

The effects of the economic crisis on the school to work transitions of youths in France

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Working paper

Introduction

School-to-work transitions are particularly susceptible to short-term changes. At the beginning of the millennium, the unemployment rate in France fluctuated greatly around 8%. For 2006 onwards youths entering the labour market benefited from an improving period of economic growth which brought unemployment down to 7%. However, a change in the context, due to the financial crisis in 2007, seems to have reversed this tendency and lead to a high increase in unemployment after the middle of 2008. This reducing of economic activity in France has continued since 2009. These effects thus appear harmful for the trajectories of youths on the labour market, and without doubt more pronounced according to ethnic origin.

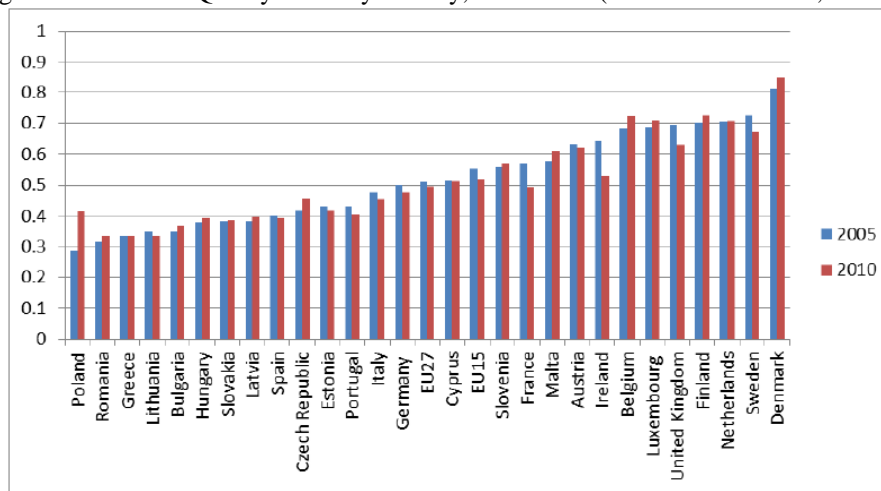
As revealed in a number of studies conducted in France, young people from immigrant families - particularly those from North African - have higher difficulty in the transition-to-work process than youths of French origin (Silberman, Fournier, 1999, 2008; Frickey, Murdoch & Primon, 2006; Brinbaum, Werquin, 2004; Meurs, Pailhé, Simon, 2006; Brinbaum, Guégnard 2012). Young people are particularly vulnerable in periods of economic crisis. The situation has worsened for second-generation immigrants, while it improved for their counterparts of French origin between the 1998 and 2004 Céreq surveys (Joseph, Lopez, Ryk, 2008). These different studies highlight specific difficulties for youth of immigrant families, who are in general working class: difficulties in obtaining employment, higher and repeated risks of being unemployed in the first years on the labour market. (Boumadhi, Giret 2005; Céreq 2007). Once these latter youths are hired in a company, they appear not to have lower wages (Dupray, Moullet, 2004), but have more frequently unstable jobs; stable jobs are harder to obtain when other factors are controlled for (Joseph, Lemièrre, 2005; Joseph, 2011). According to the Céreq's *Generation 2004* survey, the unemployment rate of North African youths backgrounds mirrored the general drop in unemployment for all youths, only to increase strongly in 2009 to reach similar levels as those observed in the first year of entry on to the labour market. Is this due to the crisis? What other consequences can we see on the youth's trajectories, especially on their jobs?

On this point, a study has been recently carried out focusing on the consequences of the crisis on job quality in Europe (Erhel *et al*, 2012). Using a synthetic job quality index¹, this study highlights a general but weak decline in job quality between 2005 and 2010 with notable differences between countries (figure 1). There has been a noticeable improvement for Poland, Czech Republic, Belgium and Denmark, compared to Ireland and France where job quality has strongly declined. These authors analyzed the individual factors that influenced the probability of a drop in job quality between 2007 and 2009. Youths, older workers, and the less qualified were more likely to have experienced a drop in job quality during the crisis. However, this study did not contain a variable on ethnic origin.

¹ based on six sub-indices capturing wages, involuntary non-standard forms of employment, working time and work-life balance, working conditions and job security, skills and career development, and collective interest representation.

A recent report of the International Labour Office (2013) confirms that “*It is not easy to be young in the labour market today*”. The prolonged jobs crisis also forces the current generation of youth to be less selective about the type of job they are prepared to accept. Increasing numbers of youth are now turning to available part-time jobs or find themselves stuck in temporary employment. Secure or stable jobs, which were once the norm for previous generations – at least in the advanced economies – have become less easily accessible for today’s youth.²

Figure 1. Changes in overall Job Quality Index by country, 2005-2010 (source: Erhel *et alii*, 2012)



Data Sources: Ameco, LFS, National Accounts, EWCS, EU-SILC, ICTWSS database, own calculations.

However there is an ongoing debate about whether several constitutive dimensions should be taken into account or whether job quality should be summarized by means of a single variable. Job quality is a multidimensional concept that raises many theoretical and empirical questions, as presented by Davoine and Erhel (2006).

There does not exist a standardized theoretical framework to study job quality in a multidimensional perspective (Guergoat-Larivière & Marchand, 2012), that goes beyond "good jobs"- "bad jobs". Various attempts have been undertaken: "decent work" developed by the International Labour Office developed using 11 dimensions (ILO, 1999, 2012), the "quality of work" using ten key indicators finalized at the Laeken summit (Davoine, Erhel, 2007), or the four axes³ defined by the European Foundation for the Improvement of Living and Working Conditions (Green, Mustafa, 2012), the four dimensions of job quality designed by the Québec institute of statistics (Cloutier, 2008)⁴. According to Marchand (2008), there is in the various studies a common ground of six large dimensions, such as: health and working conditions, wages, organization of working time and reconciliation of working life, job security, social dialogue and work relationships, participation in training and education. Various studies only use objective indicators for job quality, whereas others take into account also more subjective workers perceptions (Davoine *et al.*, 2008; European Commission, 2001⁵, 2002) and even a quality score (Job Quality Count) using assessments made by workers (Clark, 1998). Overall, young people are overrepresented in unstable jobs, low paid jobs, and no training and education.

² More specifically, labour market transition is defined as the passage of a young person from the end of schooling (or entry to first economic activity) to the first stable or satisfactory job. Stable employment is defined in terms of the contract of employment (written or oral) and the duration of the contract (greater than 12 months) (ILO, 2013).

³ Career and employment security, skills development, reconciliation of working and non-working life, health and well-being.

⁴ Uses a five scale hourly wage, a four category working time (voluntary/involuntary part-time, permanent/fixed term full-time), a three category level of qualification, a two category job stability. This produces 120 cross possibilities which are put together in 12 homogenous groups, which are in turn classed into three job quality levels: low, middle and high.

⁵ Four groups are created: dead-end jobs, jobs without career prospects, low pay/productivity jobs, jobs of reasonable quality, jobs of good quality.

Moreover, in order to analyze better youth transition on the labour market within each country Garona and Ryan (1989) distinguish a typology of regulation regimes according to the situation of young people in the intergenerational competition mechanisms. This typology remains pertinent in the present and conjuncture related changes to the labour market.

- A competitive regime between young people and seniors that favors free competition between youth and seniors (outsiders and insiders) on the labour market. In this framework, employers can hire the youth labour force due to a reduction in the relative cost of young labour, notably the less qualified, within a completely non regulated market. It is interesting to point out that this was initially a British model, other countries have moved towards this type of regulation, either through a reduction in the cost of labour, or by an increased flexibility of the labour market. This is noticeably the case of Spain where the deregulation policies have lead mainly to increase insecurity on the youth labour market, including for the most qualified.
- A reglemented integration regime for the integration of youth into the labour market. It is based on an occupational labour market and job training of youth in firms (for example, the dual system in Germany). They are characterized by a low rate of youth unemployment and the fact that employers hire young people due to lower wages and a pay system based on years of experience. Young people are accepted into adult jobs but only as apprentices.
- A selective exclusion regime that excludes young people from various employment segments. The labour market is strongly segmented and seniors (insiders) have privileged position in internal labour market. Consequently, young people at the beginning of their careers have many difficulties in obtaining stable positions. Employers are obliged to respect the salary rates for each position, but prefer to make vacant qualified jobs with high wages to workers with years of experience. Young people obtain their first work experience in the secondary segment, which are often low pay, and then access jobs in the primary segment. France appears to fit this regime as illustrated by Elbaum and Marchand (1994), especially for the less qualified. However, this can also be the case more recently for higher education graduates for the non vocational university sector. These graduates find their first jobs in temporary and non graduate jobs, after which they more on to graduate jobs depending on their field of study.

France is thus characterised by a dual labour market which confines part of the working population in unstable jobs, whereas other employees have a permanent contracts with strong social protection. Moreover, during a period of lack of jobs, the effects of competition on the labour market lead employers to increase their demands upon hiring and to reinforce the segmentation of jobs for young people according to their level of qualification (Léné, 2008). The present economic crisis reinforces the polarizing of the labour market and increases the difficulties of the most unstable employees (Valette-Wursthen, 2013), through a rise in fixed-term contracts and a barrier to stable jobs. However, the rise in unemployment which came with the crisis has a double-edged effect on the job quality Erhel *et alii*, 2012): On the one hand, employees have the sword of being made redundant having over their hands, which reduces their negotiating power and puts a negative pressure on the job quality; on the other, the recession cuts away the number of flexible and unstable jobs, and low paid. Given these facts, it is appropriate to look at the trends in job quality before and during the crisis.

In this study we aim to analyze the effect of the 2008 crisis through seven years on the labour market, using the empirical illustration of the primary segment in the dual labour market developed by Doeringer and Piore (1971): i.e. good working conditions, opportunities for promotion, high pay and status, job security, compared to the secondary segment. Thus, according to this theory, the labour market is structured by employers who select their employees according to their individual characteristics. Through employer's recruitment practices, temporary and unstable employment are for example the lot of youths from immigrant origins, the women and the less qualified. In a context of economic deterioration, their chances of obtaining a job are reduced, especially quality jobs that offer security and promotion. The dual nature of the work contracts would penalize youths of immigrant origin: they would be more confined to secondary segment labour market jobs with low pay and level of qualification, and unstable working conditions. Does this remain true in the time of crisis? Are the latter youths the only ones to be excluded from the primary segment?

Using longitudinal data from the 'Generation' surveys carried out by Céreq (the French Center for Research on Education, Training and Employment), this paper focuses on the consequences of the

2008 crisis on employment and job quality for the youth. The paper has two parts. First, using the *Generation 2004* survey, we create statistical indicators to show the situation for youths for two sub-periods (2004-2008 and 2009-2011) in terms of employability and vulnerability (unemployment rate, duration unemployment). We will focus on second generation Maghrebians born in France whose parents are North African (nationality), born either in Tunisia, Morocco or Algeria. The children of immigrants from these three countries have been grouped together in one group, given the number of observations, as well as similar educational experiences and long-standing migration. This vulnerable target population will be compared with the reference category which is the youths born in France of two native French parents.

In the second part, we seek to analyse youth transition in terms of labour market segmentation (access to the primary segment or to the 'good jobs'). By doing so, it will be possible to observe the effects of the crisis in terms of access to 'good jobs' in the primary segment using a model regression and another youth cohort (*Generation 1998*). This generation was followed also over seven years and did not experience such short-term changes during the period 1998-2005. We thus analyze the differences between the groups and the cohorts.

1. Transition in Youth: 2004 generation

As already mentioned, our first analysis is based on the longitudinal data of the French '*Generation 2004*' survey that provides information on the first seven years on the job market. Céreq contacted by telephone 65,000 individuals who left the educational system in 2004 at various levels of education and entered the labour market the same year; this is a national representative sample of secondary and higher education leavers of 2004 (700,000). The results shown here cover a panel of 11,791 youths who were surveyed three times (Spring 2007, Spring 2009 and Autumn 2011). From the total number of youths born in France, 479 are of North African background and 10,411 are French natives.

At each survey date, a calendar was used to collect, month by month, the successive situations—employment, unemployment, study, training, inactivity (the minimum length for a situation being 1 month). Each employment spell (or change in employer) provided information of the working conditions (contract, wage, occupation, weekly hours of work, company sector). Observing this cohort over seven years enables us to look at careers after the entry on the labour market. The 2008 crisis happened when the youths would in theory have stable employment. What is their situation (employed, unemployed) as well as their job characteristics (type of contract, salary)?

1.1. Obtain and keep a job: To be or not to be in employment, that is the question

Seven years after entering the labour market, there are differences in the 2004 generation according to ethnic origin: 65% of the youths of North African origin have a job in 2011 compared to 86% for the other youths (Table 1). Between the first three years on the labour market (2007) and 2011, the percentage of youths being employed increased more importantly for youths of immigrant origin: it rose from 53 to 65% (compared to 80 and 86% for French natives).

Throughout the years, more and more youths are in permanent jobs (stable employment becomes the majority even for youths without qualifications). This is the case for three quarters of the North African group in 2011 compared to half four years earlier. Obtaining a permanent job is nevertheless less frequent for this group, even though the stable nature of jobs becomes stronger with the level of qualification and over the years. Across employed, 56% of North African youths without a qualification (69% for French natives), 76% for secondary school graduates (versus 82%) and 90% for higher education graduates (versus 91%) had obtained a permanent contract in 2011. Diplomas play a protecting role in obtaining a job for youths of immigrant origin and is stronger year by year. However, full-time employment changes little during the seven years and is more the less constant for 80% of the youths, even if there is noticeable drop for the North African group.

Table 1. Main indicators at the time of the survey

	2007 3 years	2009 5 years	2011 7 years
Employment rate (%)			
France	80	82	86
North Africa	53	59	65
Permanent employment (%)			
France	69	80	85
North Africa	53	64	75
Full-time employment (%)			
France	84	84	82
North Africa	85	83	80
Median monthly wage (in €)			
France	€1,330	€1,470	€1,501
North Africa	€1,300	€1,400	€1,408

Source: Céreq's *Generation* 2004 survey

Note: in 2011, the percentage of North African youths in employment is 65%, 75% are in permanent employment and the median monthly wage is €1,408.

During the first four years on the labour market (2008), 73% of North African youths have obtained at least one job and have worked on average two years (Table 2); whereas 97% of French natives have held at least a job and have worked on average three years. After 2008, even if the number of jobs of becomes less, the figures do not change for the French natives: 97% have obtained at least one job for an average of three years. Whereas 87% of North African youths have held at least one job for an average two years. For the two sub-periods, only 3% of French natives were without any job during the seven years (either being unemployed or not in the labour market (inactive, study). This situation is more frequent for the North African group, 9% before June 2008 and 13% after June 2008.

The first observation is that the time spent in employment is almost similar before and after June 2008⁶ with difference between groups and qualifications (Table 2): on average 26 months for North African youths, 36 months for the others; 20 months if the former do not have any qualifications (29 months for French natives) and 37 months if they are higher education graduates for both before and after June 2008 (39 months for French natives). Having a higher education diploma is an asset for youths on the labour market.

Table 2. Number of employment spells and job duration

Country Origin	<i>Before June 2008</i>				<i>After June 2008</i>			
	Mean of the job duration	Spells 1	Spells 2 and more	Spells 0	Mean of the job duration	Spells 1	Spells 2 and more	Spells 0
France	37 months	59%	38%	3%	36 months	75%	22%	3%
North Africa	27 months	46%	45%	9%	26 months	59%	28%	13%
Without qualification								
France	27 months	48%	49%	13%	29 months	56%	35%	9%
North Africa	19 months	35%	46%	19%	20 months	48%	29%	23%
Secondary diploma								
France	36 months	56%	41%	3%	35 months	70%	27%	3%
North Africa	29 months	48%	47%	5%	27 months	58%	33%	9%
Tertiary diploma								
France	40 months	64%	45%	1%	39 months	85%	14%	1%
North Africa	36 months	59%	39%	2%	37 months	81%	18%	1%
Total	36 months	57%	39%	4%	35 months	74%	22%	4%

Source: Céreq's *Generation* 2004 survey

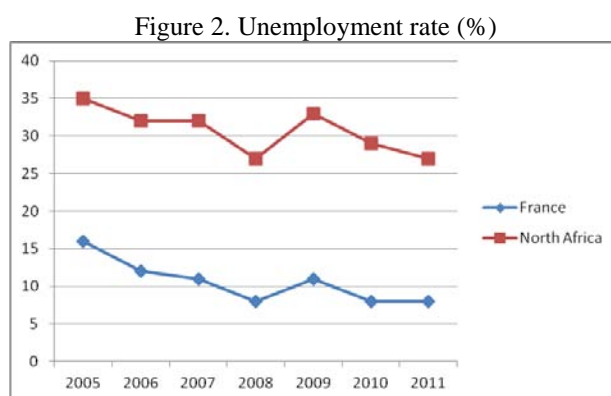
Note: before June 2008, North African youths have worked on average 27 months and 46% have had 1 employment spell, 45% have had at least 2 employment spells, 9% did not have any jobs; after June 2008, North African youths have worked on average 26 months and 59% have had 1 employment spell, 28% have had more than 2 employment spells, 13% did not have any jobs (they are either unemployed, in study or inactive).

⁶ The crisis appeared in the French economy in June 2008.

1.2. To be or not to be unemployed, that is the question

Remaining in long-term employment and escaping unemployment are the two main problems that youths from immigrant families face. In 2011, the rate of unemployment of North African youths is 27% compared to 8% for French natives. The figure is all the more higher when the level of qualification is low: it varies between 42% for youths without qualification to 5% for higher education graduates, and 27% in turn for secondary school graduates (Table 3).

In terms of changes, during the seven years on the labour market, the unemployment rate for North African youths remains notably higher than for the other youths (figure 2). The economic deterioration was particularly detrimental in 2009 and, over time, the gap for North African has widened compared to the other youths. During the first three years after leaving school system, the unemployment rate is twice as high for the former group and then becomes three times as high compared to French natives.



Source: Céreq's *Generation 2004* survey

The higher rate of unemployment of North African youths is explained in part by the fact that these youths have a lower level of qualifications. Indeed, 38% have left school without any qualifications compared to 14% for French natives. They are also less likely to be higher education graduates (23% compared to 44%). When this group does have a higher education diploma their rate of unemployment is noticeably lower and converges with that of French natives over time (5% versus 3% in 2011). Whereas for those without any qualifications, the experience over time is much more difficult.

Table 3. Unemployment rate according to level of qualification in June (%)

	2005	2006	2007	2008	2009	2010	2011
Without qualification							
France	35	30	30	24	27	19	22
North Africa	49	50	69	49	49	47	42
Secondary diploma							
France	15	11	12	9	13	9	8
North Africa	33	25	31	19	33	24	27
Tertiary diploma							
France	10	6	5	3	5	3	3
North Africa	17	15	7	7	9	8	5
Total	17	13	13	10	13	10	10

Source: Céreq's *Generation 2004* survey.

Note: for the population from Maghrebian origin, the unemployment rate for the youth with a higher education diploma is 17% in June 2005, 9% in June 2009 and 5% in June 2011.

North African youths spend overall longer seeking employment. During the first four years on the labour market, three quarters experience at least one spell of unemployment, which lasts on average 15 months (Table 4); whereas it is only the case for half of French native with a average spell of six months. After June 2008, even if the unemployment spells are less frequent, differences remain between groups and levels of qualification. Half of the North African group experience at least one unemployment spell (29% for French natives), for close to one year (4 months for French natives). The most important length of unemployment remains for the second period for those without qualifications (one year and a half for North African youths and 9 months for French natives). Across

the total group of North African youths, 27% had not experienced unemployment before June 2008 (half for French natives) and 47% after June 2008 (compared to 71% for French natives) (i.e. either employed or not on labour market (inactive, study)).

These numerous job changes and recurrence of unemployment highlights the greater difficulties for those without a qualification and youths from immigrant origin. These difficulties that immigrant youths experience are not new, but were they indeed emphasized during the crisis and what are the consequences on the job quality for these youths?

Table 4. Number of spells and duration of unemployment

Country Origin	Before June 2008				After June 2008			
	Mean of unemployment duration	Spells 1	Spells 2 and more	Spells 0	Mean of unemployment duration	Spells 1	Spells 2 and more	Spells 0
France	6 months	30%	23%	47%	4 months	18%	11%	71%
North Africa	15 months	37%	36%	27%	11 months	32%	21%	47%
Without qualification								
France	13 months	36%	33%	31%	9 months	31%	22%	47%
North Africa	23 months	40%	44%	16%	18 months	42%	25%	33%
Secondary diploma								
France	6 months	30%	25%	45%	4 months	21%	13%	66%
North Africa	13 months	36%	39%	25%	10 months	31%	24%	45%
Tertiary diploma								
France	4 months	29%	18%	53%	2 months	13%	8%	79%
North Africa	6 months	37%	17%	46%	3 months	17%	11%	72%
Total	7 months	30%	24%	46%	4 months	19%	12%	69%

Source: Céreq's *Generation 2004* survey

Note: before June 2008, for North African youths the unemployment rate was on average 15 months, 37% had experienced 1 unemployment spell, 36% had experienced at least 2 unemployment spells, 27% had not experienced unemployment; after June 2008, the average duration of unemployment was 11 months, 32% of North African youths had experienced 1 unemployment spell, 21% had had at least 2 spells, 47% had experienced none (they were either employed or in study or inactive).

2. Dual labour market: to be or not to be in the primary segment

In a second part, we will analyze the trends in job quality using individual level indicators in a longitudinal perspective. We use labour market segmentation theory (albeit originally designed for the organization of companies) to construct a typology on individual employment trajectories.

2.1. A measure of job quality

In line with labour market segmentation and dual market theories, we define three job segments⁷: Upper-tier primary segment, lower-tier primary segment and secondary segment. They are based on four distinct dimensions, similar to the common European criteria: job duration, wages, type of contract, working time.

The primary segment is related to qualified workers having attractive and stable positions. More specifically, the indicators chosen to define **the upper-tier primary segment**, or the 'best jobs' are the following for each sub-period (before and after 2008) (and mutually inclusive): to have had no more than two jobs, to have had at least once a permanent contract, to have had only one fixed-term/temporary contract, to have been employed 90% of the period, to not to have involuntary working time (i.e. to have full-time or voluntary part-time), to have a very high wage (over 60% more than the median wage of people possessing the same level of qualification).

⁷ In this study seven years of labour market experience are considered (period from October 2004 to December 2011) and are divided into two sub-periods where the date of reference is June 2008 (the month when the 2008 crisis became visible in the French economy). Using the jobs for each period, we characterize by type of segment. This pragmatic approach combines two aspects. We use all the jobs held to measure the stable or unstable nature in terms of recurring jobs. Moreover, the job with the longest duration is used as the reference for wages, contract type, etc.

The lower-tier primary segment differs from above in that a maximum of two criteria can be missing from the situation. This can be the absence of a very high wage, or having involuntary part-time working time or never having a permanent contract. On the other hand, the cumulative employment duration (90%) is the same for jobs in the upper-tier primary segment.

Finally, the **secondary segment** covers the sub-periods where the jobs held are generally: short duration, fixed term contracts, involuntary part-time working time, standard or low wages. These jobs are often called 'bad jobs'.

The first observation for the 2004 generation (Table 5) is the following: very few youths are in very high quality jobs (2% to 4% in the upper-tier primary segment) no matter their ethnic origin and level of qualification. The percentage of 'good jobs' increases over the years and the level of qualification. After June 2008, a third of North African youths to the primary segment (upper and lower-tier); this figure is already reached for native French before June 2008. After June 2008, half the youths of French origin have good quality jobs (upper and lower-tier primary segment)

Table 5. 2004 generation, job quality distribution by period

Country Origin	Before June 2008				After June 2008			
	upper-tier primary	lower-tier primary	secondary	total	upper-tier primary	lower-tier primary	secondary	total
France	3	30	67	100	4	48	46	100
North Africa	2	15	83	100	4	29	67	100
Without qualification								
France	1	15	84	100	2	30	68	100
North Africa	0	12	88	100	0	16	84	100
Secondary diploma								
France	3	26	71	100	3	44	53	100
North Africa	3	12	85	100	5	27	68	100
Tertiary diploma								
France	5	35	60	100	6	57	36	100
North Africa	2	25	73	100	6	48	46	100
Total	3	28	69	100	4	47	49	100

Source: Céreq's *Generation 2004* survey

Note: across all the North African youths, 2% held jobs in the upper-tier primary segment before June 2008, 15% lower-tier and 83% secondary segment.

Subsequently, a regression model was run on the probability of being in the primary segment (upper + lower-tier) after June 2008 using the following variables ethnic origin, gender, late on entering secondary school, highest qualification reached, type of training (apprenticeship), field of study (industrial, services, general), reason for leaving studies (financial, had enough of studying, had reached desired level, not admitted in further studies, found job), place of residence upon leaving education, living or not in a Zus (challenged urban neighbourhood), the rate of unemployment of the region of residence upon leaving education, activity and size of firms. What are the main results?

When controlling for similar individual characteristics (Table 6), the country of origin is a penalizing factor in terms of obtaining a quality job: youths from North African origin are less likely to hold jobs in the primary segment (-10%). Other variables influence positively having a 'good job' (Table 6): being male (+4%), having a higher education diploma (+19% more likely is the young person has a doctorate), having been in apprenticeship (+4%). The level of qualification is the variable that has the strongest effect along with the industrial field of study that provides more opportunities in the primary segment. Those without qualification are less likely to hold jobs in the primary segment (-20%). Moreover, amongst the reasons for leaving studies, only the youths who state that they have found a job or have reached the desired level are more likely to hold a job in the primary segment. Hotel-restaurant firms provide the worse jobs.

Table 6. *Generation 2004*: model to hold a job in the primary segment (probit regression)

	Coefficient	Marginal effects
Ethnic origin: France (Ref.)		
North African	-.2478523	-10%*
Others	-.071129	ns
Female (Ref.)/Male	.1072942	+4%***
Not late (Ref.)/ Late on entering secondary school	-.0147085	ns
<i>Baccalauréat</i> (Ref.) /		
Without qualification	-.5201764	-20%***
CAP, BEP	-.2915204	-12%***
Bac+2	.2759589	+11%***
Bachelor	.2253519	+9%***
Master	.28213	+11%***
Doctorate	.508336	+19%***
Not apprenticeship (Ref.):Apprenticeship	.1013788	+4%*
Field of study: Industrial (Ref.)		
Services	-.0905822	-4%*
General	-.2244384	-9%***
Left studies for Financial reason (Ref.)		
Not admitted in further studies	-.044933	ns
Reached the level desired	.1922437	+8%***
Found job	.2125707	+8%***
Had enough of studying	-.0490239	ns
Residence out of Zus (Ref.)/ in Zus	.0404686	ns
Rate of unemployment	-.0200196	-0,7%*
Firm with more than 50 employees (Ref.)	.0269195	ns
Firm Activity: Construction (Ref.)		
Agriculture	-.0244613	ns
Industry	.0030934	ns
Car maintenance	-.2281934	ns
Market orientated services	-.0724633	ns
Non-market orientated services	.0903984	ns
Hotel-restaurant	-.3411856	-13%***
Unknown	.0024448	ns
Constant	.088919	
Number of observations	10,831	
Log pseudolikelihood	-6284.8443	
Pseudo R2	0.0699	

Source: Céreq '*Generation 2004*' survey

Note: All other things controlled, a young person of North African origin has less probability of being at the primary segment (-10%) compared to a young person of French origin.

***=significant at 1%; **=significant at 5%; *=significant at 10%; ns=not significant.

2.2. An effect of the crisis? For Better or Worse?

In order to the possible effects of the crisis on job quality, one method is to use a comparable cohort. The Céreq has produced two surveys covering the first seven years on the labour market for young people (the already mentioned *Generation 2004* also and *Generation 1998*). The latter survey is based on a panel of 16,040 youths surveyed three years after leaving the educational system (Spring 2001), five years after (Spring 2003) and seven years after (Autumn 2005). Across all the youths born in France, 706 have Maghrebian parents and 14,019 are French natives. There are no structural differences in the two cohorts. They are comparable.

The benefit of comparing these two surveys lies in the differences in the context when these two cohorts entered the labour market (Mazari, Recotillet, 2013). The youths who left the school system in 1998 profited from the economic bright spell up in the first years of the millennium decade 2000, and then witnessed a contextual turnabout at the end of 2001. Whereas the 2004 generation benefited from a less favorable context despite an upturn during 2006-2007, before a reversal in the middle of 2008. Despite the financial crisis, youth unemployment seven years on is similar for those entering in 1998 and 2004 (10% for 1998 generation, 11% for 2004 generation); it is the same for the percentage of youths in employment (86%, 85%) or the percentage of youths with short-term contracts 14%, 16%). A few differences can be pointed out for 2004: more over-education, less access for higher education

graduates to highly qualified jobs, higher rate of involuntary part-time employment (Mazari, Recotillet, 2013).

Following these observations, we show again the same job quality indicators as in the previous section and divide them in two periods (before and after 2002). The first finding is that having a job in the upper-tier primary segment is more frequent than for 2004, notably for the second sub-period and with few differences between ethnic origins (Table 7): after June 2002, 8% of the 1998 cohort hold jobs in the upper-tier. However, youths from North African origins continue to hold more frequently ‘bad jobs’ jobs (secondary segment) no matter the period. It is worth noting that during the second sub-period, 38% of North African youths held jobs in the upper and lower-tier primary segment compared to 56% for French natives. These figures for the second sub-period are higher than for those for 2004 generation, where as they were relatively lower for the first sub-period.

Table 7. 1998 generation, job quality distribution by period

Country Origin	Before June 2002				After June 2002			
	upper-tier primary	lower-tier primary	secondary	total	upper-tier primary	lower-tier primary	secondary	total
France	4	25	71	100	8	48	44	100
North Africa	5	16	79	100	8	30	62	100
1998 generation	4	24	71	100	8	46	46	100
2004 generation	3	28	69	100	4	47	49	100

Source: Céreq's *Generation* 1998 survey.

Note: across all the North African youths 5% held a job in the upper-tier primary segment before June 2002, 16% jobs in the lower-tier primary segment and 79% in the secondary segment.

If we calculate the odds-ratios of the likelihood of being in the primary segment (table 7A), it appears that the initial few years were more favorable for the 2004 generation than for the 1998 generation. The 2004 cohort is more likely than the 1998 cohort to hold a job in the primary segment for the first period (OR=1.12) but less likely in the second (OR=0.88). This change in the employment trajectory of the 2004 generation is no doubt linked to the crisis (or life choices). North African youths are still less likely to hold a job in the primary segment compared to native French. The gap between the two groups between the two periods is more important for the 1998 generation (+54%) than for the 2004 one (+13%) (table 7A).

Table 7A. Likelihood of North African youths holding a job in the primary segment (Odds-Ratios)

	1 sub-period	2 sub-period	Variation
2004 generation	0.42	0.37	+12.6%
1998 generation	0.64	0.42	+53.8%

Source: Céreq's *Generation* 1998 & 2004 surveys.

Note: for the 2004 generation, a North African youth is less likely (0.37) to hold a job in the primary segment in the second period; the variation between the two periods is +12.6%.

It appears that in the second period more youths from the 1998 generation obtained jobs in the primary segment. Is this true when all factors are controlled for? To answer this question, we ran an econometric model that included a cohort dummy in the same model measuring the probability to hold a job in the primary segment during the second sub-period.⁸ We find the following results (Table 8). When all factors are controlled for, the North African group is less likely to hold a job in the primary segment (-8%) and even more so if they entered the labour market in 2004 (-4%). The crisis appears to have slowed down the transition to employment and the access to quality jobs. Youths of North African origin suffered more from the economic recession, by having more unstable and less well-paid

⁸ Other methods are possible depending the data available. We attempted a matching model (Rosenbaum, Rubin, 1983). Unfortunately this attempt was unsuccessful in detecting comparable individuals (“twins”). The propensity score showing the probability of belonging to one of the two cohorts was not satisfactory due to a lack of pertinent observable characteristics.

jobs. Moreover, the level of qualification continues to have an important influence on having a job in the primary segment, those without qualifications and women being less likely.

Table 8. Comparison *Generations 2004 and 1998: model to hold a job in the primary segment (probit regression)*

	Coefficient	Marginal effects
Generation 1998 (Ref.)/Generation 2004	-.1101173	-4%***
Ethnic origin: France (Ref.)		
North African	-.2101856	-8%***
Others	-.0695129	ns
Female (Ref.)/Male	.1878378	+7%***
Not late (Ref.)/		
Late on entering secondary school	.0061029	ns
Baccalauréat (Ref.) /		
Without qualification	-.5561445	-22%***
CAP, BEP	-.2860519	-11%***
Bac+2	.2492316	+10%***
Bachelor	.2535641	+10%***
Master	.295613	+12%***
Doctorate	.51288	+19%***
Not apprenticeship (Ref.): Apprenticeship	.1301919	+5%***
Field of study: Industrial (Ref.)		
Services	-.0782763	-3%***
General	-.2359448	-9%***
Left studies for Financial reason (Ref.)		
Not admitted in further studies	-.0341341	ns
Reached the level desired	.1506361	+6%***
Found job	.1724693	+7%***
Had enough of studying	-.0185359	ns
Residence out of Zus (Ref.)/ in Zus	.0094036	ns
Rate of unemployment	-.0169212	-0,6%***
Firm with more than 50 employees (Ref.)	-.0549433	-2%**
Firm Activity: Construction (Ref.)		
Agriculture	-.0738412	ns
Industry	.1530432	6%***
Car maintenance	.0426168	ns
Market orientated services	.0135939	ns
Non-market orientated services	.1799738	+7%***
Hotel-restaurant	-.2863467	-11%***
Unknown	.1841204	ns
Constant	.155131	
Number of observations	25,751	
Log pseudolikelihood	-15764.546	
Pseudo R2	0.0673	

Source: Céreq *Generation 2004 & Generation 1998* surveys

Note: All things controlled, a young person of North African origin has less probability of being at the primary segment (- 8%) compared to a young person of French origin.

***=significant at 1%; **=significant at 5%; *=significant at 10%; ns=not significant.

A likelihood ratio test produced by separate regressions for each cohort (tables 7, 8, and 10 in appendix), enables us to present the possible differentiated effects of the independent variables. The intuition being that if the parameters are different (all together), this means that their influence in accessing a job in the primary segment can vary according to the economic context, which in our case is the 2008 crisis. As already mentioned, there is no difference in structure between the two cohorts. They are comparable.

The influence of the independent variables does indeed vary. Firstly, all together, the schooling variables have the same impact no matter the cohort. However, being male has a slightly less marginal effect for the 2004 cohort (+4) than for the 1998 one (+10). The type of sector of activity also does not have the same picture. For the 2004 generation, only hotel-restaurant related activities has a negative effect on the probability of holding a job in the primary sector. For the 1998 generation, hotel-restaurant has a negative effect whereas industry, car maintenance, and non-marked services have a positive impact.

The likelihood ratio⁹ test using the values of the model likelihoods shows that the variables in the models have different effects in the probability to hold a job in the primary segment in the second period. Indeed, the 2008 crisis appears to have weighed upon the trajectories and individual situations from the four working year onwards. The probability of an average individual (reference individual in the model) to employed in the primary segment is slightly lower (53%) for the 2004 generation before the 2008 crisis than for the 1998 generation (55%).

A similar analysis was carried out for French natives and those of North African origin (*cf.* Tables 10 and 11 in appendix). The results of the likelihood ratio test confirm that the explanatory factors act in different ways according to the cohort. We can point out that a notable gap exists between North African youths and French natives in holding a job in the primary segment at the beginning of the working life (between four and seven years after entering the labour market). Half of French natives hold a good quality job no matter the cohort (Table 9).; this is only the case for a third of immigrant youths for the 1998 generation and a quarter for the 2004 generation.

Table 9. Average probability of holding a job in the primary segment between four and seven years after entering the labour market

	<i>French Origin</i>	<i>North African Origin</i>
Both generation	53%	31%
1998 generation	54%	32%
2004 generation	51%	26%

Source: Céreq's *Generation 1998* & *Generation 2004* surveys

Note: 32% of the 1998 generation youths have a job in the primary segment.

Conclusion

The transition from school to work is a process structured by work demand, employer behavior, public policy measures, structural employment changes. However, youths experience also other temporalities, that are context related, and take place in a given country at the beginning of their working careers. In general youths entering the labour market are overexposed to contextual fluctuations. Looking at the 2004 generation is interesting as the 2008 crisis happened when the youths would be in theory have stable employment. Over the seven years more and more youths have a permanent job, unemployment decreases but remains high in 2011 for youths of North African origin (27% compared to 8% for French natives). The protecting influence of a higher education diploma becomes stronger over the years for both groups, even if it takes more time for the immigrant youths. On the other hand, youths without qualifications have difficult trajectories, and a quarter is unemployed seven years after leaving the educational system (42% of North African youths compared to 22% for French natives).

For more than ten years, according to the Céreq surveys, two-thirds of first jobs (for beginners) are fixed-term contract, i.e. in the secondary segment. Unstable employment drops after a few years on the labour market better less quickly for the 2004 generation. Good quality jobs, i.e. the primary segment, are the lot of half of native French only a quarter of North African youths after June 2008. Being of foreign background is a factor that plays a role in explaining differences in employment trajectories in France, where there is a dual labour market. Higher education diplomas also facilitate the access to the primary segment. Being of North African background appears thus as a negative signal for employers, and remains so and has developed in the present context of the economic crisis.

Did the economic situation reduce the speed at which all youths accessed the primary segment? Has the economic crisis contributed to more segmentation in labour market? Is it possible to answer these questions? Through our data, we can state that the 2008 crisis had an influence on the trajectories and the situation of the youths after four years on the labour market; even more so for the (non-European) immigrant group, in providing less good jobs than for the others. Their lower access to the primary

⁹ LR (likelihood ratio) statistic whose value is 77.50, is compared with the Khi-square value with 26 degrees freedom (38.885).

segment is also a result of a more difficult transition into the labour market in the first three years. The obstacles to the primary segment remain for the North African group, and have been even reinforced with the economic deterioration, and are also linked to their difficult trajectories due their lack of qualifications. This study can go further by looking at other measures of job quality such as promotion, training opportunities and also more subjective opinions by the youths about their jobs and their prospects.

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Appendix

Table 10. *Generation* 1998: model to be in primary segment (probit regression)

	Coefficient	Marginal effects
Ethnic origin: France (Ref.)		
North African	-.1798287	-7% **
Others	-.0698785	ns
Female (Ref.)/Male	.244442	+10% ***
Not late (Ref.)/ Late on entering in secondary school	.0116027	ns
<i>Baccalauréat</i> (Ref.) /		
Without qualification	-.5836564	-23% ***
CAP, BEP	-.2802735	-11% ***
Bac+2	.2317639	+9% ***
Bachelor	.2836096	+11% ***
Master	.3075747	+12% ***
Doctorate	.5153645	+19% ***
Not apprenticeship (Ref.):Apprenticeship	.1525139	+6% ***
Field of study: Industrial (Ref.)		
Services	-.0765682	-3% **
General	-.251061	-10% ***
Leaving studies for Financial reason (Ref.)		
Not admitted in further studies	-.0242595	ns
Reached the level desired	.1196616	+5% ***
Found job	.1397178	+5% ***
Had enough of studying	.0046294	ns
Residence out of Zus (Ref.)/ in Zus	-.0132856	ns
Rate of unemployment	-.0150631	-0,6% ***
Firm with more than 50 employees (Ref.)	-.1125046	-4% ***
Firm Activity: Construction (Ref.)		
Agriculture	.0618932	ns
Industry	.2516507	+10% ***
Car maintenance	.1614764	+6% **
Market orientated services	.0814666	ns
Non-market orientated services	.2578608	+10% ***
Hotels-restaurants	-.2528467	-10% ***
Unknown	.4626388	ns
Constant	.0528184	
Number of observations	14,920	
Log pseudolikelihood	-9440.9469	
Pseudo R2	0.06840	

Source: Céreq's *Generation* 1998 survey.

Table 11. Marginal effects to be in primary segment for youth from Maghreb origin (probit regression)

	Generation 1998	Generation 2004	Both Generation
Generation 1988 (Ref)/2004			ns
Female (Ref.)/Male	ns	ns	ns
Not late (Ref.)/ Late on entering in secondary school	ns	ns	ns
<i>Baccalauréat</i> (Ref.) /			
Without qualification	-33%***	-29%***	-31%***
CAP, BEP	-17%***	-16%**	-18%***
Bac+2	ns	ns	ns
Bachelor	ns	ns	ns
Master	+12%***	ns	ns
Not apprenticeship (Ref.):Apprenticeship	ns	ns	ns
Field of study: Industrial (Ref.)			
Services	ns	ns	ns
General	ns	-15%*	ns
Leaving studies for Financial reason (Ref.)			
Not admitted in further studies	ns	ns	ns
Reached the level desired	ns	ns	ns
Found job	ns	+19%*	ns
Had enough of studying	ns	ns	ns
Residence out of Zus (Ref.)/ in Zus	+8%*	+11%*	+7%*
Rate of unemployment	ns	ns	ns
Firm with more than 50 employees (Ref.)	-15%*	-15%*	-11%*
Firm Activity: Construction (Ref.)			
Industry	ns	ns	ns
Car maintenance	ns	ns	ns
Market orientated services	ns	ns	ns
Non-market orientated services	ns	ns	ns
Hotels-restaurants	-24%***	ns	ns
Unknown	ns	ns	ns
Constant	-.0376266	-.0483932	.0491947
Number of observations	504	315	823
Log pseudolikelihood	-301.26362	-196.41052	-516.28038
Pseudo R2	0.1430	0.1420	0.1157

Source: Céreq's *Generation 1998 & Generation 2004* surveys.

Table 12. Marginal effects to be in primary segment for youth from French origin (probit regression)

	Generation 1998	Generation 2004	Both Generation
Generation 1988 (Ref.)/2004			-4% ***
Female (Ref.)/Male	+10% ***	+4% **	+8% ***
Not late (Ref.)/ Late on entering in secondary school	ns	ns	ns
<i>Baccalauréat</i> (Ref.) /			
Without qualification	-22% ***	-19% ***	-20% ***
CAP, BEP	-10% ***	-10% ***	-10% ***
Bac+2	+9% ***	+10% ***	+10% ***
Bachelor	+12% ***	+10% ***	+11% ***
Master	+12% ***	+10% ***	+10% ***
Doctorate	+20% ***	+17% ***	+19% ***
Not apprenticeship (Ref.):Apprenticeship	+6% ***	ns	+4% ***
Field of study: Industrial (Ref.)			
Services	-3% *	ns	-3% **
General	-11% ***	-9% ***	-10% ***
Leaving studies for Financial reason (Ref.)			
Not admitted in further studies	ns	ns	ns
Reached the level desired	+5% ***	+9% ***	+6% ***
Found job	+5% ***	+8% ***	+6% ***
Had enough of studying	ns	ns	ns
Residence out of Zus (Ref.)/ in Zus	ns	ns	ns
Rate of unemployment	-0.5% **	-0.9% **	-0.7% ***
Firm with more than 50 employees (Ref.)	-4% ***	ns	ns
Firm Activity: Construction (Ref.)			
Agriculture	ns	ns	ns
Industry	+10% ***	ns	+6% ***
Car maintenance	=7% *	ns	ns
Market orientated services	ns	ns	ns
Non-market orientated services	+9% ***	ns	+6% ***
Hotels-restaurants	-10% **	-21% ***	-15% ***
Unknown	ns	ns	ns
Constant	.0547092	.115654	.1206858
Number of observations	13,122	9,615	22,737
Log pseudolikelihood	-8156.3558	-5423.7637	-13613.707
Pseudo R2	0.0617	0.0616	0.0600

Source: Céreq's *Generation 1998 & Generation 2004* surveys.