

A messier start to their working lives for a more highly qualified cohort

Tracking the 2010 cohort of leavers: preliminary results after 7 years



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How have the French young people who left the education system in 2010 at all levels and with or without qualifications higher than the lower secondary certificate fared in the labour market? What do the first 7 years of their working lives tell us about the structural changes taking place in the labour market? How has the difficult economic situation affected their trajectories? The latest results from *Céreq's Génération 2010* survey provide an opportunity to take a fresh look at the labour market integration of an increasingly well-qualified cohort that has seen the differences between the various levels of qualification widen.



GENERATION 2010
SURVEY

GENERATION 98
SURVEY

EDUCATION-
TO-WORK TRANSITION

YOUNG PEOPLE

LEVEL OF EDUCATION

Observing the integration into the employment system and early careers of young people leaving initial education is of crucial importance in the management of public employment and education policies system. Each new cohort of leavers constitutes a distinctive category of labour by virtue of its youth and lack of labour market experience as well as of the changes in qualifications that it embodies; as such, it is particularly exposed to the prevailing economic context and to the more structural changes affecting the labour market. The *Génération surveys* have played an important role in highlighting the various dimensions of this integration and have also called attention to the length of time that such integration requires, which varies depending on the individuals and period in question. From this point of view, the seven years spent observing the young people who left initial education in 2010, which supplement those of the earlier *Génération surveys* (1998 and 2004), enable us to identify the major changes that have taken place in the past 20 years.

Progression in the labour market more difficult for the 2010 cohort in a tougher economic climate

The young people in the 2010 cohort appear to have been handicapped by the economic situation that prevailed during the early years of their working lives. Having been hit by the sovereign debt crisis that erupted in 2012, they had to deal with a long-term deterioration in the economic situation, followed by an upturn that was too weak to push

the economy back to the levels of employment that existed prior to the 2008 financial crisis and has failed to give a new boost to employment. This situation has adversely affected the opportunities available to the 2010 cohort and their rate of access to employment and has slowed down their integration into the labour market and made them more vulnerable to unemployment at the beginning of their working lives than their elders in the 2004 cohort and, even more so, the 1998 cohort. Thus the effects of the 2012 crisis are particularly evident in the sudden rise in the level of unemployment from the July of that year onwards, at a time when the cohort as a whole had not yet completed its education-to-work transition (cf. Figure 1). After a year's pause, unemployment began to drop again and a trend towards convergence between the cohorts seven years into their working lives can be observed. Thus for the members of the 2010 cohort, the unfavourable economic situation in the early years of their working lives will have delayed rather than permanently damaged the process of accessing employment. While they do not appear in the medium term to have suffered the effects of this "initial stigma" linked to their difficulties in finding jobs [1], some consequences for trajectories should be highlighted. The first concerns the reduction in the time spent in employment, and hence in occupational experience accumulated, to 61 months on average, equivalent to 73% of the observation period, compared with 67 months (80% of the observation period, cf. Table 2) for the 1998 cohort. The second concerns the share of

Génération
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The next survey will take place from April to July 2020 among the 2017 Generation.

young people whose trajectories are characterised by a certain remoteness from the labour market; 17% of the young people in the 2010 cohort (compared with 11% of those in the 1998 cohort, cf. Table 3) have a past trajectory dominated either by persistent or recurrent unemployment (13% compared with 7%) or by situations of long-term inactivity (4% for both cohorts). They are also more likely to have returned to education or embarked on a long training course (9% compared with 5%).

Cohort at the heart of structural changes in the labour market

In addition to an unfavourable economic situation at the beginning of their working lives, the 2010 cohort has also had to come to terms with more structural changes in the labour market. Firstly, these young people have been even more exposed than their elders to changes in recruitment practices, which increasingly favour the various forms of fixed-term contracts [5]. This new hiring “norm” is not without consequences for young people’s prospects of achieving a position of stability in the labour market in the medium term. For some, it may be a springboard into their chosen careers, but for others it may be a precarity trap [1]. The decline in trajectories dominated by employment between the 1998 and 2010 cohorts (from 84% to 74%, cf. Table 3) points up this ambivalence: there are fewer trajectories characterised by stabilisation in permanent employment (a decline from 66% to 55%) and this reduction is not offset by any increase in trajectories characterised by a series of fixed-term jobs, the share of which has remained stable (18% compared with 19%). In the final analysis, the share of young people in permanent jobs seven years after leaving education has declined from

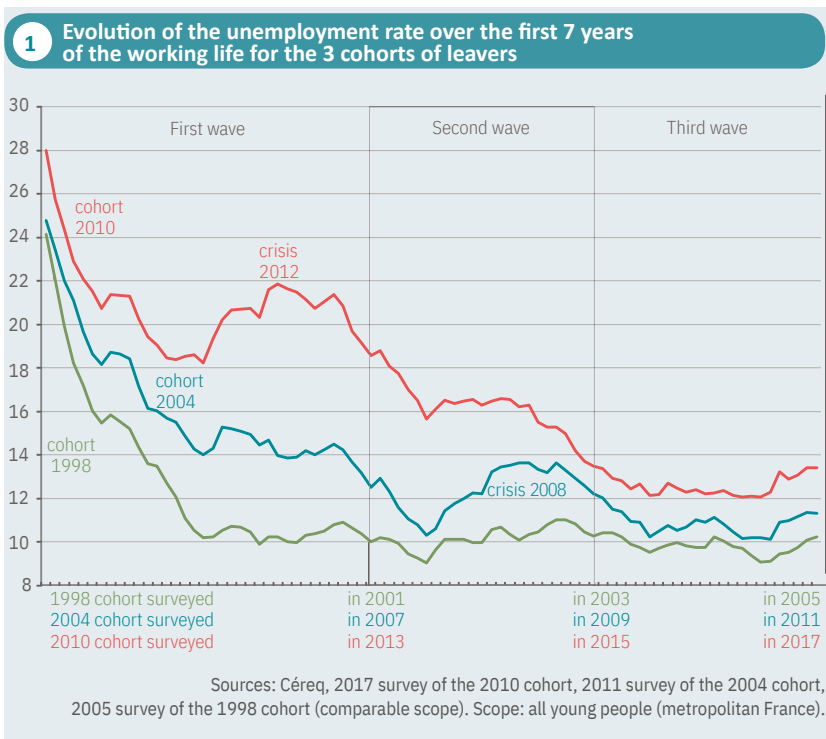
one cohort to the next (86% compared with 80%, cf. Table 2).

Secondly, the young people in the 2010 cohort appear less able to turn their acquired experience to their good advantage. Career growth, in terms both of pay and positions held, is more modest than in earlier cohorts. Thus while the median wage on first hire was 16% higher than that for the 1998 cohort, it increased by only 19% over seven years, compared with an increase of 38% for their elders (cf. Table 4). This decline in wage progression is explained in part by a slowdown in promotion dynamics: only 27% of the young people in the 2010 cohort, compared with 31% of those in the 1998 cohort, moved up the hierarchy of socio-occupational categories between their first job and the last job held, while at the same time 13% experienced a decline in their socio-occupational status (compared with 11% of their elders).

The fact remains that these general comparisons between cohorts conceal very contrasting developments in career trajectories depending on the level of qualification obtained in initial education. The preceding *Génération 2004* survey showed that, in an economic context affected by the 2008 crisis, the protective role of qualifications had already increased. Similarly, the differences between the various levels of qualification have widened within the 2010 cohort. Thus for the 1998 cohort, the chances of achieving a position of stability in a permanent job were six times lower for a leaver with just lower secondary qualifications than for a higher education graduate; for the 2010 cohort, it is now nine times less likely.

More uneven trajectories for the less well qualified

Overall, it is those young people with no more than lower secondary qualifications who have seen their situation deteriorate to the greatest extent. The share of the observation period that they spent in employment fell from 65% to 46%. This increased scarcity of jobs has disrupted the typical trajectories that characterise their career paths. Thus those trajectories characterised by a certain distancing from employment because of recurrent or long-term unemployment (34%) or long-term inactivity (11%) are now as frequent as those dominated by employment, whereas they accounted for only 28% of the trajectories of their elders in the same category (cf. Table 3). Moreover, among the employment-dominated trajectories, those leading to positions of stability in permanent employment have been very significantly eroded (21% compared with 41% for the 1998 cohort) and have now been overtaken by those characterised by a constant succession of fixed-term jobs (24%). All things considered, permanent jobs seem increasingly less accessible for young people with lower secondary qualifications only, since only 56% of those in employment seven years after leaving



education held such positions (compared with 72% for the 1998 cohort, cf. Table 2).

However, for those who do obtain jobs, the opportunities for progression up the hierarchy of socio-occupational categories between the first and last jobs held remain comparable to those of their elders, as do the risks of demotion. Furthermore – and this is the only real piece of good news – wage levels have increased compared with those of their 1998 counterparts; this applies more to first jobs than to the last posts held due to the protective effect of successive upratings of the national minimum wage.

Young people in the 2010 cohort with upper secondary qualifications have also been affected by the greater difficulties in accessing employment, particularly permanent jobs, experienced by their cohort. Nevertheless, the dominant trajectories are still those characterised by employment and stabilisation in a permanent job (49%, compared with 61% for their elders). There is also an increasing tendency in this group to return to education (cf. Table 3), particularly among those leaving at level IV of the education system (i.e. the final year of general secondary education).

These findings reflect the increasing risks of exclusion from employment for the least well qualified, and particularly for those who, in an increasingly well qualified population, have nothing more to offer than lower secondary qualifications. At the same time, however, the labour market is changing and the employment conditions offered to higher education graduates are also deteriorating in their own way.

Qualifications that “pay” less for the others

In contrast to leavers from secondary education, the paths along which young higher education graduates access employment have been little affected by the economic circumstances. Stabilisation in permanent employment remains the norm, with three quarters of them employed on open-ended (permanent) contracts. They still accumulate an enormous amount of experience

2 Indicators of the education-to-work transition for the 1998 and 2010 cohorts

	Share of young people in permanent positions among all those in employment (%)				Average length of time spent in employment (%)	
	3 years		7 years		7 years	
	98 cohort in 2001	2010 cohort in 2013	98 cohort in 2005	2010 cohort in 2017	98 cohort in 2005	2010 cohort in 2017
Lower secondary certificate only	59	46	72	56	65	46
CAP-BEP-MC ⁽²⁾	72	70	81	74	78	67
Vocational bac	80	79	88	81	85	80
General and technological bac	64	59	82	77	76	67
BTS, DUT, + Healthcare and social work (level III)	84	84	92	92	87	87
Bachelor's degree (general and vocational) and 1-year master's	84	79	90	84	84	83
Two-year master's	87	82	93	87	87	87
Business and engineering schools and PhD	94	91	96	95	90	93
Total	76	74	86	80	80	73

(1) Permanent positions include state employees (fonctionnaires), employees on open-ended contracts and the self-employed. (2) MC: mention complémentaire, a national vocational qualification at level IV (after a vocational bac) or V (after a CAP). Sources: Céreq, 2017 survey of the 2010 cohort, 2005 survey of the 1998 cohort (comparable scope). Scope: all young people (metropolitan France).

over their first seven years in the labour market, comparable to that accumulated by their counterparts in the 1998 cohort. For these young people, however, this experience has become less financially rewarding in the labour market. The increase in the median wage between the first and last job held, which fluctuated between 44% and 54% depending on the type of qualification between 1998 and 2005, reached a ceiling of 31% at best between 2010 and 2017 (for those with qualifications requiring 5 years' post-secondary education). The last wages paid after approximately six years' accumulated experience were lower,

3 Typology of trajectories at the 7-year mark by aggregated levels of qualification for the 1998 and 2010 cohorts

	Lower secondary certificate only		Upper secondary qualifications		Higher education graduates		Total	
	G98	G10	G98	G10	G98	G10	G98	G10
Stabilisation in permanent position	41	21	61	49	81	76	66	55
Series of fixed-term jobs	25	24	21	21	12	14	18	19
Persistent or recurrent unemployment	20	34	7	13	3	4	7	13
Long period(s) in training or return to education	6	10	7	13	2	4	5	9
Long-term inactivity	8	11	4	4	2	2	4	4
Total	100	100	100	100	100	100	100	100

Sources: Céreq, 2017 survey of the 2010 cohort, 2005 survey of the 1998 cohort (comparable scope). Scope: all young people (metropolitan France).

4 Evolution of the median wage over the first seven years of the working life for the 1998 and 2010 cohorts

Job	1998 cohort		% change	2010 cohort % change		% change	% change between 98 and 2010 cohorts		Difference in % change between 98 and 2010 cohorts
	First ²	Last ³		First	Last		First	Last	
Lower secondary certificate only	995	1 275	28	1 125	1 325	18	13	4	-10
CAP-BEP-MC	1 020	1 365	34	1 160	1 385	19	14	1	-15
Vocational bac	1 045	1 405	34	1 160	1 455	25	11	4	-9
General and technological bac	1 000	1 440	44	1 115	1 480	33	12	3	-11
BTS, DUT, + Healthcare and social work (level III)	1 185	1 705	44	1 385	1 730	25	17	1	-19
Bachelor's degree (general and vocational) and 1-year master's	1 240	1 820	47	1 370	1 680	23	10	-8	-24
Two-year master's	1 530	2 355	54	1 690	2 075	23	10	-12	-31
Business and engineering schools and PhD	2 000	2 990	50	2 080	2 715	31	4	-9	-19
Total	1 090	1 500	38	1 265	1 510	19	16	1	-19

(1) Median wage: net monthly wage in constant euros (base 2015), including bonuses, all working times taken into account, such that half of the population under consideration earns less and the other half earns more. (2) First wage: wage on recruitment to first job. (3) Last wage: wage for last job held on the 7-year survey date or a job described during the period since leaving education. Sources: Céreq, 2017 survey of the 2010 cohort, 2005 survey of the 1998 cohort (comparable scope). Scope: young people reporting at least one job during the first 7 years of their working lives (metropolitan France).

→ TO FIND OUT MORE

[1] 20 ans d'insertion professionnelle des jeunes, entre permanences et évolutions, coord. T. Couppié, A. Dupray, D. Epiphane, V. Mora, *Céreq Essentiels* n° 1, April 2018, pp. 33-40 ; pp. 85-94 ; pp. 51-59.

[2] « Et les femmes deviennent plus diplômées que les hommes... », T. Couppié, D. Epiphane, *Céreq Bref* n° 373, March 2019.

[3] « Que gagne-t-on à se former ? Zoom sur 20 ans d'évolution des salaires en début de vie active », C. Barret, A. Dupray, *Céreq Bref* n° 372, February 2019.

[4] « Les contrats à durée limitée : trappes à précarité ou tremplins pour une carrière ? », O. Bonnet, S. Georges-Kot, P. Pora, *Insee Références - chômage, emploi, revenus du travail*, 2019, pp. 47-60.

[5] « CDD, CDI : comment évoluent les embauches et les ruptures depuis 25 ans ? », K. Milin, *DARES analyses* n° 026, June 2018.

[6] « Les travailleurs non qualifiés : une nouvelle classe sociale ? », T. Amossé, O. Chardon, *Économie et statistique*, n° 393-394, 2006.

in constant euros, than the wages paid to their counterparts in the 1998 cohort [3].

This reduction in pay progression among higher education graduates is combined with a marked decline in ascending career paths between the two cohorts; of the 2010 cohort, only 23% of higher education graduates were on an ascending path, compared with 30% of the 1998 cohort. This is reflected in slower and less frequent access to managerial and executive positions (*postes de cadres*) for young higher education graduates after seven years in the labour market. Other things being equal, they are 1.8 times less likely to be in the *cadre* category and 1.4 times more likely to be in an intermediate occupation in the last job observed than their elders. Thus the opportunities offered by companies have not kept pace with the increase in the number of graduates leaving higher education with master's degrees and doctorates, which increased from 11% to 16% between the two cohorts. Thus the labour market and employers are not offering salaries to match the increase in their young employees' levels of qualification; the supply of graduates has increased more rapidly than the demand for skilled jobs, or at least than their recognition and remuneration as such. Women, who are on average more highly qualified, have been less affected by this deterioration; while the likelihood of having *cadre* status in the last job held over the seven-year observation period was very similar for young women with master's degrees and doctorates in 2010 and 1998, their male counterparts were almost half as likely

as their elders to hold such positions. Thus the differences between men and women in access to *cadre* status have narrowed between the two cohorts, even though, *ceteris paribus*, women still have less chance of accessing such positions [2].

Fated to spend the early years of their working lives in difficult economic circumstances, in which qualifications seem to be increasingly necessary but increasingly less well remunerated, young people in the 2010 cohort with lower and even upper secondary qualifications still find themselves more likely to be excluded from employment and more exposed to unemployment and precarity. At the same time, the ever-increasing numbers of higher education graduates have seen a decline in their chances of obtaining *cadre* status and enjoying a level of remuneration that, for previous cohorts, seemed to be justified by the level of education they had achieved. These data gathered seven years into their working lives confirm those observed two years previously by V. Mora [1]: "the trajectories giving rapid access to permanent jobs have declined while those keeping young people in employment on fixed-term contracts seem to have considerable staying power". Faced with this irrefutable state of affairs, the young people are no less positive [1], since 79% of them declare themselves to be optimistic about their future at work, more or less the same share as the 1998 cohort (77%), which enjoyed significantly more favourable economic circumstances. It is as if these young people have assimilated the changes in employment norms and adjusted their expectations accordingly.

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