.30	-0.39*	-0.31	0.23	0.15	0.16
500 and more employees	-0.11*	-0.20**	-0.16**	-0.30+	-0.43**	-0.34*	0.16	-0.01	0.04
Branch of first job (Social services = ref.)									
Extractive	-0.41**	-0.26**	-0.33**	-0.61+	-0.41	-0.39	0.44	0.53+	0.62*
Transformative	-0.15**	0.02	-0.05	-0.17	0.05	-0.04	-0.03	0.09	0.09
Distributive services	-0.08+	0.03	-0.02	-0.26	0.01	-0.13	0.10	0.28	0.27
Producer services	0.20**	0.15**	0.10*	-0.36*	-0.35*	-0.43**	-0.11	-0.14	-0.16
Personal services	0.15**	0.38**	0.26**	-0.01	0.38**	0.19+	0.43**	0.67**	0.62**

Table 5.6 continued

	French natives			Second-generation Maghrebians			Second-generation Southern Europeans		
	1	2	3	1	2	3	1	2	3
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			-0.12			-0.11			-0.06
Rural zones with industry			0.15*			-0.34			-0.14
Declining manufacturing industry			0.00			0.17			0.30
Dynamic manufacturing industry			-0.07			0.19			0.38+
Tertiary sector and small businesses			0.04			-0.26			0.04
Parental social background (Worker = ref.)									
Farmer	-0.06			0.49			0.15		
Principal of a firm, Tradesman, Artisan	-0.03			0.13			-0.44**		
Self-employed, Teacher, Engineer, Manager	-0.03			-0.03			-0.38		
Technician, Foreman, Middle-class positions	0.07+			0.45**			-0.21		
Employee	0.00			0.09			0.01		
Prestige score of first job (French socioeconomic index of occupational status)							0.07**	0.03**	0.04**
Fixed-term contract in first job	-0.33**	-0.17**	-0.28**	-0.47**	-0.23*	-0.39**	-0.51**	-0.27*	-0.40**
Overqualified in first job	-0.02	-0.09**	-0.09**	-0.02	-0.09	-0.10	0.27*	-0.01	0.00
Number of fixed-term contracts	-0.09**	-0.01	-0.07**	-0.07+	0.03	-0.06	-0.01	0.00	-0.04
Number of unemployment periods	0.18**	0.39**	0.20**	0.06	0.35**	0.11*	0.22**	0.53**	0.23**
Duration of first job search	0.00*	0.01**	0.01**	0.00	0.00	0.01	0.01	0.01	0.01+
Men (Women = ref.)	0.12**	0.16**	0.14**	0.15	0.19*	0.19*	0.15	0.24*	0.23*
Yearly average unemployment rate		-0.01**			-0.01**			-0.02**	
*Interaction: Cohort * Apprenticeship degree*									
Cohort 1992 * Degree prepared by voc. training/apprenticeship			0.14**			0.50*			0.10
Cohort 2001 * Degree prepared by voc. training/apprenticeship			-0.28**			-0.26			0.23
*Interaction: Socioeconomic area * Apprenticeship degree*									
Rural zones with agriculture * Vocational degree			0.07			0.00			0.08
Rural zones with industry* Vocational degree			-0.12			0.39			0.63
Declining manufacturing industry* Vocational degree			-0.06			-0.23			-0.09
Dynamic manufacturing industry* Vocational degree			0.09			-0.45			0.01
Tertiary sector and small businesses* Vocational degree			-0.03			0.26			0.17
Events	7,404	7,404	7,404	555	555	555	448	448	448
Total persons	46,443	46,443	46,443	3,184	3,184	3,184	2,845	2,845	2,845
Censored persons	39,039	39,039	39,039	2,629	2,629	2,629	2,397	2,397	2,397
-2*diff.(LogL)	2,134	3,552	1,768	0,182	0,296	0,132	0,336	0,366	0,206

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Summary of the pattern of second-generation Southern European youths

To summarize the pattern for second-generation Southern European youths, it is surprising to see that it differs most from that of French natives (see Table 5.7, p. 239). This result was not anticipated, because of the cultural vicinity between Southern European and French people. They do not have the visible differences of second-generation Maghrebian youngsters that disadvantage them and make them outsiders right from the start. It is all the more astonishing that second-generation Southern European youths do not reveal a positive effect of vocational diplomas. Thus, their speed of entering the labor market is not determined by the type of diploma. Only those youths with tertiary level diplomas show a faster school-to-work transition. The pattern of first job quality is broadly similar to that of second-generation Maghrebian youths, but no changes can be seen across cohorts. The only advantage for Southern European youths is better reemployment chances once they have lost their first job and become unemployed. Prospects have even ameliorated over time for those with vocational diplomas. The same holds for the chances of leveling out overqualification for the first job in the early employment career—youths with vocational diplomas can improve their situation over time. But generally, chances are only better for those with tertiary level vocational diplomas. Once again, no significant differences can be observed for all the others. Even upward occupational mobility proceeds more tardily for second-generation Southern European youths. All in all, only a few advantages for a vocational qualification can be seen, except for youths with tertiary level vocational diplomas.

5.7   Preliminary conclusions on the third empirical study

Within the French context, vocational diplomas are not expected to have made substantial gains in prestige, because both the French educational system and the labor market are very deeply embedded in their historically grown structures. There is a long tradition of general diplomas having much higher prestige than vocational diplomas. However, technological change and the growing demand for more specialized workers within a knowledge-based society have made vocational training reform necessary, and this has forced France to reassess this traditional thinking. As a result, employers have to develop an open attitude to these new qualifications. Results on French native youths already confirm a trend in this direction. Changes over time clearly show monotonically increasing chances for those with vocational or apprenticeship degrees. In particular, youths with tertiary level diplomas

prove to belong to the winners on the labor market. This result confirms also previous research (Giret 2011). Although they are not better protected against temporary contracts in their first job, they have better chances of turning that contract into a permanent one later on. As hypothesized, the risk of starting overqualified can also be reduced substantially with a vocational diploma, or at least leveled out better during the early employment career. Skill mismatches and inappropriate job positions are therefore much more unlikely. *Insofar, it is justified to call the outcomes of the vocational training reform, at least on the tertiary level, a success story.* French native youths can clearly profit from these types of diploma particularly at labor market entry but also to avoid unemployment and to promote their labor market establishment in the early employment career.

Therefore the following policy recommendations can be deduced from the results: Although it is unlikely that France will restructure its educational system completely toward something like a dual system (as in Germany) or that vocational degrees will become more prestigious than general diplomas in the long run, the results demonstrate very clearly that the direction of vocational training reform and the efforts invested in it have enabled many young people to get a first foothold on the labor market and embark on a smoother employment career. In every respect, the outcomes are beneficial for both employers and young job seekers. Insofar policies need to follow up and strengthen these efforts and make vocational training even more attractive.

However, it also appears that French native youths profit most from a vocational diploma, and their chances have even improved over time. This is also in line with expectations. But in contrast to the hypothesis, it is remarkable to see that second-generation Southern European youths differ most from French natives. In many respects, second-generation Maghrebian youths can profit more from a vocational degree than Southern European youths do. This result was not found in the second empirical study in which young second-generation Southern Europeans clearly diverged less in their pattern and particularly seemed to face less discriminative behavior. However, with regard to vocational training, they differ considerably. The less pronounced relevance of the type of diploma might be explained by the fact that people with a Southern European background more often work in special economic or ethnic niches on the labor market, like in social service sector jobs such as restaurants, in which the type of diploma might not be of central importance.

Therefore, the decisive distinction cannot be traced back to the expected cultural distance. One of the main results of the second empirical part was that mainly second-generation Maghrebian youths with intermediate general education faced the most severe difficulties. Although they held more highly qualified diplomas, they did not benefit from them as they should. The results of this third empirical study have shown that although Maghrebian youngsters with vocational qualifications cannot avoid being hired below their qualification level, their situation has nonetheless improved over time in many respects. Their labor market entry proceeds faster with a vocational diploma and their unemployment risks are also lower. Most striking are the results for youths with tertiary level vocational degrees. Along with university graduates, they belong to the best protected groups of Maghrebians on the labor market. Therefore, if second-generation Maghrebian youths cannot gain tertiary level educational qualifications, they benefit more from a vocational degree than from a general one. Thus, before striving to gain an intermediate general diploma, which is not valued in the same way as it is for French natives, these youths are better advised to follow a vocational track.

With regard to the situation of young people with a migration background, it once again becomes clear that it is essential to provide them with equal opportunities so that they can profit from vocational and apprenticeship degrees to the same extent as French native youths. In particular, it is necessary to reduce the risk of overqualification, which is still more pronounced for the group of second-generation Maghrebians with vocational diplomas. By hiring them for jobs below their educational qualification, paying them lower wages, and prolonging the probation period before providing further on-the-job training, employers run the risk of engaging in discriminative behavior. Because of the increasing need for a more specialized and highly-trained younger generation, vocational training needs to be made more specific. Although it runs counter to the logic of internal labor markets, the skills acquired during vocational training or apprenticeship need to be not only more standardized but also more all-embracing in the specific field, so that diplomas will emit clear signals that remove the option of a strong job–qualification mismatch for both employers and young migrants. Basically, this approach is already being pursued through the implementation and diversification of new types of vocational training on various educational levels. However, within each discipline, the specificity of the skills acquired needs to be enhanced even further.

Table 5.7:   Results on the third empirical study

Analyses	Effect for the Apprenticeship dummy variable (compared with general diplomas)			Interaction effect for cohort * Apprenticeship (measuring changes over time) compared with the cohort dummies (measuring the main trend)		
	French natives	Sec.gen. Maghrebians	Sec. gen. Southern Europeans	French natives	Sec.gen. Maghrebians	Sec. gen. Southern Europeans
Labor market entry						
Duration until first employment	↑	↑	↑*	↑(↑)	0(↑)	0(↑)
Quality of the first job						
Fixed-term contract	↓	↓	↓	↑(∧)	0(∧)	0(↓)
Overqualification	↑	0	0	↑(∧)	↑(0)	0(0)
Part-time work	↑	↑	↑	↑(↑)	↑(↑)	0(↑)
Early employment career						
Unemployment after the first job	↑	↑	0	↑(∧)	∧(∧)	0(∧)
Re-employment chances	↑	↑*	↑	↑(∧)	0(0)	↑(∧)
Chances of replacing the fixed-term contract of the first job into a permanent one	↑*	↑*	0	↓(↓)	0(↑)	0(0)
Chances of levelling out overqualification of the first job	↑*	0	↑*	↑(0)	0(∨)	↑(0)
Upward occupational mobility	0	0	↓	↓(∧)	↓(↑)	0(∧)
Downward occupational mobility	↓	0	0	↑(0)	↑(↓)	0(0)

Source: Own illustration based on the results from the CEREQ databases Génération 1992, 1998 and 2001
Notes: ↑ better chances compared to youth with general diploma / improvement over time
↓ worse chances for youth with vocational diplomas compared to those with general attainments
0 no significant differences between those with vocational and general attainments
(↑) general development over time, i.e. across cohort
∧ cyclical trend across cohorts with best chances for the 1998 education-leaver cohort
∨ cyclical trend across cohorts with worst chances for the 1998 education-leaver cohort
* the effect is caused by the significant coefficient for diplomas with vocational emphasis prepared on lower tertiary level (3a_voc)

6 Summary and discussion

The aim of the present dissertation was to analyze patterns and changes in young people's labor market entry and early career establishment processes in France since the early 1990s in times of enhanced globalization with a related rise in employment flexibility. Due to the high-quality data available for France, it was possible to investigate this issue empirically at great depth and from different perspectives. As a result, a variety of findings merge to form a picture of youths in transition.

I shall start this final chapter by recapitulating the line of argumentation in the thesis, the research design, and the composition of the empirical database. Afterwards, I shall summarize the key findings from the three empirical studies, and outline why these results can be regarded as generalizable beyond their specific timeframe. The chapter concludes with suggestions for future research and a discussion on what recommendations can be deduced from the empirical findings that decision-makers could use to set up an agenda for future policies.

Line of argumentation and structure of the thesis

The *first part* developed the basic concept and the theoretical background for the empirical analyses by explaining, first, the importance of studying the patterns and changes in young people's labor market entry and early employment career in flexibilized labor markets. The starting point and primary thesis was that it has become harder for younger education-leaver cohorts not only to get a first foothold on the labor market but also to establish themselves as employment insiders, because of the volatility of global markets, the diffusion of precarious forms of work, and increasing unemployment risks. The increasing speed of economic change forces firms to react ever faster to changing market demands. They therefore have to be as flexible as possible in order to adjust their work potential to current demand. As a consequence, employers try to transfer their market risks more and more to their employees who, in turn, are confronted with greater job insecurity. Young people are most at risk, because they belong to the very outsiders on the labor market. Their general lack of work experience, relevant networks, bargaining power, and seniority makes them a very vulnerable group.

The chapter started by defining the main characteristics of globalization and how they have impacted on and challenged the French economy over the past decades. The four subsequent sections focused more closely on different aspects of the economic background

and how they have changed. These explanations are a necessary basis for being able to adequately understand, classify, and interpret the results on the covariates in the subsequent empirical studies. Thus, the first section explained the main shifts in the private and public sectors. The private sector in France is characterized by a dual structure of large and innovative companies and small traditional family firms. This dualism was integrated into the empirical models by including a covariate measuring firm size. The public sector plays a dominant role in France, because the state has long been an important employer. This section, therefore, started by reporting on the decline in the public sector resulting from privatization policies and the consequences for the workforce, and then went on to consider shifts in the three main economic sectors—the agricultural, industrial, and service sectors. Although the service sector has developed and diversified strongly in the recent past, trends have not been uniform, and it is necessary to distinguish between different subsectors. This differentiation was integrated into the subsequent empirical models as the covariate measuring the impact of the branch on job trajectories. Because economic sectors are not spread evenly across the whole of France and there are also territorial disparities in local education supply, it was necessary to appreciate that the local context impacts on young people's labor market entry and early career establishment chances. A special section therefore described the geoeconomic structure of the French territory. The empirical models also included this as a variable measuring the socioeconomic area in which young people completed their educational track. The next section depicted how the annual unemployment rate in general as well as that for youth in particular has developed over the past decades. This was necessary, because in times of economic recession and high unemployment, young people inevitably face more problems of job loss, labor market difficulties, and job insecurities. The general annual unemployment rate was included in the empirical analyses as the covariate measuring macroeconomic developments. The subsequent section aimed to build a bridge between globalization and labor market flexibilization. It explained why globalization led to a rising need for more employment flexibility, and specified the main instruments for employment flexibilization in more detail.

Afterwards the French dual labor market with its sharp division into insiders and outsiders was presented along with its internal labor market structure that even reinforces this dualism. The main reason for this typical French labor market structure is a historically based interplay between institutional settings. Three institutions particularly influence and frame young people's labor market chances—the education system, the strictness of employment protection legislation, and the role of active labor market policies within

French politics. All three have been subjected to a number of recent reforms. Because general educational certificates enjoy a higher prestige than practical ones, young people more often enter the labor market with diplomas that do not enable employers to exactly assess their real competencies. This makes it necessary to provide them with on-the-job training in order to enhance the specialized skills required for the firm. As a result, young people are dependent on employers giving them the training that will promote their occupational career, or, alternatively, they have to change firm and start right from the bottom again. Insofar, the internal labor market structure has a strong influence on both labor market entry and career prospects. Changes in employment protection legislation, especially the easing of the regulations on temporary contracts during the 1990s, mainly have consequences for labor market outsiders who do not hold permanent contracts with high job protection. One of the assumptions was that young people are exposed to increasingly higher risks of temporary jobs as well as job loss because of the short duration of these types of contract. Finally, active labor market policies play a crucial role in enhancing young people's labor market participation and employability. Numerous measures have been implemented since the mid-1970s to enhance young people's labor market participation and employability.

This conceptual background formed the basis for the three empirical studies that constitute Part two of the thesis. They are ordered sequentially because each study builds on the results gathered in the study before. The first empirical study focused mainly on the impact of macroeconomic challenges (through ever-increasing globalization and the implementation of labor market flexibilization measures to which it has led) and the accompanying changes to the patterns in young people's school-to-work transitions and early career establishment. The second empirical study performed more differentiated investigations of the situation of young people with a migration background on the French labor market. Finally, the third empirical study analyzed the relevance of vocational and apprenticeship degrees in a French context in which general diplomas generally enjoy higher prestige than practical ones; during a time of increasing labor market flexibilization; and within a knowledge-based society that increasingly requires a more specialized and highly trained workforce.

Research design and database

All three studies were based on a similar research design. The data were analyzed in three approaches: first, an individual-level approach to gather information about (mass) trends

among large samples of youths; second, a longitudinal design to analyze individual paths of school-to-work transitions and early career establishment processes; and third, comparisons of three cohorts leaving the educational or vocational training system at any level in the years 1992, 1998, and 2001 to capture changes over time.

The longitudinal analyses were divided into two parts: the phase of the immediate school-to-work transition and the first years after employment entry. Labor market entries were studied in terms of (1) *the duration of finding a first job* after leaving the educational or vocational training system and (2) *the quality of that first job*. First job quality was thereby assessed by three indicators: (a) the risk of getting a fixed-term contract versus a permanent one, (b) the risk of being overqualified for the requirements of the job versus being adequately qualified right from the start, and (c) the risk of working part-time instead of full-time. The next step investigated the phase directly after the first job. Because this thesis proceeded from the assumption that young people are increasingly confronted with more flexible and precarious entry jobs, unemployment risks were also assumed to have risen over time. Therefore, (3) *the risk of becoming unemployed immediately after the first job was* analyzed along with (4) *the chances of reentering the labor market*. The further employment career, that is, the subsequent 3 to 5 years after employment entry was analyzed with models measuring job mobility. The first analysis studied (5) *the chances as well as the duration of getting a permanent contract* after young people started their first job with a fixed-term contract. It then investigated (6) *the chances of leveling out the initial job–qualification mismatch* and getting an adequate job position. Afterwards, (7) *upward occupational mobility* and *(8) downward occupational mobility* were examined using a French scale measuring changes between the prestige score of first and further jobs. A drop of 10% on the prestige score was defined as a downward move, whereas a gain of 10% indicated an upward move.

The database was provided by CEREQ (*Centre d'Études et des Recherches sur les Qualifications*), and consists of three nationally representative surveys. Data were collected retrospectively by computer-assisted telephone interviews assessing all of a respondent's activities on a monthly basis after leaving the education system. In 1997, the *Génération 1992* survey interviewed 26,359 young men and women who left school, apprenticeship, or university at various levels in 1992. Similarly, a *Génération 1998* sample of 22,021 youths was surveyed in 2001 and 2003. Finally, 13,987 youths were interviewed in 2004 in the context of the *Génération 2001* survey. This last survey offered an observation window of only 3 years compared to 5 years in the first two cohorts. Due to the uneven developments

in economic circumstances and unemployment rates since the early 1990s, the data cover contrasting situations and allow the analysis of changes over time in these three education-leaver cohorts (1992, 1998, 2001).

Techniques of event history modeling (Blossfeld and Rohwer 2002) were applied for all analyses except the quality of the first job, which was investigated with logistic regression models. Event history modeling permits the analysis of a series of trajectories in which each trajectory can be regarded as being influenced causally by, and thus dependent on, the previous process (or history). For example, the duration until first employment can be decisive for the quality of the first job, that is, for the risk of getting a fixed-term contract instead of a permanent one, or of being forced to accept a job for which the person is overqualified (compared with his or her educational qualification and the job requirements). This first job quality, in turn, can have consequences for the chances of becoming established on the labor market in the early years of the employment career. A "bad" or even just suboptimal first job can be prejudicial for further labor market outcomes (this was Research question 2 in the first empirical part, see also below).

Furthermore, this makes it possible to analyze transitions and processes as a function of time and as a result of causal relationships determined by other meaningful covariates. Controlling for these covariates in the models made it possible to distinguish groups of young labor market entrants who are better off and face fewer difficulties than others.

Summary and key findings from the three empirical studies

The analyses delivered various results—some expected and hypothesized; but others quite surprising and, in a sense, new.

The *first empirical study* addressed the following three research questions:

1) Is there an observable increase in labor market flexibilization that reduces young people's opportunities over the past decades to complete their school-to-work transition and establish themselves in their early employment careers?

2) Is a "bad," that is, a suboptimal career entry typically a trap, or can it serve as a stepping-stone toward a smooth employment career and more rewarding jobs? Are changes observable across cohorts?

3) Is there increasing uncertainty, inequality, and instability for all young individuals alike, or can it be assumed that the traditional inequality patterns persist?

The analyses of the first research question clearly revealed the impact of globalization and increasing labor market flexibilization on young people's chances at labor market entry and in their early employment career, even though the economic cycle in France was going through a phase of upswing within the period under observation. As a result of this upswing, the prospects for young people did not generally worsen, but even improved in several respects. For instance, the risk of being overqualified for one's first job diminished across cohorts as well as the chances of getting an adequate job position once having started overqualified. Also unemployment risks were lower in younger cohorts. *However, one of the major findings was that even in times of an ameliorating cycle, young people are exposed increasingly to the risk that their first job will be based on a fixed-term contract. In addition, the chances for young people to turn this type of contract into a permanent one during their early employment career have monotonously declined over time. Insofar, a strong rise in labor market flexibilization can be observed during the period under study.* Employers increasingly exploited the easing of restrictions on providing fixed-term contracts in order to avoid long-term binding decisions and to be able to react as flexibly and quickly as possible to ever more rapidly changing market demands. As a result, the study showed that the spread of temporary employment was determined mainly by the economic cycle. Although the results do not support the assumption of a general monotonic trend toward a longer job searching phase and throughout worsening prospects, they are very much in line with the globalization theory as Kurz et al. (2008) point out so succinctly:

> "Economic globalization is characterized by an increasing volatility of markets to which companies try to adjust as quickly and flexibly as possible. In this process companies try to transfer the market risks they face to their employees. Thus, we expect a generally higher demand for employment flexibility (Blossfeld et al. 2005). At the same time, economic up- and downswings might alternate fairly quickly with the markets changing ever more swiftly. In times of economic upswings employers will hire young people more readily than in times of economic downswings. […] The interesting question is, however, whether employers tend to reduce the extent of flexible […] jobs in times of economic upswings. […] In countries that experienced economic upswings [as was the case in France, SZ], there is in most cases no clear reduction of flexible or precarious jobs for labor market entrants. In contrast, such jobs appear to be used as instruments to combat unemployment and are thus part of the 'success story' in these countries. Also, it appears plausible that firms do not want to reduce their increased flexibility within a historical period of fast changing globalized markets." (Kurz et al. 2008: 347)

This makes it possible to understand the reasons for the increasing application of fixed-term contracts even in times of economic upswings.

The second research question addressed the potential effects of a "bad" or suboptimal labor market entry on the subsequent employment career. It was hypothesized that it might be—and even has become—more difficult for young people to escape suboptimal first jobs,

because they do not have the same starting conditions as their peers in adequate job positions. However, the question whether nonadequate first jobs typically lead into a trap or can be viewed more as stepping-stones toward more rewarding jobs was assumed to depend strongly on different education levels.

The results have shown that a fixed-term contract in first job may have various negative consequences: For youths in this situation, the employment rates were much lower at the end of the observation window of each cohort than for youths entering permanent contracts right from the start; their chances of getting a permanent contract in the early employment career became increasingly more difficult. The hypothesis could therefore not be confirmed that young people's chances of replacing the temporary into a permanent contract in the early employment career has ameliorated because of the recreating economic cycle. Instead, a worsening picture over time describes the situation more adequately. Moreover, fixed-term contracts decreased also the chance of upward mobility while simultaneously raising the risk of downward occupational mobility—mainly because of greater pressures on interfirm mobility. This was the situation for all youths except those with university degrees, although even they were exposed increasingly to temporary contracts. Holding a series of fixed-term contracts also reduced the chances of both getting a permanent contract and climbing the career ladder in the future for all youths except university graduates. As hypothesized, the latter could use these limited contracts to upgrade their skills and maybe also their wages from one job to the next. Therefore, it would be incorrect to declare fixed-term contracts to be basically a trap. For some youths, particularly the poorly educated, they may indeed represent more of a vicious circle in which they have to accept one short-term contract after another to escape unemployment and end up in increasingly low-profile jobs. However, other, more highly qualified youths can manage these types of contract and even use them to promote their upward mobility.

Young people who were overqualified for the first fixed-term job they started with had better chances of getting a permanent contract later on. Even a series of fixed-term contracts enhanced the chances of getting a permanent contract. This result could be explained by screening theory (Wang and Weiss 1998): Young people receive permanent contracts when they have demonstrated their better skills, because the employer's risk of having hired the wrong person decreases steadily. Therefore, starting off overqualified does not predominantly represent a trap; it is more of a stepping-stone. It is notable that highly qualified people clearly suffered less than those with diplomas in the middle field of educational attainments. However, young people with tertiary degrees had better upward

mobility prospects than all others. As already mentioned, the chances of leveling-out overqualification in the early employment career has improved over time.

The third research question focused on the impact of increasing labor market flexibilization on the development of social inequality structures. Part of the answer to this aspect was already obtained for the second research question. *The results revealed very clearly that the key issues explaining the major differences in the success of labor market entry and early career establishment are the type and level of education.* In addition to youths with tertiary education, those with vocational degrees also profit in terms of the speed of their school-to-work transition and the smoothness of their careers during the years following employment entry. The reviving economic cycle during the period under observation caused the clear advantages for youths with tertiary certificates to vanish slightly across cohorts, although they clearly belong to the winners within the increasingly flexibilized French labor market. In times of economic upswing, the social "elevator effect" (Beck 2000) could be observed that leads to a proportional improvement of the situation of all youths alike. However, in times of economic depressions—as was the situation for the 1992 education-leaver cohort—no equivalent downward elevator effect could be observed. Instead, there was a clear diversification of inequalities along characteristics like gender, ethnic background, and, above all, education. The results, therefore, deliver more confirmation for the work of researchers studying the theories of social stratification and mobility such as Erikson and Goldthorpe (1992), Shavit and Blossfeld (1993), or Breen (2004).

The *second empirical study* focused on the situation of young migrants entering the labor market, asking the following three research questions:

1) *Human capital or discrimination?* Are migrant youths with identical educational certificates and social backgrounds to their French counterparts still particularly disadvantaged by labor market flexibilization measures? In other words, are there observable practices of labor market discrimination?

2) *Interethnic differentiation:* Are there differences in labor market and educational achievement between migrant groups?

3) *Intraethnic differentiation:* Can differences be observed within the same ethnic groups due to duration of stay, that is, between first- and second-generation migrants? Do the most recent data confirm a trend toward the assimilation of second-generation migrants?

As hypothesized, the empirical results confirmed that most of the differences between migrant and French native youths disappeared after controlling simultaneously for ethnicity and education with interaction effects. *The amount of accumulated human capital is therefore the most decisive factor explaining labor market success or failure.*

A second research interest was to take a more differentiated look at young migrants living in France and not treat them as one homogeneous group. As expected, some significant differences in labor market entry and early employment career outcomes could be discerned between ethnic groups, and these could be related to their different cultural, historical, and political origins. In particular the group of Maghrebian youths, and partly also Sub-Saharan African youths, showed the most severe difficulties in both entering the labor market and becoming established as employment insiders. In contrast, the pattern in young people with a Southern European background differed least from that of French native youths. They seemed to be the best integrated group of young migrants. This result was partly anticipated, because the cultural distance between Southern Europeans and French natives is not as pronounced as that between the latter and either Maghrebian or Sub-Saharan African youth. The strong rejection Maghrebian people face within French society is reinforced by their different skin color, their alien culture, and their colonial past. This, of course, also impacts on how employers see them.

The third research question focused on the duration of stay in France and whether second-generation migrants achieve a better school-to-work transition and, in particular, a smoother labor market establishment process than first-generation migrants. The reasons for assuming this are that the second-generation has grown up inFrance. Their cultural adaptation and language skills are more advanced, helping them to bridge the gap between the home and the host country. Moreover, the human capital resources of the second-generation will be of higher value, because they have been acquired in France. *Whereas the second-generation indeed showed better labor market entry and employment integration in most groups, this pattern could not be ascertained for second-generation Maghrebian youths. Especially those with intermediate general education stood out through their disadvantaged situation compared to French native youths.* Despite making great efforts to gain better diplomas at school, employers fail to give sufficient recognition to their qualifications. Insofar, they seem to be particularly disadvantaged on the French labor market.

One of the main results of the first empirical study was that alongside youths who hold tertiary degrees, those with vocational training and apprenticeships also show better

outcomes on both their school-to-work transition and their early employment career. This result is surprising, because it is particularly France in which general diplomas enjoy much higher prestige than those prepared by vocational training or apprenticeship. That youths with vocational diplomas could in any way have better prospects than their counterparts with general qualifications was unexpected in the French context.

The *third empirical study* drew on the main results from the first and second empirical study and investigated patterns among French native youths with vocational diplomas more closely before comparing these with those among second-generation Maghrebian and Southern European youths. Two main questions stood at the beginning of this third study:

1) Alongside tertiary diplomas, can a vocational training or apprenticeship certificate improve the situation for young people (even) in times of increasing labor market flexibilization?
2) If so, can youths with a migration background profit from it in the same way as French natives do?

The empirical findings revealed that French native youths clearly profited from vocational or apprenticeship degrees. They could even strengthen their advantages over time, that is, in times of increasing labor market flexibilization. This result was so clear-cut, especially for youths with tertiary level vocational diplomas, that it seems justified to state that the vocational training reform in France has been a success. However, the study also revealed that neither second-generation Maghrebian nor second-generation Southern European youths profit from these diplomas in the same way. Moreover, the most surprising result was that the pattern of second-generation Southern European youngsters diverged even further from that of French natives than that of second-generation Maghrebian youths. This could be explained by the fact that second-generation Maghrebian youths are obliged to integrate themselves more into the French labor market structure than second-generation Southern Europeans. Whereas the latter more often work in special economic or ethnic niches, this is not the case for the former. This also explains why Southern European youths are more integrated into the networks of their ethnic groups and why the type of educational qualification (practical or general) is not a central concern to them. The situation is different for second-generation Maghrebian youths who are at the mercy of the French domestic labor market. They have to face disadvantages in French society due to their historical and political background and their skin color that makes them visibly alien and provokes racism and rejection.

Detecting typical patterns with a timeless character

Although the data analyzed in this dissertation project are restricted to an observation window ending in 2005, the empirical relevance of the results can be regarded as timeless and up-to-date. The central aim of the empirical investigations was to look for typical patterns in young people's labor market entry and early career establishment processes. The first empirical study focused on identifying the general pattern of youths on the French labor market, whereas the second empirical study examined patterns in different ethnic groups. Finally, the third empirical study focused on differences in the patterns between those with general and vocational diplomas, as well as between French natives, second-generation Maghrebian youths, and second-generation Southern European youths. Furthermore, the first and the third studies additionally traced changes to these patterns over time in relation to exogenous shifts on the macrolevel mainly due to globalization and the need to modify institutional arrangements in France.

However, the main interest was not in investigating a unique historical situation, but in determining the typical features of these patterns and the mechanisms through which they emerge, function, and change over time. Moreover, the observed effects on the microlevel are embedded in and depend on institutional settings and the specific cultural context of French society.

In the *first empirical study*, the main institutional settings that frame and channel young people's chances at labor market entry and in their early employment careers proved to be the educational system, employment protection legislation (EPL), labor market policies, and the French internal and dual labor market structure. The interplay between these institutions determines the mechanisms regulating how far the effect of globalization can enter French society and impact on young people's employment chances. For instance, the dismissal protection legislation regulating permanent contracts is relatively strict in France, and this makes it difficult for labor market outsiders to become insiders. Reforms making it easier for employers to provide fixed-term contracts during the 1990s were a response to the growing demand for flexibility on increasingly uncertain and rapidly changing markets. This granted employers the opportunity to apply these types of contract to young people as well in order to screen their work potential before committing themselves to a permanent contract. As a consequence, the situation for young people has become increasingly insecure with regard to their long-term future planning. This combined with the fact that they have more often acquired general educational qualifications rather than practical ones,

which would provide them with specific skills and competencies, increases the duration until establishing themselves in an adequate job position. Because further training is mainly on-the-job and therefore highly firm-specific in internal labor markets such as France, young people have to try to find an adequate employer right from the start.

In the *second empirical study*, it was more the political, cultural, and historically grown context that determined the labor market chances of different migrant groups. Specific attitudes toward Black people, Maghrebians, and Sub-Saharan Africans goes back to the colonial past which have deep roots in French society, and these naturally also influence employers' hiring decisions. In contrast, other ethnic groups are not subject to the same degree of prejudice. Therefore, how different migrant groups living in France are viewed can be regarded as taking a relative stable pattern that does not change in the short term. Prejudices can even become reinforced when Maghrebian youths riot on the streets in the *banlieus*, and it takes time for these prejudices to subside again. Insofar, when identifying the main patterns and mechanisms of young migrant's labor market chances within the observation window from 1992 to 2005, the behavior of employers can be generalized relatively easily to other periods of economic up- and downswings. The results can therefore be seen as being representative and not just restricted to a single period of time.

The same holds for the prestige assigned to general qualifications both within the educational system and on the French labor market. This long tradition makes it impossible to establish and enhance the acceptance of vocational certificates within a short period. Instead, a long phase of restructuring along the previous path will be necessary, although the increasing need for (highly) specialized work staff in times of new technologies has become obvious. Therefore, the results of the third part show first returns of the vocational training reform. Nonetheless, a main pattern clearly emerged. A replication of the study with more recent data would probably produce the same results, and they could even be more clear-cut.

What the studies have shown are the patterns and changes that follow institutionally based path dependencies (Esping-Andersen 1990; North 1990; Pierson 2004). Institutional settings therefore filter and slow down exogenous forces through their country-specific constellations, thereby framing and determining the direction of changes on the microlevel. Because shifts occur tardily and with inertia, these institutional frames can be regarded to some extent as relatively constant parameters. They make it possible to use the present knowledge to predict future developments—regardless of specific events such as financial

crises, renewed youth unemployment, civil unrest provoked mainly by Maghrebian youths, or any other kind of incidents.

The patterns that could be detected are in some ways embedded in what Kuhn (1979) has called a paradigm. Such paradigms set the course for developments to take. Paradigms are needed either implicitly or explicitly to (a) structure reality and draw general conclusions on it; (b) understand causal relationships between empirical phenomena; (c) differentiate between what is essential and what is unimportant; (d) estimate future developments and, if possible, predict them; and (e) determine which paths have to be taken to achieve an objective (Huntington 2002: 32ff.). This list can also be supplemented by the opportunity to perform international comparisons of country-specific patterns. This was the purpose of the first empirical study that was part of an international project (*flex*CAREER) based on pursuing exactly this strategy: Through standardization, it was possible to generate country-specific patterns as paradigms that could be compared with each other.

Evidence from the data analyses for future research

What has become evident especially in the second and third empirical studies is that data modeling is of crucial importance for correctly understanding, interpreting, and classifying empirical data (as patterns). Many of the general results in the first empirical study had to be revised and modified in light of later findings.

For the purpose of the first empirical study, these general findings were acceptable, because the primary aim was to deliver a representative and standardized country study for France that would allow comparisons with other countries within the *flex*CAREER project. Therefore, the focus was primarily on the provision of a more general picture of youth on the French labor in times of increasing labor market flexibilization.

However, the real patterns and mechanisms could not be detected by these analyses. The second empirical study showed that the more general results of the first empirical study failed to reveal some major differences, because heterogeneous groups were treated as one homogeneous whole. Hence, one cannot just declare that young migrants are generally disadvantaged on the French labor market compared to French native youths. The group of Maghrebians and Southern Europeans represent the quantitatively largest groups of young migrants in the sample. As a result, they have a major statistical impact on the results, making them seem representative for the whole group of migrants in France. This

inadvertently mixes crucial differences and effects and leads to a high risk of drawing false conclusions.

It is therefore essential for future research to ensure adequate data modeling in order to avoid biased results leading to false interpretations of the data that do not correspond to the empirical reality.

Looking at the third empirical study, it would be desirable to replicate the research approach with more recent data in order to track the effects of the vocational training reform continuously across different economic circumstances such as before, during, and after the financial crisis starting in 2008.

It would also be a great opportunity to enlarge the first empirical study by adding further education-leaver cohorts. A prolongation of the observation window would make it possible to detect more regularities in the patterns and changes due to external events. The results could be tested for their replicability and generalizability. Unfortunately, it was not possible to obtain data from before 1990 when globalization started to enter national societies and force them to transform their economies and the labor market. The CEREQ *Génération* databases were first surveyed for the 1992 cohort. But data is now available up to the year 2010, making it possible to follow up the three studies by adding new education-leaver cohorts to the models. All in all, the database leaves nothing to be desired. The degree of measuredness of the data makes it possible to study youth in transition from various perspectives and with different emphases. Furthermore, the vast sample size of 62,367 young people not only delivers representative results, but also allows group differences to be investigated in great detail. If every country were to provide such a convenient and exemplary data source, excellent cross-country comparisons would become possible.

An agenda of policy recommendations

The patterns uncovered by the three empirical studies can be used to deduce several policy recommendations. This has already been done in part within the preliminary conclusions of each empirical study. However, at this point, it is necessary to bring these all together and supplement them in order to provide a clear agenda for policymakers.

Transforming the educational system

All three studies clearly revealed the predominant role of education. In the first study, it became obvious that a higher level of educational attainment grants young people not only

faster labor market entry but also lower risks of a suboptimal first job. Their risks of having to take temporary jobs even in times of increasing labor market flexibilization are significantly lower than those of all other groups on the labor market. Their early employment career also proceeds much more successfully, smoothing the transition to secure, permanent jobs and an upward occupational career. In addition, this result was also found for youths with vocational diplomas, particularly on tertiary levels. Moreover, not only French natives but also migrant youths can enhance their chances with these types and levels of educational qualifications. Therefore, both highly educated youths and those with job-specific skills seem to be best prepared to encounter a flexibilized labor market.

This result indicates the need to further reform the education system and increase the prestige of practical diplomas. As mentioned at the end of the third empirical study, France cannot be expected to transform its education system completely into a dual system like that in Germany. Nevertheless, there is a need for decisive action to overcome the strict division between general diplomas with positive connotations and practical degrees with negative connotations. France has started to move in this direction through vocational training reforms. However, it will require a longer evolutionary process before these new structures become fully accepted within the employment system and entrenched historical institutions are overcome. This will take more than one generation. Nonetheless, the empirical findings clearly reveal that efforts in this direction will pay off in the long run.

Hence, the education system needs to be further adjusted continuously to meet the current and future needs that technological changes bring to a knowledge-based society. Highly but also lower qualified personnel should be equipped with more specific and more differentiated skills in their particular work field. Within occupational groups, vocational training has to become more standardized so that employers can exactly assess the real competencies that young people with certain diplomas possess. This necessitates the implementation of compulsory general curricula on the national level that precisely define and standardize different specialized tracks within each occupational field of vocational training or apprenticeship. This will help to reduce skill mismatches and shorten the period of vocational adjustment.

Therefore, the vocational training system requires continuous reforms, so that the clear-cut match between school and work will convince employers and improve the prestige of vocational qualifications. Active labor market policies have to supplement and support these efforts with accompanying labor market programs for youth at all educational levels.

If the components of each field of vocational training become more standardized and transparent, young people with a migration background may also profit, because employers will no longer be able to justify giving them jobs below their educational qualifications.

Transforming the internal labor market

Such developments will also require reforms to the interplay between the internal labor market structure and the education system in France. Job-specific skills acquired during vocational training or apprenticeship have to focus more on an occupation itself and become more transferable from one firm to another. When youths acquire standardized, differentiated, and transparent occupational skills, interfirm employability becomes possible. The labor market will become more permeable for interfirm mobility without the risk of higher downward mobility. This will reduce the primary role of on-the-job training and further training in enhancing an employee's skills. It will make young people belonging to the group of labor market outsiders less dependent on a particular firm and its willingness to provide them with training to promote their upward occupational careers. Interfirm mobility can then also increase the chances of becoming an insider.

Transforming the sharp division into an insider–outsider labor market

Finally, the results of the first empirical study have shown that young people are increasingly exposed to more flexible jobs as well as to higher job loss risks, and this increases the duration until they enter into more secure and adequate jobs with permanent contracts. This, in turn, has consequences for their private future plans such as family formation, childbearing, or house ownership, because making long-term binding decisions depends on economic security. Moreover, French society needs to integrate young people into the labor market in order to counterbalance the demographic impact of a retiring baby boom generation in a social security system financed by intergenerational exchange.[39] Insofar, it is necessary to enable youth to become established as quickly as possible as employment insiders on the labor market.

A strategy to reduce the sharp labor market dualism could be a general reduction in employment protection in France. As shown in the first part of this thesis, France is one of the few countries in which employment protection legislation for permanent contracts even

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[39] In contrast to Germany, the population pyramid age structure is still intact in France because of a relatively constant fertility rate. As a result, the social security system is still based on a functioning intergenerational exchange of social contributions.

increased from the mid-1970s to 2002 (see Figure 2.5, p. 34). One option could be to abolish the difference between permanent and temporary contracts by introducing one single contract with lower employment protection (OECD 2005). Cahuc and Kramarz (2004), for example, have proposed that wages within this one type of contract could be differentiated according to job tenure. A third approach, finally, could also be to lower the dismissal costs for terminating permanent contracts and thus to smooth the dualism between permanent and fixed-term contracts (OECD 2005).

All in all, France has launched a series of promising reforms that are adjusting institutional settings to meet the current needs brought about by increasing globalization and the volatility of markets. Especially to improve youth employability in the future, it is necessary to prepare them with adequate competencies right from the start, that is, already within the education system. It has become clear that it is not just the distinction between higher and lower qualifications that determines labor market success or failure: The type of educational attainment is also becoming increasingly decisive. The French educational system has to dismantle its rigid structure in favor of providing youths with more suitable qualifications. The first steps along this new path have been taken—as the success of the French economy in any international comparison shows.

Appendix

Table A.1: Quality of the first job: Risk of getting a fixed-term contract, by cohorts (logit models)

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Constant	0.73**	0.66**	1.10**	1.05**	0.95**	1.18**	0.43**	0.17**	0.42**
Gender (Women = ref.)									
Men	-0.11**	-0.07*	-0.01	-0.28**	-0.25**	-0.31**	-0.26**	-0.26**	-0.31**
Migration background (no = ref.)									
Yes	-0.07+	-0.09*	-0.07+	-0.01	-0.01	-0.02	0.06	0.06	0.06
Educational qualification (lower tertiary (3a) = ref.)									
Elementary education (1ab)	0.22**	0.16*	0.21**	0.34**	0.37**	0.32**	0.67**	0.81**	0.56**
Basic vocational training (1c)	-0.12*	-0.25**	0.00	-0.30**	-0.40**	-0.23**	0.30**	0.47**	0.28**
Intermediate vocational education (2a)	0.29**	0.20**	0.30**	0.17**	0.24**	0.21**	0.61**	0.68**	0.55**
Intermediate general education (2bc)	0.17**	0.13*	0.20**	0.06	0.06	0.11*	0.56**	0.69**	0.53**
Higher tertiary (3b)	-0.77**	-0.92**	-0.93**	-0.89**	-0.96**	-0.83**	-0.30**	-0.20**	-0.28**
Firm size (0-9 employees = ref.)									
10-49 employees			0.03			0.01			-0.16**
50-199 employees			0.09*			0.31**			0.07
200-499 employees			0.34**			0.47**			0.00
500 and more employees			-0.23**			0.33**			-0.25**
Branch (Social services = ref.)									
Extractive			-0.79**			-0.34**			0.27
Transformative			-0.63**			0.00			0.41**
Distributive services			-0.83**			-0.29**			0.26**
Producer services			-0.53**			-0.67**			0.01
Personal services			-0.94**			-0.77**			-0.41**
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			0.10+			0.15*			0.12+
Rural zones with industry			0.27**			0.18**			0.12+
Declining manufacturing industry			0.15**			0.06			0.07
Dynamic manufacturing industry			-0.09+			-0.09+			-0.09
Tertiary sector and small businesses			0.04			0.13*			0.25**

Table A.1   continued

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Parental social background (Worker = ref.)									
Farmer			-0.39**			-0.41**			-0.22*
Principal of a firm, Tradesman, Artisan			-0.36**			-0.30**			-0.29**
Self-employed, Teacher, Engineer, Manager			-0.13**			-0.26**			-0.31**
Technician, Foreman, Middle-class positions			-0.03			-0.03			-0.11
Employee			-0.02			-0.10*			-0.14*
Previous job experiences		0.08**	0.08*		0.08*	0.07*		0.15**	0.15**
Duration of first job search		0.00	0.02**		0.02*	0.02**		0.10**	0.03**
*Interaction: Educational qualif.*Duration of first job search*									
Elementary education * Duration of first job search		0.01			-0.02+			-0.08**	
Basic vocational education * Duration of first job search		0.04**			0.03+			-0.07*	
Intermediate vocational education * Duration of first job search		0.02**			-0.02*			-0.05+	
Intermediate general education * Duration of first job search		0.01			-0.01			-0.08**	
Higher tertiary education * Duration of first job search		0.04**			-0.01*			-0.07**	
Number of cases	22,440	22,440	22,440	20,587	20,587	20,587	13,486	13,486	13,486
-2*diff.(LogL)	2,762	2,890	3,644	3,708	3,788	4,456	1,042	1,118	1,356

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Table A.2: Quality of the first job: Risk of being overqualified (subjective assessment), by cohorts (logit models)

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Constant	-0.19**	-0.31**	-0.67**	-0.59**	-0.82**	-0.95**	-1.23**	-1.52**	-1.69**
Gender (Women = ref.)									
Men	0.11**	0.12**	0.06	0.25**	0.24**	0.10**	0.32**	0.32**	0.20**
Migration background (no = ref.)									
Yes	0.25**	0.24**	0.19**	0.27**	0.27**	0.23**	0.35**	0.36**	0.30**
Educational qualification (lower tertiary (3a) = ref.)									
Intermediate vocational education (2a)	-0.51**	-0.45**	-0.53**	-0.10+	0.08	-0.23**	0.27**	0.46**	0.03
Intermediate general education (2bc)	-0.04	-0.03	-0.07	0.23**	0.37**	0.13**	0.60**	0.70**	0.35**
Higher tertiary (3b)	-0.42**	-0.59**	-0.27**	0.07	0.13*	0.12*	0.30**	0.26**	0.33**
Firm size (0-9 employees = ref.)									
10-49 employees			0.15**			0.30**			0.41**
50-199 employees			0.26**			0.52**			0.53**
200-499 employees			0.23**			0.48**			0.35**
500 and more employees			-0.08			0.33**			0.10
Branch (Social services = ref.)									
Extractive			0.51**			0.40**			0.63**
Transformative			0.47**			0.50**			0.50**
Distributive services			0.75**			0.55**			0.74**
Producer services			0.39**			0.19**			0.22**
Personal services			0.63**			0.50**			0.65**
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			-0.19**			-0.02			-0.11
Rural zones with industry			-0.05			-0.05			-0.14+
Declining manufacturing industry			-0.08+			-0.04			-0.02
Dynamic manufacturing industry			-0.04			-0.10+			-0.08
Tertiary sector and small businesses			0.00			-0.10			-0.02

Table A.2   continued

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Parental social background (Worker = ref.)									
Farmer			-0.34**			-0.38**			-0.25*
Principal of a firm, Tradesman, Artisan			-0.26**			-0.21**			-0.22**
Self-employed, Teacher, Engineer, Manager			-0.17**			-0.23**			-0.19**
Technician, Foreman, Middle-class positions			0.00			-0.03			-0.11
Employee			-0.02			-0.14**			-0.06
Previous job experiences		0.13**	0.11**		0.22**	0.22**		0.27**	0.29**
Duration of first job search		0.01+	0.02**		0.05**	0.01**		0.08**	0.04**
Interaction: Educational qualif.*Duration of first job search									
Intermediate vocational education * Duration of first job search		-0.01			-0.05**			-0.07**	
Intermediate general education * Duration of first job search		0.00			-0.05**			-0.06**	
Higher tertiary education * Duration of first job search		0.04**			-0.03**			-0.01+	
Number of cases	13,874	13,874	13,874	14,292	14,292	14,292	11,525	11,525	11,525
-2*diff.(LogL)	0,598	0,694	0,974	0,574	0,650	1,044	1,696	1,826	2,160

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Table A.3:   Quality of the first job: Risk of working part-time, by cohorts (logit models)

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Constant	-1.10**	-1.28**	-0.18*	-1.49**	-1.62**	-1.20**	-2.15**	-2.42**	-2.09**
Gender (Women = ref.)									
Men	-1.14**	-1.06**	-0.72**	-1.30**	-1.25**	-0.92**	-0.81**	-0.81**	-0.55**
Migration background (no = ref.)									
Yes	0.04	0.03	0.05	0.16**	0.14**	0.11*	0.10+	0.10+	0.10
Educational qualification (lower tertiary (3a) = ref.)									
Elementary education (1ab)	1.40**	1.33**	1.27**	1.09**	0.98**	1.10**	0.94**	0.93**	1.04**
Basic vocational training (1c)	0.91**	0.86**	0.85**	0.44**	0.30**	0.50**	0.66**	0.67**	0.64**
Intermediate vocational education (2a)	1.10**	1.02**	1.01**	0.89**	0.87**	0.87**	1.05**	1.09**	1.16**
Intermediate general education (2bc)	0.87**	0.91**	0.82**	0.76**	0.75**	0.77**	1.07**	1.10**	1.13**
Higher tertiary (3b)	-0.05	0.05	-0.31**	0.44**	0.50**	0.43**	0.87**	0.96**	1.01**
Firm size (0-9 employees = ref.)									
10-49 employees			-0.35**			0.11*			0.31**
50-199 employees			-0.44**			-0.11+			0.21**
200-499 employees			-0.63**			-0.32**			-0.25*
500 and more employees			-1.32**			-0.53**			-0.55**
Branch (Social services = ref.)									
Extractive			-1.55**			-0.79**			-0.71**
Transformative			-1.70**			-1.40**			-1.59**
Distributive services			-0.69**			-0.68**			-0.64**
Producer services			-1.02**			-0.59**			-1.17**
Personal services			-0.75**			0.16**			0.13+
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture			0.02			0.04			-0.19+
Rural zones with industry			-0.07			-0.21**			-0.15
Declining manufacturing industry			0.07			-0.07			-0.10
Dynamic manufacturing industry			-0.30**			-0.29**			-0.22*
Tertiary sector and small businesses			-0.01			-0.03			0.00

Table A.3   continued

	Cohort 1992			Cohort 1998			Cohort 2001		
	1	2	3	1	2	3	1	2	3
Parental social background (Worker = ref.)									
Farmer			-0.08			-0.12			0.04
Principal of a firm, Tradesman, Artisan			-0.08			-0.10			-0.02
Self-employed, Teacher, Engineer, Manager			0.09			-0.16**			-0.23**
Technician, Foreman, Middle-class positions			0.04			-0.28**			-0.12
Employee			0.04			-0.08+			-0.05
Previous job experiences		-0.04	-0.03		0.08*	0.07		0.25**	0.19**
Duration of first job search		0.04**	0.03**		0.03**	0.02**		0.07**	0.03**
*Interaction: Educational qualification *Duration of first job search*									
Elementary education * Duration of first job search		-0.01			-0.01			-0.02	
Basic vocational education * Duration of first job search		0.00			0.01			0.01	
Intermediate vocational education * Duration of first job search		0.01			-0.01			-0.02	
Intermediate general education * Duration of first job search		-0.01			-0.01			-0.03	
Higher tertiary education * Duration of first job search		-0.02*			-0.03*			-0.06**	
Number of cases	20,698	20,698	20,698	20,067	20,067	20,067	13,486	13,486	13,486
-2*diff.(LogL)	5,842	6,094	7,622	9,322	9,430	10,416	7,786	7,852	8,428

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

Table A.4:   Main results on the first empirical study for gender and migration background

Analyses	Gender	Migration background
Duration until first employment	• stable pattern over time • young men find faster first employment	• stable pattern over time • young migrants need longer finding a first job
Quality of the first job	• stable pattern over time • young men have a better job quality (permanent contract, fulltime job) but they feel more often overqualified	• stable pattern over time for overqualification and part-time work • young migrants have worse job quality (part-time work, overqualification) • equalization of the risk of getting a fixed-term contract (1992 lower risk, 1998 and 2001 no sig. differences)
Risk of unemployment	• stable pattern over time • young men have a lower unemployment risk	• stable pattern over time • young migrants have a higher unemployment risk
Chances of re-employment	• equalization of chances • 1992: young men still had better reemployment chances (the UE rate was higher), 1998 and 2001 cohort: no sig. differences	• stable pattern over time • young migrants have worse re-employment chances
Duration until turning the fixed-term contract of the first job into a permanent contract	• stable pattern over time • young men have better chances of replacing the fixed-term contract into a permanent one	• slight improvement over time • 1992 cohort less chances, 1998 and 2001 cohort no sig. differences
Duration until the subjective feeling of overqualification in the first job is levelled-out	• Changes over time: the situation for young men have worsened (although they feel constantly more often overqualified in their first job) • 1992 cohort better chances for levelling-out the initial mismatch, 1998 cohort no sig. differences, 2001 cohort worse chances than young women	• Trend of improvement • 1992 and 1998 cohort less chances, 2001 cohort no sig. differences (although they feel constantly more often overqualified in their first job)
Upward mobility objective (French socioeconomic index of occupational status)	• stable pattern over time • young men have better prospects for upward mobility	• Trend of improvement • 1992 cohort worse chances than French native youth, 1998 and 2001 better upward mobility chances!
Downward occupational mobility	• Stable pattern over time • no significant differences	• Stable pattern over time • no significant differences

Source: Own illustration.

Table A.5:   Sample sizes by cohorts and migrant groups separated by first and seond generation as well as French native youths

	Cohort 1992		Cohort 1998		Cohort 2001		Total	Total
	Starting sample	Number of persons who found a first job	Starting sample	Number of persons who found a first job	Starting sample	Number of persons who found a first job	Starting sample	Number of persons who found a first job
French natives	21,987	19,158	18,080	17,003	11,156	10,814	51,223	46,975
Maghreb first-generation	349	287	296	258	213	197	858	742
Maghreb second-generation	1,270	1,025	1,346	1,206	1,058	998	2,616	3,229
Sub-Saharan Africans first-generation	231	185	129	116	136	131	496	432
Sub-Saharan Africans second-generation	75	55	96	89	92	87	263	231
Indochina first-generation	72	65	54	46	21	20	126	131
Indochina second-generation	41	38	73	65	59	56	173	159
Southern Europe first-generation	123	113	48	48	32	32	203	193
Southern Europe second-generation	1,478	1,292	1,085	1,019	592	577	2,563	2,888
Turkey first-generation	112	93	97	89	36	32	245	214
Turkey second-generation	33	26	126	112	61	55	220	193
Total	25,771	22,337	21,430	20,051	13,456	12,999	58,986	55,387

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

Table A.6:   Duration until first employment, migrant groups separated by first and seond generation compared each with French native youths (piecewise constant exponential models)

	Maghreb		Sub-Saharan Africa		Indochina		South Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Periods										
up to 3 months	-0.77**	-0.77**	-0.77**	-0.77**	-0.77**	-0.77**	-0.77**	-0.77**	-0.77**	-0.77**
3 to 6 months	-1.40**	-1.40**	-1.38**	-1.38**	-1.38**	-1.38**	-1.38**	-1.38**	-1.39**	-1.39**
6 to 9 months	-1.75**	-1.75**	-1.73**	-1.73**	-1.73**	-1.73**	-1.73**	-1.73**	-1.74**	-1.74**
9 to 12 months	-1.99**	-1.99**	-1.99**	-1.99**	-1.98**	-1.98**	-1.97**	-1.98**	-1.99**	-1.99**
12 to 24 months	-2.16**	-2.16**	-2.15**	-2.15**	-2.15**	-2.15**	-2.15**	-2.15**	-2.15**	-2.15**
24 and more months	-2.79**	-2.79**	-2.78**	-2.78**	-2.78**	-2.78**	-2.76**	-2.77**	-2.77**	-2.77**
Migrant groups (French natives = ref.)										
First-generation	-0.11	0.18	0.76	0.59	-0.14	-0.33	0.73	0.70	-0.84	-0.56
Second-generation	0.37*	0.34*	0.72	1.01*	-0.08	0.21	0.35+	0.34+	-0.04	0.09
Educational qualification (lower tertiary (3a) = ref.)										
Elementary education (1ab)	-0.71**	-0.71**	-0.71**	-0.71**	-0.71**	-0.71**	-0.72**	-0.70**	-0.71**	-0.71**
Basic vocational training (1c)	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.08**	-0.09**	-0.08**	-0.08**
Intermediate vocational education (2a)	-0.27**	-0.28**	-0.27**	-0.28**	-0.27**	-0.27**	-0.27**	-0.28**	-0.27**	-0.28**
Intermediate general education (2bc)	-0.23**	-0.24**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**	-0.23**
Higher tertiary (3b)	-0.15**	-0.14**	-0.15**	-0.14**	-0.15**	-0.15**	-0.15**	-0.15**	-0.15**	-0.15**
Parental social background (Worker = ref.)										
Farmer	0.12**	0.13**	0.13**	0.13**	0.13**	0.13**	0.12**	0.13**	0.13**	0.13**
Principal of a firm, Tradesman, Artisan	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**	0.12**
Self-employed, Teacher, Engineer, Manager	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**
Technician, Foreman, Middle-class positions	0.08**	0.09**	0.09**	0.09**	0.09**	0.09**	0.08**	0.09**	0.09**	0.09**
Employee	0.09**	0.09**	0.09**	0.09**	0.09**	0.09**	0.08**	0.09**	0.09**	0.09**
*Interaction: Migrant group*Educational qualification*										
First-generation * Elementary education (1ab)	0.06		0.15		0.39		0.52*		0.09	
Second-generation * Elementary education (1ab)	-0.10		0.04		-0.06		0.21**		0.04	
First-generation * Basic vocational education (1c)	-0.08		0.34		-0.01		0.50+		0.29	
Second-generation * Basic vocational education (1c)	-0.02		0.36		0.42		-0.12		-0.03	
First-generation * Intermediate vocational education (2a)	-0.06		-0.48*		0.27		0.24		-0.06	
Second-generation * Intermediate vocational education (2a)	-0.16*		-0.07		-0.27		-0.04		-0.10	
First-generation * Intermediate general education (2bc)	-0.05		-0.26		0.22		0.20		-0.06	
Second-generation * Intermediate generation education (2bc)	-0.07		0.11		0.28		0.01		0.25	
First-generation * Higher tertiary (3b)	0.23		-0.15		0.49+		-0.01		0.07	
Second-generation * Higher tertiary (3b)	0.03		0.22		0.00		0.01		0.60	

Table A.6   continued

	Maghreb		Sub-Saharan Africa		Indochina		South Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
*Interaction: Migrant group *Parental background*										
First-generation* Farmer		-0.43+		-0.16		1.07		0.13		0.05
Second-generation * farmer		0.02		0.26		-0.74		-0.28		-0.52
First-generation * Principal of a firm		-0.13		0.56*		0.59*		0.17		-0.37+
Second-generation * Principal of a firm		-0.02		0.01		-0.15		-0.04		-0.04
First-generation * Teacher		0.17		0.31+		0.34		-0.26		1.07
Second-generation * Teacher		0.13*		-0.04		-0.01		0.04		0.45
First-generation * Technician		-0.13		-0.45		-0.23		-0.11		-0.38
Second-generation * Technician		-0.08		0.43*		-0.28		-0.12		1.45*
First-generation * Employee		-0.05		0.61**		0.23		-0.11		0.15
Second-generation * Employee		0.10+		0.22+		0.03		-0.13*		-0.15
Men (Women = ref.)	0.18**	0.18**	0.18**	0.18**	0.18**	0.18**	0.18**	0.18**	0.18**	0.18**
Previous job experiences	0.22**	0.22**	0.21**	0.21**	0.22**	0.22**	0.22**	0.22**	0.22**	0.22**
Yearly average unemployment rate	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**	-0.01**
*Interaction effect:Migrant groups*Unemployment rate)*										
1st generation* unemployment rate	-0.01	-0.01	-0.01	-0.01	0.00	0.00	-0.01	-0.01	0.01	0.00
2nd generation* unemployment rate	-0.01*	-0.01**	-0.01*	-0.01*	0.00	0.00	-0.01+	0.00	0.00	0.00
Events	50,946	50,946	47,638	47,638	47,265	47,265	50,056	50,056	47,382	47,382
Total Persons	55,755	55,755	51,982	51,982	51,543	51,543	54,581	54,581	51,688	51,688
Censored Persons	4,809	4,809	4,344	4,344	4,278	4,278	4,525	4,525	4,306	4,306
-2*diff.(LogL)	29,494	29,494	26,342	26,354	25,942	25,942	27,176	27,158	26,376	26,380

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Table A.7: Part-time work in the first job, migrant groups separated by first and seond generation compared each with French native youths (logit models)

	Maghreb		Sub-Saharan Africa		Indochina[a]		South Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Constant	-2.30**	-2.30**	-2.28**	-2.28**	-	-2.28**	-2.26**	-2.25**	-2.29**	-2.29**
Migration background (French natives = ref.)										
First-generation	0.57+	0.14	-0.01	0.11	-	-0.40	0.76+	0.26	-0.84	-0.34
Second-generation	-0.13	0.01	0.49	0.19	-	-0.40	0.17	0.11	-0.13	-0.47+
Educational qualification (lower tertiary (3a) = ref.)										
Elementary education (1ab)	1.60**	1.59**	1.59**	1.60**	-	1.59**	1.60**	1.57**	1.59**	1.59**
Basic vocational training (1c)	0.95**	0.94**	0.94**	0.94**	-	0.95**	0.95**	0.93**	0.95**	0.94**
Intermediate vocational education (2a)	1.31**	1.31**	1.31**	1.30**	-	1.31**	1.31**	1.31**	1.31**	1.31**
Intermediate general education (2bc)	0.99**	1.00**	0.99**	0.98**	-	0.99**	0.99**	0.99**	0.99**	0.99**
Higher tertiary (3b)	0.41**	0.43**	0.41**	0.41**	-	0.41**	0.41**	0.41**	0.41**	0.41**
Parental social background (Worker = ref.)										
Farmer	-0.06	-0.05	-0.05	-0.05	-	-0.05	-0.05	-0.06	-0.05	-0.05
Principal of a firm, Tradesman, Artisan	-0.09*	-0.09*	-0.09*	-0.09*	-	-0.09*	-0.08*	-0.09*	-0.09*	-0.09*
Self-employed, Teacher, Engineer, Manager	-0.12**	-0.12**	-0.12**	-0.12**	-	-0.11**	-0.12**	-0.12**	-0.12**	-0.11**
Technician, Foreman, Middle-class positions	-0.09*	-0.09*	-0.09*	-0.09+	-	-0.09+	-0.11*	-0.09*	-0.09+	-0.09+
Employee	-0.11**	-0.10**	-0.10**	-0.10**	-	-0.10**	-0.10**	-0.10**	-0.10**	-0.10**
Interaction: Migrant group*Educational qualification										
First-generation * Elementary education (1ab)	-0.55		0.32			-	-0.92		0.39	
Second-generation * Elementary education (1ab)	0.05		0.09			-	-0.33+		-0.29	
First-generation * Basic vocational education (1c)	-0.32		-0.08			-	-1.46+		-0.68	
Second-generation * Basic vocational education (1c)	-0.12		-0.98			-	-0.20		0.41	
First-generation * Intermediate vocational education (2a)	-0.63+		-0.36			-	-0.37		1.16	
Second-generation * Intermediate vocational education (2a)	0.05		-0.65			-	0.00		-0.58	
First-generation * Intermediate general education (2bc)	-0.78*		-0.35			-	-0.14		0.86	
Second-generation * Intermediate general education (2bc)	0.19		-0.43			-	0.02		-0.25	
First-generation * Higher tertiary (3b)	0.00		0.64			-	-1.11		-18.48	
Second-generation * Higher tertiary (3b)	0.27		-0.50			-	0.13		-19.16	

Table A.7   continued

	Maghreb		Sub-Saharan Africa		Indochina[a]		South Europe		Turkey	
	1	2	1	2	1	2	1	2	1	2
Interaction: Migrant group *Parental social background										
First-generation* Farmer		-0.11		-18.87		-14.23		1.40		-0.53
Second-generation * farmer		-0.40		-18.78		-15.54		-0.27		-17.12
First-generation * Principal of a firm		-0.21		0.24		0.80		-0.25		0.35
Second-generation * Principal of a firm		0.06		-0.54		1.18		0.11		-0.59
First-generation * Teacher		0.48		0.28		0.98		0.82		-16.19
Second-generation * Teacher		-0.02		-0.05		0.75		-0.01		-15.79
First-generation * Technician		0.15		0.12		0.62		-0.79		-15.67
Second-generation * Technician		-0.03		-0.17		-1.19		-0.46*		1.78
First-generation * Employee		-0.22		-0.59		1.04+		-0.29		-0.96
Second-generation * Employee		-0.09		0.19		0.59		0.14		0.77
Firm size (0-9 employees = ref.)										
10-49 employees	0.07*	0.07*	0.06+	0.06+	-	0.06*	0.06*	0.06*	0.06*	0.07*
50-199 employees	-0.07+	-0.07+	-0.07+	-0.07+	-	-0.06+	-0.07*	-0.07*	-0.06	-0.06
200-499 employees	-0.34**	-0.34**	-0.34**	-0.34**	-	-0.34**	-0.31**	-0.31**	-0.33**	-0.33**
500 and more employees	-0.65**	-0.65**	-0.67**	-0.67**	-	-0.66**	-0.65**	-0.65**	-0.66**	-0.66**
Branch (Social services = ref.)										
Extractive	-1.04**	-1.03**	-1.02**	-1.02**	-	-1.01**	-0.98**	-0.98**	-1.01**	-1.01**
Transformative	-1.42**	-1.42**	-1.40**	-1.40**	-	-1.40**	-1.41**	-1.42**	-1.41**	-1.41**
Distributive services	-0.45**	-0.45**	-0.43**	-0.43**	-	-0.42**	-0.41**	-0.41**	-0.43**	-0.43**
Producer services	-0.67**	-0.67**	-0.67**	-0.67**	-	-0.67**	-0.66**	-0.66**	-0.67**	-0.68**
Personal services	-0.09**	-0.09**	-0.08*	-0.08*	-	-0.08*	-0.08*	-0.08*	-0.08**	-0.08*
Men (Women = ref.)	-0.83**	-0.83**	-0.83**	-0.83**	-	-0.84**	-0.84**	-0.84**	-0.84**	-0.84**
Previous job experiences	0.02	0.02	0.01	0.01	-	0.01	0.02	0.02	0.01	0.01
Yearly average unemployment rate	0.01**	0.01**	0.01**	0.01**	-	0.01**	0.01**	0.01**	0.01**	0.01**
Number of cases	48,565	48,565	45,415	45,415	45,053	45,053	47,695	47,695	45,153	45,153
-2*diff.(LogL)	22,106	22,096	20,826	20,824	0,000	20,726	21,702	21,694	20,798	20,796

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.
     [a] *The model could not be estimated because the sample size of Indochinese was too small to display interaction effects foreducational qualification and first and second-generation young Indochinese's.*

Table A.8: Fixed-term contract in the first job, French native, second-generation Maghrebian, and Southern European youths (logit models)

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Constant	0.69**	0.78**	-0.13	0.70**	0.81**	1.15**	0.09	1.12**	0.51+	0.55+	0.64	0.94**
Cohort (1998 = ref.)												
1992	-0.18**	-0.19**		-0.19**	-0.27**	-0.24*		-0.34**	-0.30**	-0.26**		-0.23
2001	-0.24**	-0.25**		-0.29**	-0.24*	-0.21*		-0.22+	-0.09	-0.03		-0.15
Educational qualification *(lower tertiary with general emphasis (3a gen) = ref.)*												
Inadequately completed general education (1a)	0.64**	0.57**			0.38	0.27			1.08+	1.36*		
General elementary education (1b)	0.57**	0.59**			0.58*	0.53+			0.58*	0.61*		
Basic vocational education (1c)	0.14*	0.24**			0.18	0.07			0.25	0.40		
Intermediate vocational education (2a)	0.54**	0.60**			0.51+	0.49+			0.50+	0.61*		
Intermediate general education (2b)	0.59**	0.66**			0.20	0.31			0.61	0.69+		
Vocational maturity certificate (2c_voc)	0.41**	0.48**			0.60*	0.61*			0.45	0.53+		
General maturity certificate (2c_gen)	0.39**	0.48**			0.69*	0.69*			0.93**	1.05**		
Lower tertiary education-diplomas with vocational emphasis (3a_voc)	0.23**	0.24**			0.05	-0.04			0.55+	0.56+		
Higher tertiary education (lower level) (3b_low)	-0.47**	-0.48**			-0.55*	-0.61*			-0.36	-0.48		
Higher tertiary education (higher level) (3b_high)	-0.48**	-0.41**			-0.48+	-0.41			-0.21	-0.18		
Degree prepared by vocational training or apprenticeship			0.35**	0.40**			0.19*	0.18			0.22**	0.07
Firm size (0-9 employees = ref.)												
10-49 employees		0.00	0.00	0.03		-0.20+	-0.22*	-0.20+		-0.02	-0.02	-0.01
50-199 employees		0.18**	0.15**	0.17**		-0.02	-0.05	-0.03		0.09	0.09	0.10
200-499 employees		0.33**	0.29**	0.30**		0.06	0.01	0.02		0.24	0.25	0.26
500 and more employees		-0.05	-0.12**	-0.13**		-0.24+	-0.34*	-0.34*		0.26	0.21	0.22
Branch (Social services = ref.)												
Extractive		-0.45**	-0.29**	-0.37**		0.61	0.80*	0.90*		0.11	0.27	0.35
Transformative		-0.10**	0.03	0.03		0.15	0.34**	0.32*		-0.47**	-0.31**	-0.31**
Distributive services		-0.36**	-0.23**	-0.24**		-0.46**	-0.27+	-0.25+		-0.59**	-0.46**	-0.43**
Producer services		-0.35**	-0.41**	-0.45**		-0.51**	-0.53**	-0.61**		-0.62**	-0.62**	-0.63**
Personal services		-0.67**	-0.50**	-0.50**		-0.93**	-0.67**	-0.66**		-0.88**	-0.72**	-0.71**

Table A.8   continued

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Socioeconomic area (Urban zones = ref.)												
Rural zones with agriculture		0.10**	0.13**	0.23**		0.39	0.39	0.32		0.57**	0.61**	0.52+
Rural zones with industry		0.19**	0.22**	0.37**		0.92**	0.88**	0.72*		0.56**	0.56**	0.29
Declining manufacturing industry		0.08**	0.11**	0.17**		0.11	0.16	0.11		0.43**	0.44**	0.29
Dynamic manufacturing industry		-0.13**	-0.12**	-0.01		0.18	0.24+	0.30		0.38**	0.35**	0.15
Tertiary sector and small businesses		0.10*	0.12**	0.17**		0.22+	0.20	0.11		0.31*	0.31*	0.14
Parental social background (Worker = ref.)												
Farmer		-0.35**	-0.44**			-0.91*	-1.00*			0.11	0.21	
Principal of a firm, Tradesman, Artisan		-0.30**	-0.37**			-0.45**	-0.58**			-0.34**	-0.33**	
Self-employed, Teacher, Engineer, Manager		-0.26**	-0.45**			-0.33**	-0.65**			-0.07	-0.10	
Technician, Foreman, Middle-class positions		-0.02	-0.13**			-0.27+	-0.47**			-0.12	-0.16	
Employee		-0.08**	-0.09**			-0.24*	-0.28*			-0.01	0.02	
Men (Women = ref.)	-0.21**	-0.18**	-0.14**	-0.18**	-0.10	-0.11	-0.05	-0.08	-0.13	-0.07	-0.07	-0.10
Duration of first job search		0.02**	0.03**			0.01*	0.02**			0.02**	0.02**	
Previous job experiences		0.10**	0.02	-0.03		0.09	0.02	-0.06		0.00	-0.08	-0.13
Yearly average unemployment rate			0.01**				0.01**				0.00	
Interaction: Cohort Apprenticeship degree*												
Cohort 1992 * Degree prepared by voc. training/apprenticeship				0.12*				0.15				0.01
Cohort 2001 * Degree prepared by voc. training/apprenticeship				-0.13*				-0.29				0.02
*Interaction: Socioeconomic area * Apprenticeship degree*												
Rural zones with agriculture * Vocational degree				-0.15*				0.16				0.19
Rural zones with industry* Vocational degree				-0.23**				0.59				0.42
Declining manufacturing industry* Vocational degree				-0.02				0.35				0.27
Dynamic manufacturing industry* Vocational degree				-0.15*				-0.01				0.33
Tertiary sector and small businesses* Vocational degree				-0.10				0.05				0.28
Number of cases	46,672	46,672	46,672	46,672	3,200	3,200	3,200	3,200	2,861	2,861	2,861	2,861
-2*diff.(LogL)	6,074	7,238	6,212	5,714	0,626	0,786	0,690	0,642	0,384	0,504	0,422	0,410

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Table A.9:   Overqualification in the first job, French native, second-generation Maghrebian, and Southern European youths (logit models)

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Constant	-0.32**	-0.74**	-2.09**	-0.87**	-0.11	-0.21	-1.36**	-0.60**	-0.06	-0.64*	-1.90**	-0.68**
Cohort (1998 = ref.)												
1992	0.07**	-0.03		-0.24**	-0.05	-0.15		-0.41*	0.12	-0.05		-0.24
2001	-0.35**	-0.30**		-0.33**	-0.25*	-0.29**		-0.14	-0.23+	-0.23+		-0.25
Educational qualification												
(lower tertiary with general emphasis (3a gen) = ref.)												
Intermediate vocational education (2a)	-0.44**	-0.61**			-0.30	-0.50+			-0.52+	-0.63*		
Intermediate general education (2b)	-0.25*	-0.39**			0.36	0.24			-0.16	-0.25		
Vocational maturity certificate (2c_voc)	-0.05	-0.25**			0.04	-0.13			-0.17	-0.32		
General maturity certificate (2c_gen)	0.16*	0.01			0.25	0.14			-0.01	-0.21		
Lower tertiary education-diplomas with vocational emphasis (3a_voc)	-0.24**	-0.30**			-0.36	-0.36			-0.36	-0.46		
Higher tertiary education (lower level) (3b_low)	-0.10	-0.03			0.04	0.11			-0.12	0.00		
Higher tertiary education (higher level) (3b_high)	-0.39**	-0.43**			-0.67*	-0.54+			-0.40	-0.47		
Degree prepared by vocational training or apprenticeship			-0.17**	-0.19**			-0.28**	0.00			-0.25*	-0.30
Firm size (0-9 employees = ref.)												
10-49 employees		0.27**	0.27**	0.29**		0.48**	0.44**	0.48**		0.26*	0.25*	0.27*
50-199 employees		0.42**	0.42**	0.44**		0.45**	0.41**	0.47**		0.56**	0.56**	0.57**
200-499 employees		0.33**	0.34**	0.35**		0.58**	0.52**	0.57**		0.66**	0.66**	0.67**
500 and more employees		0.11**	0.09*	0.10*		0.25	0.16	0.25		0.32+	0.31+	0.32+
Branch (Social services = ref.)												
Extractive		0.61**	0.59**	0.52**		-0.01	0.03	0.12		0.51	0.47	0.45
Transformative		0.65**	0.61**	0.59**		0.24+	0.25+	0.22		0.59**	0.57**	0.56**
Distributive services		0.75**	0.75**	0.71**		0.45**	0.52**	0.52**		0.93**	0.91**	0.90**
Producer services		0.41**	0.36**	0.32**		0.03	-0.05	-0.14		0.63**	0.60**	0.56**
Personal services		0.66**	0.65**	0.62**		0.33*	0.38**	0.35**		0.67**	0.65**	0.64**
Socioeconomic area (Urban zones = ref.)												
Rural zones with agriculture		-0.09*	-0.09*	-0.02		-0.24	-0.25	0.23		-0.10	-0.09	0.06
Rural zones with industry		-0.05	-0.05	0.01		-0.79*	-0.77*	-0.93*		-0.16	-0.15	-0.42
Declining manufacturing industry		-0.06+	-0.04	-0.03		0.15	0.18	0.47**		-0.20	-0.19	-0.25
Dynamic manufacturing industry		-0.06	-0.04	0.03		-0.22	-0.21	-0.06		-0.47**	-0.45**	-0.42
Tertiary sector and small businesses		-0.03	-0.02	0.08		-0.01	0.01	0.08		-0.34+	-0.34+	-0.20

Table A.9 continued

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Parental social background (Worker = ref.)												
Farmer		-0.32**	-0.29**			-0.35	-0.37			-0.61	-0.61	
Principal of a firm, Tradesman, Artisan		-0.21**	-0.21**			-0.54**	-0.58**			0.02	0.01	
Self-employed, Teacher, Engineer, Manager		-0.16**	-0.17**			-0.57**	-0.69**			-0.04	-0.07	
Technician, Foreman, Middle-class positions		-0.02	0.00			-0.43*	-0.50**			-0.19	-0.20	
Employee		-0.08*	-0.06+			-0.25*	-0.26*			0.16	0.15	
Men (Women = ref.)	0.23**	0.10**	0.06*	0.04+	0.40**	0.35**	0.32**	0.30**	0.18+	0.03	0.01	0.00
Duration of first job search		0.02**	0.02**			0.00	0.00			0.02*	0.02*	
Previous job experiences		0.17**	0.21**	0.19**		0.17+	0.18*	0.16+		0.31**	0.34**	0.32**
Yearly average unemployment rate			0.01**				0.01**				0.01*	
Interaction: Cohort* Apprenticeship degree												
Cohort 1992 * Degree prepared by voc. training/apprenticeship				0.25**				0.28				0.20
Cohort 2001 * Degree prepared by voc. training/apprenticeship				-0.06				-0.40+				-0.08
*Interaction: Socioeconomic area * Apprenticeship degree*												
Rural zones with agriculture * Vocational degree				-0.13				-0.97+				-0.18
Rural zones with industry* Vocational degree				-0.11				0.51				0.40
Declining manufacturing industry* Vocational degree				0.00				-0.39				0.07
Dynamic manufacturing industry* Vocational degree				-0.13				-0.18				-0.04
Tertiary sector and small businesses* Vocational degree				-0.20*				-0.30				-0.24
Number of cases	32,439	32,439	32,439	32,439	2,144	2,144	2,144	2,144	1,826	1,826	1,826	1,826
-2*diff.(LogL)	2,326	3,424	3,214	3,098	0,092	0,176	0,148	0,130	0,054	0,156	0,148	0,140

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Table A.10: Part-time work in the first job, French native, second-generation Maghrebian, and Southern European youths (logit models)

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Constant	-1.15**	-0.93**	-1.46**	-0.44**	-1.36**	-1.18**	-1.97**	-0.26+	-0.74*	-0.77*	-1.08*	-0.27+
Cohort (1998 = ref.)												
1992	0.51**	0.60**		0.54**	0.52**	0.58**		0.35*	0.34**	0.42**		0.33*
2001	-0.22**	-0.29**		-0.26**	-0.37**	-0.36**		-0.50**	-0.21	-0.22		-0.38+
Educational qualification (lower tertiary with general emphasis (3a gen) = ref.)												
Inadequately completed general education (1a)	1.45**	1.42**			1.91**	2.03**			0.77	1.13*		
General elementary education (1b)	0.78**	0.91**			1.05**	1.18**			0.29	0.48		
Basic vocational education (1c)	0.28**	0.41**			0.39	0.46			-0.06	0.12		
Intermediate vocational education (2a)	0.56**	0.70**			0.83*	0.90*			0.42	0.64+		
Intermediate general education (2b)	0.77**	0.84**			0.88*	0.97*			0.40	0.62		
Vocational maturity certificate (2c_voc)	0.21*	0.41**			0.50	0.66+			-0.04	0.25		
General maturity certificate (2c_gen)	0.67**	0.76**			1.11**	1.10**			0.61+	0.80*		
Lower tertiary education-diplomas with vocational emphasis (3a_voc)	-0.56**	-0.40**			-0.35	-0.31			-0.82*	-0.56		
Higher tertiary education (lower level) (3b_low)	0.15+	0.14+			0.64+	0.62+			0.12	0.19		
Higher tertiary education (higher level) (3b_high)	-0.45**	-0.23**			-0.24	-0.08			-0.41	-0.25		
Degree prepared by vocational training or apprenticeship			-0.21**	-0.29**			-0.37**	-0.51**			-0.22*	-0.32+
Firm size (0-9 employees = ref.)												
10-49 employees		-0.04	0.11**	-0.01		0.18	0.27*	0.15		-0.04	0.02	-0.01
50-199 employees		-0.17**	-0.08*	-0.20**		-0.16	-0.07	-0.17		-0.26+	-0.19	-0.23+
200-499 employees		-0.43**	-0.34**	-0.46**		-0.37+	-0.35+	-0.42*		-0.20	-0.10	-0.18
500 and more employees		-0.90**	-0.68**	-0.98**		-0.86**	-0.68**	-0.92**		-0.64**	-0.54**	-0.69**
Branch (Social services = ref.)												
Extractive		-1.08**	-0.68**	-0.87**		-1.61**	-1.25**	-1.24**		-0.41	-0.05	-0.24
Transformative		-1.37**	-1.08**	-1.18**		-1.63**	-1.43**	-1.43**		-1.54**	-1.29**	-1.35**
Distributive services		-0.51**	-0.22**	-0.40**		-0.66**	-0.43**	-0.49**		-0.16	0.09	-0.05
Producer services		-0.72**	-0.71**	-0.87**		-0.54**	-0.61**	-0.69**		-0.62**	-0.57**	-0.71**
Personal services		-0.13**	0.25**	0.09**		-0.14	0.16	0.08		-0.15	0.17	0.04

Table A.10   continued

	French natives				Second-generation Maghrebians				Second-generation Southern Europeans			
	1	2	3	4	1	2	3	4	1	2	3	4
Socioeconomic area (Urban zones = ref.)												
Rural zones with agriculture		0.00	0.03	0.09		0.26	0.25	0.17		0.13	0.10	0.27
Rural zones with industry		-0.11*	-0.08+	-0.05		-1.12**	-1.17**	-1.03*		0.03	-0.06	0.01
Declining manufacturing industry		0.00	0.05	0.06		0.21	0.21+	0.34*		-0.06	-0.05	0.00
Dynamic manufacturing industry		-0.30**	-0.26**	-0.13*		-0.26	-0.24	-0.14		0.02	-0.03	0.13
Tertiary sector and small businesses		-0.01	-0.01	-0.02		0.08	0.05	0.12		0.03	0.03	0.13
Parental social background (Worker = ref.)												
Farmer		-0.04	-0.18**			-0.56	-0.58			-0.54	-0.54	
Principal of a firm, Tradesman, Artisan		-0.08+	-0.20**			-0.07	-0.25			-0.02	-0.03	
Self-employed, Teacher, Engineer, Manager		-0.08+	-0.43**			-0.21	-0.57**			-0.16	-0.37+	
Technician, Foreman, Middle-class positions		-0.08+	-0.27**			-0.23	-0.37+			-0.59**	-0.66**	
Employee		-0.04	-0.15**			-0.20	-0.25*			0.04	0.02	
Men (Women = ref.)	-1.15**	-0.78**	-0.71**	-0.77**	-1.02**	-0.73**	-0.63**	-0.69**	-1.14**	-0.74**	-0.74**	-0.77**
Duration of first job search		0.03**	0.04**			0.02**	0.03**			0.03**	0.04**	
Previous job experiences		0.02	-0.12**	-0.20**		0.16	0.05	-0.05		0.15	0.05	-0.02
Yearly average unemployment rate			0.01**				0.01**				0.01	
Interaction: Cohort Apprenticeship degree*												
Cohort 1992 * Degree prepared by voc. training/apprenticeship				0.31**				0.49*				0.23
Cohort 2001 * Degree prepared by voc. training/apprenticeship				-0.40**				-0.10				-0.05
*Interaction: Socioeconomic area * Apprenticeship degree*												
Rural zones with agriculture * Vocational degree				-0.02				0.27				-0.14
Rural zones with industry* Vocational degree				0.03				-0.07				0.02
Declining manufacturing industry* Vocational degree				0.03				-0.09				-0.05
Dynamic manufacturing industry* Vocational degree				-0.21*				-0.04				-0.18
Tertiary sector and small businesses* Vocational degree				0.12				-0.07				-0.04
Number of cases	44,771	44,771	44,771	44,771	3,091	3,091	3,091	3,091	2,742	2,742	2,742	2,742
-2*diff.(LogL)	19,442	21,766	19,696	20,348	1,184	1,402	1,260	1,274	0,958	1,136	1,036	1,030

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at p < 0.01; * effect significant at p < 0.05; + effect significant at p < 0.10.

Table A.11: Chances of re-employment, French native, second-generation Maghrebian and Southern European youths (logit models)

	French natives			Second-gen. Maghrebians			Second-gen. Southern Europeans		
	1	2	3	1	2	3	1	2	3
Periods									
up to 3 months	-2.40**	-4.25**	-2.54**	-3.18**	-5.39**	-2.92**	-2.20**	-4.80**	-2.50**
3 to 6 months	-1.91**	-3.74**	-2.06**	-2.60**	-4.79**	-2.36**	-1.62**	-4.21**	-1.91**
6 to 9 months	-2.10**	-3.90**	-2.26**	-2.71**	-4.84**	-2.50**	-1.73**	-4.29**	-2.03**
9 to 12 months	-2.37**	-4.15**	-2.54**	-2.90**	-4.95**	-2.73**	-2.02**	-4.54**	-2.32**
12 to 24 months	-2.49**	-4.15**	-2.66**	-3.13**	-4.96**	-2.98**	-1.87**	-4.20**	-2.16**
24 and more months	-2.98**	-4.28**	-3.17**	-3.61**	-4.57**	-3.51**	-2.17**	-4.54**	-2.45**
Cohort (1998 = ref.)									
1992	-0.23**		-0.14**	-0.14		-0.10	-0.24*		-0.41**
2001	-0.14**		-0.10+	-0.12		0.00	0.04		-0.45*
Educational qualification									
(lower tertiary with general emphasis (3a gen) = ref.)									
Inadequately completed general education (1a)	-0.78**			0.04			-0.35		
General elementary education (1b)	-0.25**			-0.04			-0.68+		
Basic vocational education (1c)	0.06			0.34			-0.23		
Intermediate vocational education (2a)	0.07			0.36			0.11		
Intermediate general education (2b)	-0.10			0.45			-0.78+		
Vocational maturity certificate (2c_voc)	0.23**			0.65			0.12		
General maturity certificate (2c_gen)	-0.03			0.43			-0.18		
Lower tertiary education – diplomas with vocational emphasis (3a_voc)	0.48**			1.32**			0.21		
Higher tertiary education (lower level) (3b_low)	0.19*			0.59			-0.20		
Higher tertiary education (higher level) (3b_high)	0.13			0.75+			-0.55		
Degree prepared by voc. training or apprenticeship		0.17**	0.36**		0.21*	0.33+		0.35**	0.13
Firm size of first job (0-9 employees = ref.)									
10-49 employees	0.00	-0.05+	0.00	-0.08	-0.07	-0.11	-0.25*	-0.09	-0.28*
50-199 employees	0.01	0.00	0.02	0.02	0.02	0.04	-0.40**	-0.32*	-0.35*
200-499 employees	0.01	0.03	0.04	-0.17	-0.35*	-0.13	0.08	0.06	0.04
500 and more employees	-0.02	-0.02	0.03	-0.03	-0.06	0.01	-0.37+	-0.42*	-0.35+
Branch of first job (Social services = ref.)									
Extractive	0.15**	-0.03	0.06	0.25	0.06	0.10	0.68*	0.27	0.60*
Transformative	0.04	-0.04	-0.03	-0.06	0.06	-0.16	0.16	0.17	0.14
Distributive services	0.10*	0.02	0.07+	0.14	0.22	0.07	0.13	0.08	0.18
Producer services	0.02	0.04	0.08*	-0.12	-0.02	-0.04	0.13	0.19	0.20
Personal services	0.21**	0.10**	0.15**	0.14	-0.01	0.06	0.08	-0.10	0.07

Table A.11   continued

	French natives			Second-gen. Maghrebians			Second-gen. Southern Europeans		
	1	2	3	1	2	3	1	2	3
Socioeconomic area (Urban zones = ref.)									
Rural zones with agriculture	-0.03	-0.06	-0.05	0.40+	0.03	0.52	0.33	0.42*	0.25
Rural zones with industry	0.10*	0.00	0.15*	0.14	0.17	0.21	0.24	0.20	0.29
Declining manufacturing industry	-0.09**	-0.15**	-0.08+	0.05	-0.09	-0.07	-0.12	-0.11	-0.44*
Dynamic manufacturing industry	0.14**	0.03	-0.02	0.03	0.16	-0.01	0.32*	0.61**	0.08
Tertiary sector and small businesses	-0.07	-0.09*	-0.14*	-0.16	-0.05	-0.28	-0.28+	-0.31*	-0.41+
Parental social background (Worker = ref.)									
Farmer			0.14**			-0.17			0.15
Principal of a firm, Tradesman, Artisan			0.15**			0.21			0.00
Self-employed, Teacher, Engineer, Manager			0.11**			0.45**			0.04
Technician, Foreman, Middle-class positions			0.12**			0.03			0.28
Employee			0.09**			-0.04			-0.06
Fixed-term contract in first job	0.14**	0.05+	0.14**	0.15	0.29**	0.17	0.17	0.11	0.22+
Part-time work in the first job	-0.24**	-0.42**	-0.31**	-0.25*	-0.53**	-0.31**	-0.52**	-0.42**	-0.54**
Overqualified in first job	0.01	0.14**	0.12**	0.04	0.16+	0.22*	-0.08	0.23*	0.09
Men (Women = ref.)	0.05*	0.06*	0.02	0.18*	0.06	0.07	0.04	0.05	-0.02
Yearly average unemployment rate		0.02**			0.02**			0.02**	
Interaction: Cohort Apprenticeship degree*									
Cohort 1992 * Voc. training/apprenticeship degree			-0.17**			-0.08			0.26
Cohort 2001 * Voc. training/apprenticeship degree			0.02			-0.09			0.90**
*Interaction: Socioeconomic area * Appr. Degree*									
Rural zones with agriculture * Vocational degree			-0.02			-0.21			0.08
Rural zones with industry* Vocational degree			-0.11			-0.44			-0.12
Declining manufacturing industry* Voc. Degree			-0.03			0.22			0.51+
Dynamic manufacturing industry* Voc. Degree			0.23**			0.62			0.36
Tertiary sector and small businesses* Voc. Degree			0.08			0.17			0.21
Events	8,031	8,031	8,031	581	581	581	534	534	534
Total Persons	10,508	10,508	10,508	10,508	10,508	10,508	10,508	10,508	10,508
Censored Persons	2,477	2,477	2,477	9,927	9,927	9,927	9,974	9,974	9,974
-2*diff.(LogL)	1,452	3,340	1,286	0,154	0,448	0,118	0,150	0,294	0,152

Source: Own calculations based on the CEREQ Generation Surveys (1992, 1998, 2001).
Notes: ** Effect significant at $p < 0.01$; * effect significant at $p < 0.05$; + effect significant at $p < 0.10$.

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