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Youth and Earnings Mobility

The Case of France in a Comparative Framework

Stephen BAZEN
(Université Montesquieu Bordeaux IV, FRANCE)

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Authors:

Stephen BAZEN
UNIVERSITÉ MONTESQUIEU BORDEAUX IV
Avenue Léon Deguit 33608 Pessac
FRANCE

Email: bazen@montesquieu.u-bordeaux.fr

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European Low Wage Research Network LoWER
Amsterdam Institute for Advanced Labour Studies AIAS
University of AMSTERDAM
Roetersstraat 11
1018 WB AMSTERDAM

Email: salverda@fee.uva.nl

Internet site: <http://www.uva.nl/aias/lower>

YOUTH AND EARNINGS MOBILITY: THE CASE OF FRANCE IN A COMPARATIVE FRAMEWORK

Stephen Bazen

INTRODUCTION

Young workers constitute a group of particular interest in labour economics. By definition they have little or no professional experience and find themselves at the interface of the education system and the world of work. Furthermore, the labour market for young persons is characterised by low wages relative to adults, and high relative rates of unemployment. However, young persons do get older and leave the so-called youth labour market at some point. The passage from 'youth' to 'adulthood' in labour market terms is the key issue addressed in this paper.

In terms of mobility, earnings profiles – measuring the way in which earnings change with experience or age – are typically upward sloping, and so on average young persons' earnings rise as they get older. How this occurs is an important question. Either a young person is paid a relatively low wage in a particular job at the beginning of his/her professional life due to lack of experience, and this wage increases in this job with age. Or there are 'entry' jobs for young people starting work for the first time which enable the acquisition of experience, and permit the person to apply for better paid jobs requiring professional experience. These observations point to the need to examine the kind of jobs young persons occupy, how long they stay in them, and the extent to which earnings growth occurs within a firm or as a result of changing employer. As the present study is concerned with the the 1980s and 1990s, we will address the following questions :

1. How does the youth labour market in France compare with that in other countries?
2. What has happened to age-earnings profiles for different cohorts in the 1980s and 1990s ?
3. To what extent is earnings mobility more prevalent among younger persons?

In this paper, emphasis is placed on describing the extent of mobility among young persons relative to older workers. The initial part of the work addresses the situation in France. The labour market situation of young persons has been particularly difficult since the early 1980s. For those young persons seeking employment, there have been a series of special employment and training measures in order to reduce the extent of youth unemployment. Coupled with this, increasing numbers of young persons have continued into higher education, often as a consequence of a depressed labour market. At the same time, there has been an active policy to raise the proportion attaining the baccalaureat diploma. In a wider sense, the French experience could also serve as a useful illustration of the kind of dilemma faced by many European countries : should they go down the route of reducing the role of institutions and regulations in the labour market in order to improve employment levels or should the core of labour market regulation be retained with deregulation occurring only in the periphery ?

I THE DATA

The French Labour Force survey is undertaken annually through the month of March and includes data on some 60,000 households. While the main purpose of the survey is to determine the numbers of persons in the various labour market states on the basis of International Labour Organisation criteria, data are also collected on individual and household characteristics and since 1982 on earnings. Until 1989 the question on earnings asked respondents to indicate their most recent monthly earnings net of social security contributions on a scale containing ranges. Since 1990, respondents are asked to state the precise amount and only if they refuse or are unable to reply to this question are they presented with the alternative of indicating the relevant range. In order to avoid censoring the data by hours of work, the earnings variable used is hourly earnings. Weekly hours of work are recorded for the last week before the interview along with usual weekly hours. As the earnings variable refers to the previous month's earnings, hourly earnings are calculated using usual weekly hours and thus are measured with a certain margin of error.

The individuals in sample used in each year were selected on the basis of the following criteria:

- aged between 16 and 64 inclusive

- employed in either normal or fixed term salaried employment (persons on special employment schemes and apprentices are excluded)
- the wage, hours of work, tenure are all declared
- the hourly wage was greater than 10FF

This data source is used because of its rotating panel nature. Each household remains in the survey for three consecutive years with one third of households being replaced each year.

II TRENDS IN THE FRENCH LABOUR MARKET COMPARED

(a) Labour force participation and employment rates by age

On the basis of published OECD statistics (OECD Employment Outlook) a comparison of labour force participation rates for the population (Figure 1) shows that for the 25 to 54 age group, overall participation rates are not that dissimilar between the countries considered here. In 1998, the rate is between 82% and 86% - in 1990, the rates were similar except for the Netherlands with 76%. Employment-population ratios vary from 76% in France to 81% in the United States in 1998. The ratios are slightly lower in 1990 – except again for the Netherlands where the rate has risen from 71% in 1990 to 79% in 1998. *In terms of the age structure of the US-Europe employment gap, there is little difference resulting from participation and employment rates of prime-age adults taken as a whole (although there are differences by sex).*

There is however a clear difference as far as older workers (55 to 64 years) are concerned (see Figure 2). In the Continental European countries participation rates are well below 50% whereas in the US and the UK they are above 60%. Apart from this, *one of the main distinguishing features between the countries is the participation and employment rates for young persons.* In 1998 participation rates for the 15 to 24 year age group varied from 28% in France to 70% in the UK with Germany (50%), the US (66%) and the Netherlands (69%) in between (Figure 3). Participation rates for this group have fallen since 1990 in all countries except for the Netherlands – with significant declines in France, Germany and the UK. This is mainly related to the extension of access to full-time education and the increasing demand for vocational skill, but is also due in certain countries to young persons remaining in education longer due to limited availability of jobs through the 1990s.

Whereas the employment-population ratios of prime-age adults have held up or increased between 1990 and 1998, for younger persons they have declined (except in the Netherlands). The reduction is particularly significant in France, the UK and Germany – 8, 9 and 13 percentage points, respectively. By 1998 only one in five young persons was in employment in France. Finally, while the unemployment rates of young persons in France are more than twice those in other countries (see Figure 4), it is interesting to note that *as a proportion of the population* the ratio in France is in line with that of other countries. Thus what makes France stand out from all the other countries considered here, are the extremely low participation and employment rates for the 15 to 24 age group.

(b) The deterioration of the French youth labour market

The outcomes presented above are the consequence of the degradation of the labour market for young persons in France. The counterpart of the decline in the participation rates among young persons aged 24 or under, is the postponement of labour force entry to a later age. This section uses the French Labour Force Survey to examine in detail the participation rates for each age between 20 and 29 years for the years 1991, 1995 and 1998 (see Figure 5). It is clear that there has been a decline in participation over the period for each age group up to the age of twenty six. Beyond the age of twenty six, there are no differences in participation rates in the three years. When the employment–population ratio is examined in the same detailed way with respect to age, a similar pattern emerges (Figure 6). The ratio is lower for all age groups in 1998 compared with 1991. However the divergence between the two years is much sharper among 22 to 25 year olds (Figure 7). The proportion of the population of each age that is unemployed (see Figure 8) however is similar in 1991 and 1998 for the under 23 age group, and around four percentage points higher for all older groups (under the age of thirty). Thus, in France, young persons under the age of 26 have been disproportionately affected by the downturn in employment and this has led many of them to remain longer in full-time education and postpone labour force entry until a later age. Thus earnings mobility patterns need to be examined not only for the under 25 age group, but the under 30 age group as a whole. The group aged 26 to 29 have similar participation rates in 1991 and 1998, but their employment–population ratio is about five points lower and their unemployment rate 5 points higher.

III THE REAL AND RELATIVE EARNINGS OF YOUNG PERSONS IN FRANCE IN THE 1990S

The first striking feature concerning young persons earnings is that in real terms, average hourly earnings are lower for the cohorts entering the labour market in the 1990s compared to those entering in the 1980s (see Figure 8) . On average, a twenty five year old in 1995 earned 3.5% less in real terms than a twenty five year old in 1991. A twenty year old earned 10% less real terms in 1998 than a twenty year old in 1991, and real average earnings are 2% lower for a twenty nine year old. The decline in average real earnings at a given age means that the age-real earnings profile has shifted downward for successive cohorts through the 1990s, but remains upward-sloping. An individual in their early 20s in 1991 with average earnings for his/her age would experience an increase of 27% to 30% in real terms if he/she remains at the average for the cohort by 1998 – an annualised increase in real earnings of between 3.5% and 4%.

The decline in successive cohorts' average real earnings during the 1990s is reflected in a fall in the rate of return to education. Using an earnings equation, rates of return to different level of education (represented by highest diploma obtained) are calculated for different years through the 1990s. The overall or total return is represents the difference in earnings for individuals with the diploma relative to an individual with no qualification having the same number of years experience. The marginal return to a diploma is the proportionate difference in earnings obtained compared to the earnings of the next lowest diploma level.

Table 1 shows that for young persons under the age of 30, the return to staying on to take the baccalaureat has fallen between 1990 and 1998 from 33% to 20% more than someone with no qualifications, and from 16% to 10% compared to the basic secondary education certificate (taken at the age of 16). Overall and marginal rates of return have also diminished at higher educational levels. Furthermore, the return to an additional year's experience has fallen for young persons, say, with five years experience from 4.5% to 3.7% over the same period (Table 2). *Young persons entering the labour market in France during the 1990s have fared less well in relative terms than those who started out in the 1980s.* There is also evidence that the real wages of younger workers entering the labour market in the late 1990s are lower than those who entered in the early 1990s at a given age and in particular for less skilled workers.

In view of the fact that more young persons stay on a school, the population in work aged under 30 in the middle and late 1990s has a higher average level of education and fewer years of experience on average than the same age group in the 1980s. Furthermore, the tendency of firms to retain more experienced workers and hire fewer young persons will have depressed the labour market for young persons entering the labour market during the 1990s. This has given rise to lower rates of return to education and experience. In order to gauge the relative importance of these developments during the 1990s, the change in average earnings of young persons is decomposed into that part which is due to changes in the stock of human capital – on average more education, less labour market experience – and that which is due to changes in the returns to human capital and the general state of the labour market. The outcome of this kind of exercise sometimes depends on whether the initial year or the final year is used as the basis for the decomposition. However independently of the choice of year, the reduction in the returns to human capital outweighs the combined effect of increased education levels and lower experience (see Table 3). If returns had remained at their 1990 rates, earnings in 1998 would have been 17.2% higher instead of 12.47%.

IV CHANGES IN THE COMPOSITION OF YOUNG PERSONS' EMPLOYMENT

The composition of employment and patterns of job mobility have also changed in the last fifteen years. There has been a noticeable decline in the proportion of young persons aged 20 to 29 in unskilled manual occupations between 1985 and 1995 and an increase in the proportion occupying middle management and intermediate professional positions. The proportions are very similar in the two years for occupations such as clerical (32%), skilled manual (more than 20%), and shop workers (around 12%). However when it comes to the 30 to 39 age group, the occupational composition of employment is almost identical in the two years except for a few less unskilled manual and a few more shop workers in 1995. This suggests that the routes into certain types of occupations have changed. The increase in the numbers with higher education is reflected in a greater proportion already in middle management and professional positions at an earlier age in 1995. For the 30 to 39 age group, the proportion is the roughly the same in 1995 as it was in 1985. Occupations such as shop assistants appear to serve as a stepping stone in both years, but working when young in a manual occupation is no longer necessary, apparently, in order to accede to a technical, professional or supervisory position in 1995.

These differences in the passage of young persons into more highly skilled jobs are reflected to a certain extent in patterns of job mobility. The proportion of 25 to 30 year olds with less than twelve months tenure is twice as high (33%) in 1995 compared to 1985, and it is one and half times more (19%) for 31 to 35 year olds. In 1985 less than half of 25 to 30 year olds had been with the same employer for less than four years, compared to more than two thirds in 1995. These figures suggest that those labour market entrants in the 1990s without higher level diplomas have a more unstable early labour market experience.

V EARNINGS MOBILITY IN FRANCE 1990-1997

Due to variations in economic activity, we present results for two sub-periods: the early 1990s and the mid 1990s. Beginning with the years 1990 and 1991, the figures in Tables 6 and 7 summarise transitions between deciles of the earnings distribution for workers under 30 and over 30 respectively. *The deciles are calculated from the distribution for each year so that we are concerned here with movements in relative earnings.* The final column shows the proportions in each decile in 1990. The three central columns show where the workers in each decile in 1990 ended up in 1991. The first column shows how many dropped to the decile just below that occupied in 1990, in order to take into account possible spurious downward mobility due to measurement error (see above). The second column shows how many remained in the same decile and the third how many move to a higher decile.

Comparing the final columns of the two tables, as expected, it is clear that younger workers face a higher (unconditional) probability of being in the lower deciles. More than fifty per cent are found in the three lowest deciles compared to 22% for older workers. Comparing the bottom lines of the two tables, younger workers have a greater tendency to move into a higher decile – more than a third – relative to older workers (a bit more than a quarter). Downward mobility is roughly the same since older workers have a greater tendency to remain in the same decile (45% compared to 39%). However, taken decile by decile, there is not a great difference in the pattern probability of upward decile mobility.

If on the other hand a two year interval is taken (Tables 8 and 9), mobility patterns are found to be different (it should be borne in mind that the sample size is roughly halved due to the rotating group nature of the panel data, although the reduced sample does have a decile structure similar to that used for one year transitions). For young persons, more than two in

five (44%) experience upward earnings mobility compared with just over a third when one year transitions are considered. The highest probability of mobility is out of the first decile. The exit rates out of the second to fifth deciles are all greater than 44%. For older workers, the picture for upward mobility is similar in qualitative terms but less important in quantitative terms. However, there is greater risk of downward mobility for older workers, and this appears to apply to all deciles (except the first!).

The French economy peaked in employment terms in the early 1990s, and thereafter stagnated as monetary and later fiscal policy were tightened in order to remain in the exchange rate mechanism and meet the Maastricht criteria. Tables 10 and 11 summarise patterns of earnings mobility between the year 1995 and 1996. Firstly, compared to the year 1990, it is clear that the relative position of younger workers in 1995 is very similar – 51% are found in the lowest three deciles of the earnings distribution. Secondly, there is much more earnings stability for workers of all ages – 47% of younger workers remained in the same earnings decile compared to 39% in 1990-91. For older workers the figure rose from 45% to 53%. This stability is apparently mainly the consequence of less *downward* mobility. Looking at transitions over the two year period from 1995 to 1997 (Tables 12 and 13) it can be seen that there is more upward mobility compared to the one year period to 1996, and this is more pronounced among younger workers (39% against 30% for older workers). As in the period 1990-92, the probability of mobility is higher for those initially in the lowest five deciles. However, in contrast to the 1990-2 period, there is much less upward earnings mobility for younger workers (39% against 44% in 1990-92) and far more stability (41% remained in the same decile in between 1995 and 1997 compared with only 33% in 1990-92). Nearly half those in the lowest decile in 1995 were still there two years later.

VI ESCAPING FROM LOW PAY

In order to identify the main determinants of moving out of the lower part of the earnings distribution we have estimated logit models of the probability of leaving one of the three lowest deciles. The dependent variable takes the value one if someone in any of the three lowest deciles in year t moves to a higher decile in year $t+1$ (even if it is simply moving from the first to the second decile). Results are presented for the years 1990-91 and 1995-96 in Tables 14 and 15 respectively. The model is estimated separately for those out of full-time education for less than ten years and those out for more than nine years. The explanatory

variables used are: years of potential experience, four educational dummies, a regional dummy for then Paris area, a gender dummy (male=1), a dummy indicating change of employer in the twelve months between the two surveys, and dummies representing presence in the lowest two deciles. The reference individual is thus female, with no experience (ie having just started working) in year t, no secondary school diploma, living outside of Paris, remaining with the same employer, and earning a wage in the third decile.

The results obtained conform to expectations. The higher the level of the diploma the greater the probability of escaping from low pay. Male workers and persons living in Paris also have a higher probability. An important finding is that changing employer is usually associated with leaving the lowest deciles of the earnings distribution. Finally being in the lowest decile appears to increase the chances of moving up the earnings distribution (although see Stewart and Swaffield, 1999, on the problems surrounding inclusion of decile positions in this type of analysis). The results are very similar in qualitative terms for two periods, and in general, similar for the two experience groups. However, results for the two experience groups differ in two major respects. First increased experience does not raise the probability of leaving one the three lowest deciles for those out of full-time education for more than nine years (the coefficient is not significant), but it does for the low experience group. Secondly, being in the probability of leaving second lowest decile is the same as that of leaving the third lowest for less experienced workers in 1990-1 and for both groups in 1995-6.

VII CONCLUSIONS

Evidence has been presented here showing that while they often begin working life in low-paying jobs, young persons move up the earnings hierarchy within the firm as well as through changing employer. Certain occupations – such as working as shop assistant – often act as stepping stones, others are more permanent. In France, there is a lot of evidence showing that the labour market position of young persons has deteriorated in the 1990s in the sense that rates of return to education and experience and the average real earnings of successive cohorts have declined. This said, it is possible that young persons have more direct access to higher level occupations at an earlier age than in the 1980s.

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TABLES

	1990	1993	1995	1998
Secondary school	0.149	0.127	0.113	0.092
BAC	0.336 (0.163)	0.304 (0.158)	0.267 (0.139)	0.203 (0.101)
Deug	0.691 (0.264)	0.614 (0.237)	0.589 (0.254)	0.432 (0.191)
Licence or higher	1.293 (0.364)	1.203 (0.364)	1.060 (0.299)	0.941 (0.353)

	1990	1993	1995	1998
Log wage of debutant with no diploma (increase in real terms since previous period in parentheses)	2.93	3.095 (0.074)	3.59 (0.44)	3.64 (0.024)
Rate of return to experience after 2 years	0.063	0.054	0.065	0.052
Rate of return to experience after 5 years	0.045	0.038	0.047	0.037

	1990 coefficients for human capital effect	1998 coefficients for human capital effect
Overall change:	+12.47%	+12.47%
Human capital effect	+3.93%	+5.64%
Effect of change in returns	-4.76%	-6.46%
Effect of intercept change	+13.29	+13.29

	1985 age 20 - 30	1985 age 30 – 40	1995 age 20- 30	1995 age 30 - 40
Managers and highly qualified professionals	0.1	1.6	0.5	1.4
Professionals	0.9	3.2	2.8	3.7
Middle managers And technical staff	10.7	24.3	18.8	23.9
Clerical	32.1	31.1	30.6	31.1
Shop workers	11.6	6.3	13.2	8.5
Skilled manual workers	22.0	21.1	20.6	22.1
Unskilled manual workers	22.5	12.3	13.4	9.3
Total	100	100	100	100

	1985 age 25 –30	1985 age 31-35	1995 age 25-30	1995 age 31-35
Less than one year	16.3	12.0	33.5	18.8
1 to 4 years	31.3	19.9	33.6	20.5
5 to 9	39.4	26.2	29.2	27.6
10 or more	13.0	41.9	3.6	33.0
Total	100	100	100	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1990
First	0	54.4	45.6	18.6
Second	18.1	44.0	37.9	17.6
Third	19.1	33.1	39.8	14.9
Fourth	17.6	28.0	41.9	12.8
Fifth	20.8	29.0	33.2	9.9
Sixth	17.8	27.4	35.3	7.5
Seventh	1.3	32.8	31.6	7.8
Eighth	21.8	37.4	23.2	5.3
Ninth	13.0	54.2	13.5	3.5
Tenth	15.6	54.8	0	2.2
Total	14.7	38.9	36.5	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1990
First	0	50.9	49.1	6.9
Second	22.5	41.7	35.8	7.1
Third	20.0	35.1	37.5	8.3
Fourth	17.9	33.3	40.1	10.2
Fifth	18.4	33.7	37.1	11.0
Sixth	20.2	36.2	30.6	9.7
Seventh	16.7	40.4	27.7	11.7
Eighth	19.0	43.1	26.0	11.0
Ninth	17.1	54.5	18.2	11.7
Tenth	17.9	72.2	0	12.7
Total	17.3	44.9	28.3	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1990
First	0	37.6	62.4	19.2
Second	15.1	38.9	46.0	18.5
Third	14.5	35.6	44.0	14.0
Fourth	14.5	27.6	44.7	12.9
Fifth	19.6	19.7	44.4	9.8
Sixth	12.7	32.8	31.8	7.7
Seventh	11.2	24.9	40.0	7.1
Eighth	21.3	33.3	25.9	5.3
Ninth	15.9	39.2	25.4	3.2
Tenth	17.8	48.4	0	2.4
Total	12.4	33.3	44.2	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1990
First	0	46.9	53.1	7.0
Second	17.9	42.4	39.7	7.0
Third	18.9	34.5	40.7	8.5
Fourth	18.0	27.9	45.6	10.5
Fifth	24.5	23.3	39.5	10.9
Sixth	16.6	35.8	32.3	10.0
Seventh	20.6	38.1	28.1	11.8
Eighth	20.2	38.1	29.4	10.4
Ninth	16.7	51.0	21.3	11.7
Tenth	20.5	70.7	0	12.2
Total	18.1	41.3	31.1	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1995
First	0	57.2	42.8	19.2
Second	15.8	49.5	34.7	16.9
Third	20.6	38.8	35.2	15.0
Fourth	12.8	40.8	34.9	12.3
Fifth	16.9	43.1	28.5	10.9
Sixth	13.7	43.5	30.8	8.6
Seventh	11.1	47.3	27.0	7.5
Eighth	17.1	43.0	24.9	4.2
Ninth	17.1	56.6	15.2	3.3
Tenth	22.6	53.2	0	2.0
Total	12.5	47.0	33.0	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1995
First	0	61.4	38.6	6.6
Second	16.0	49.4	34.7	7.4
Third	15.7	41.8	37.6	8.8
Fourth	13.6	44.5	35.3	9.7
Fifth	12.8	45.9	33.3	10.2
Sixth	14.9	46.6	30.0	10.4
Seventh	15.5	47.6	28.4	11.5
Eighth	15.1	50.4	25.2	11.4
Ninth	16.8	59.8	15.7	11.8
Tenth	16.6	76.3	0	12.3
Total	14.3	52.8	26.3	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1995
First	0	49.5	50.5	16.8
Second	17.1	43.4	39.5	18.4
Third	10.8	37.8	44.3	15.7
Fourth	12.9	39.2	37.9	12.8
Fifth	14.9	36.5	36.5	11.0
Sixth	11.6	32.3	42.0	8.3
Seventh	14.2	36.2	38.5	7.9
Eighth	12.4	45.2	16.5	3.5
Ninth	18.2	47.2	19.5	3.4
Tenth	25.7	45.1	0	2.3
Total	11.8	41.0	39.3	100

Decile	Move into the preceding decile	Remain in same decile	Move into higher decile	Situation in 1995
First	0	56.9	43.0	6.0
Second	17.9	42.8	39.3	7.2
Third	13.0	37.6	43.7	8.5
Fourth	15.0	38.7	38.6	10.0
Fifth	15.4	39.0	37.0	10.3
Sixth	15.5	40.2	35.4	10.4
Seventh	14.4	41.5	33.4	11.9
Eighth	14.5	50.0	27.4	11.6
Ninth	20.2	51.1	21.6	11.8
Tenth	15.1	76.2	0	12.4
Total	14.7	48.9	30.1	100

Table 14 Logit estimates of moving up from any of the three lowest deciles between 1990 and 1991

	10 or more years experience	Less than 10 years
Experience	-0.0008 ⁿ (0.002)	0.0358 (0.007)
University degree	1.696 (0.29)	2.725 (0.40)
Post baccalauréat	1.756 (0.56)	1.791 (0.22)
Baccalauréat	0.839 (0.12)	1.619 (0.14)
Secondary diploma	0.306 (0.05)	0.885 (0.10)
Paris region	0.347 (0.07)	0.731 (0.12)
Male	0.607 (0.05)	0.660 (0.08)
Change of employer since last year	0.426 (0.09)	0.562 (0.10)
In lowest decile	0.734 (0.06)	0.501 (0.11)
In second lowest decile	0.111 (0.06)	0.025 (0.10)
Constant	-1.136	-2.099
Mean escape rate	0.402	0.411
Correct predictions (%)	62.0	67.2
Number of observations	5458	1970

n indicates not significant at 5%

Table 15 Logit estimates of moving up from any of the three lowest deciles between 1995 and 1996

	10 or more years experience	Less than 10 years
Experience	0.0015 ⁿ (0.002)	0.017 (0.004)
University degree	0.608 (0.28)	2.040 (0.24)
Post baccalauréat	0.941 (0.19)	1.480 (0.17)
Baccalauréat	0.547 (0.10)	1.071 (0.13)
Secondary diploma	0.201 (0.05)	0.768 (0.11)
Paris region	0.268 (0.07)	0.336 (0.12)
Male	0.495 (0.05)	0.211 (0.08)
Change of employer since last year	0.347 (0.09)	0.297 (0.10)
In lowest decile	0.378 (0.05)	0.351 (0.10)
In second lowest decile	0.070 ⁿ (0.05)	-0.145 ⁿ (0.11)
Constant	-1.091	-1.573
Mean escape rate	0.378	0.404
Correct predictions (%)	58.1	64.0
Number of observations	6596	1867

n indicates not significant at 5%

FIGURES

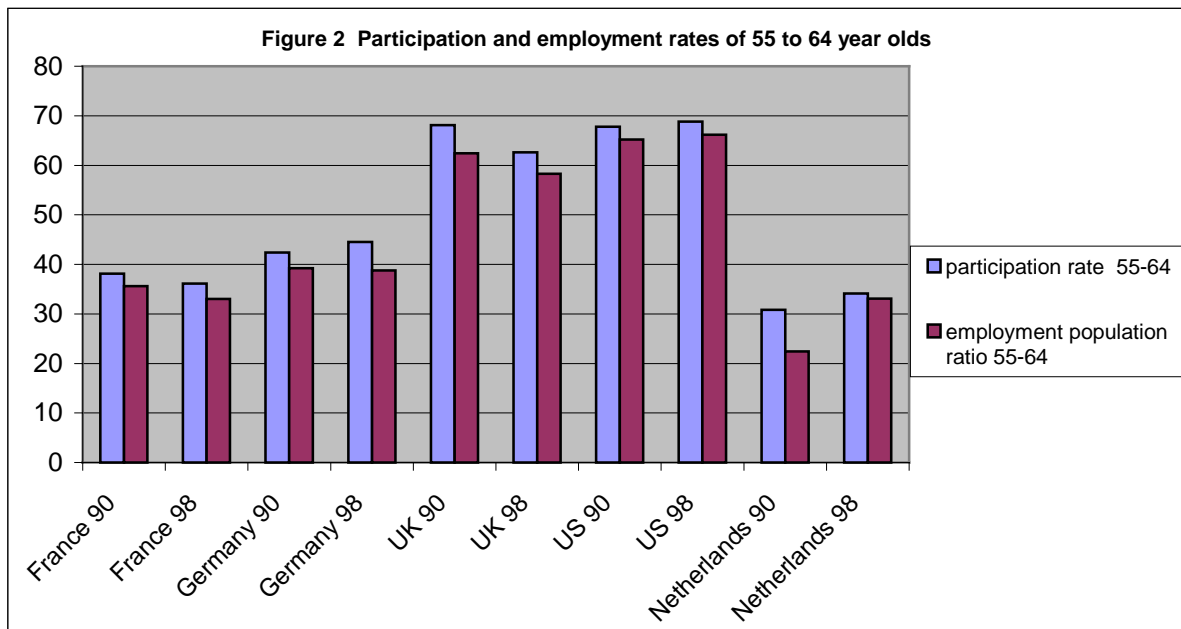
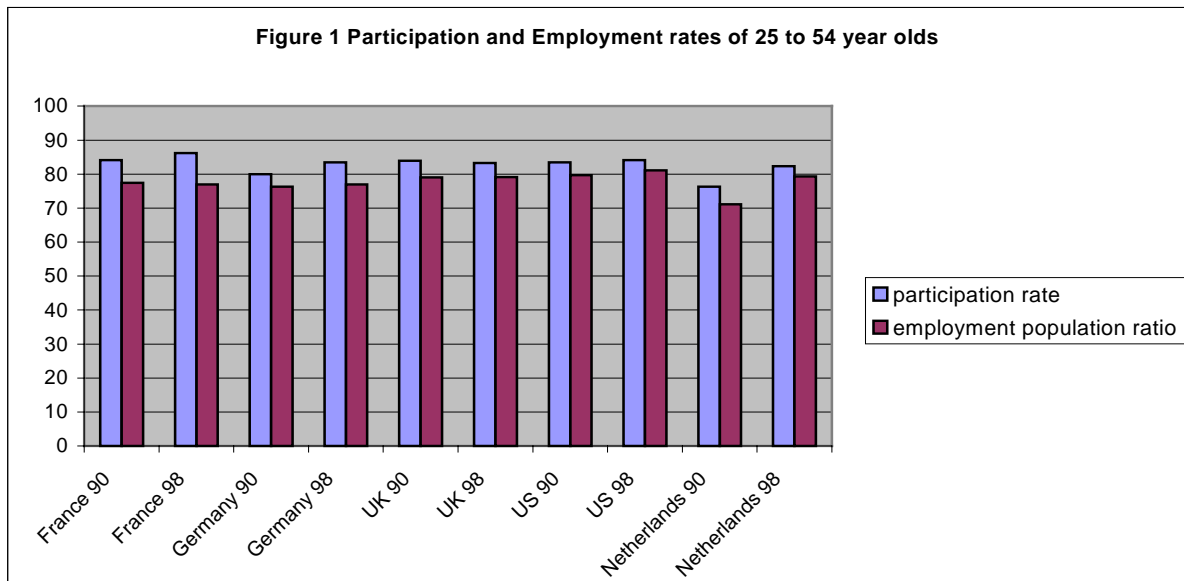


Figure 3 Employment and Participation Rates 15 to 24 year olds

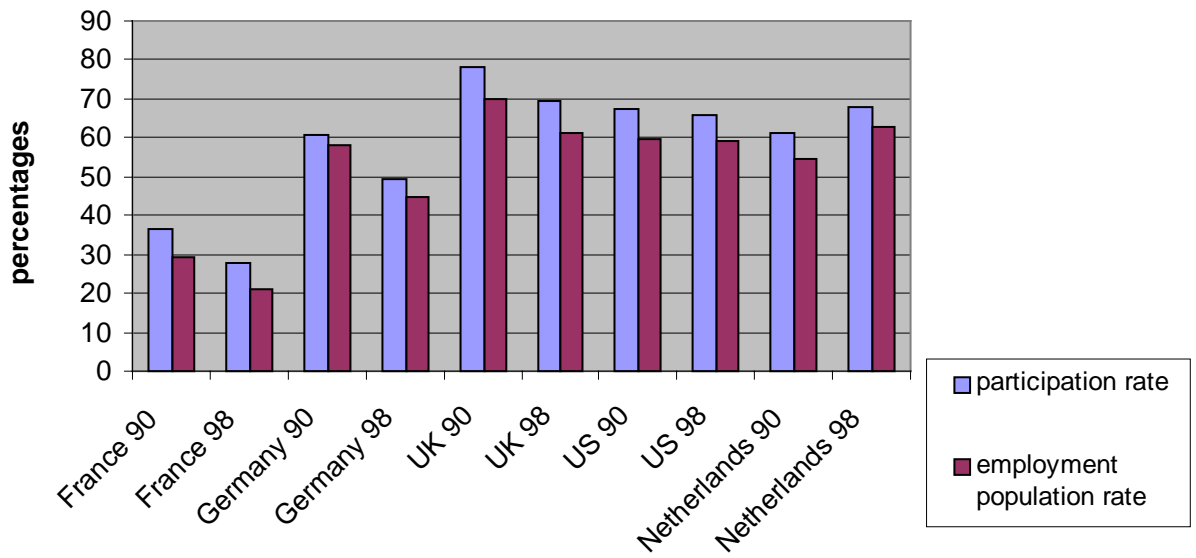
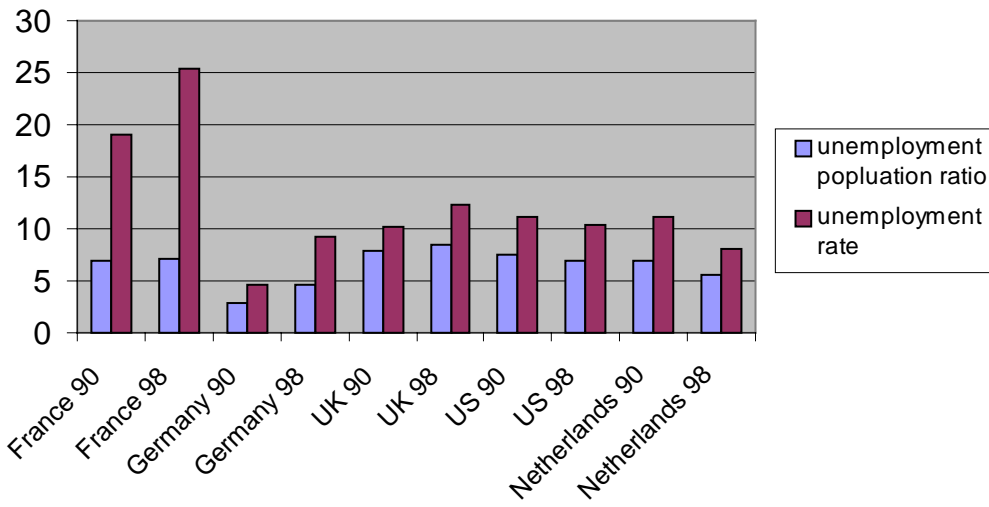


Figure 4 Unemployment rates and unemployment population ratios for 15 to 24 year olds



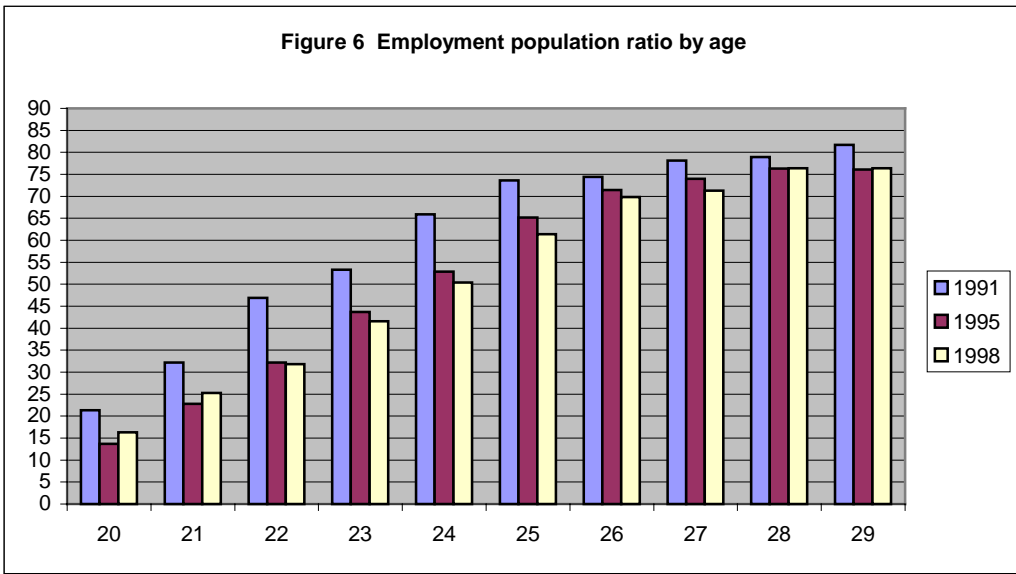
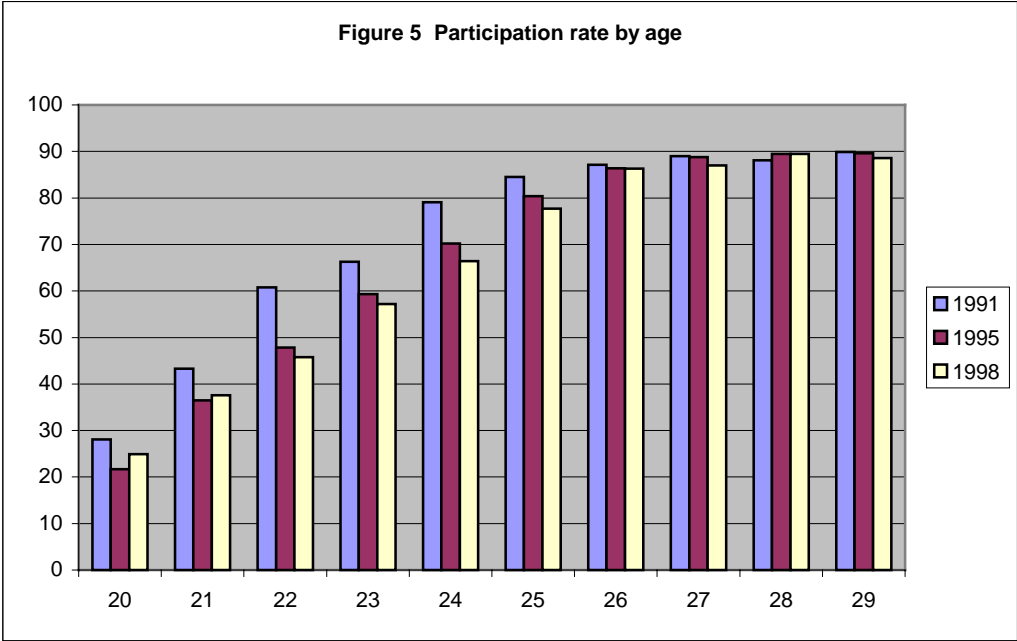


Figure 7 Change in Employment-population by age ratio 1991-1998

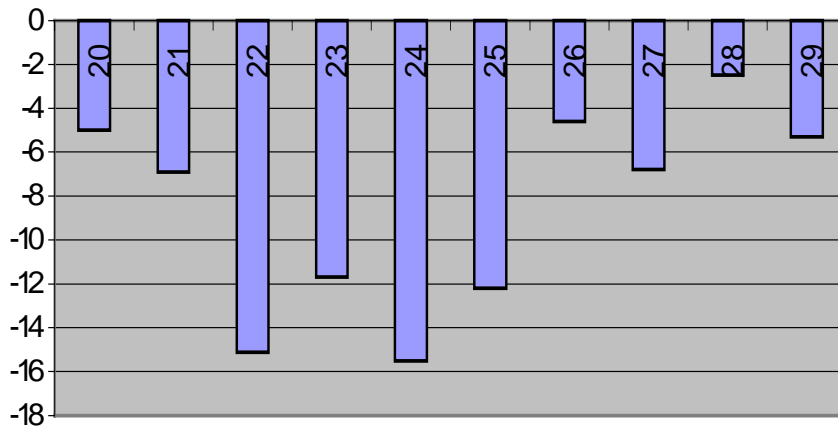


Figure 8 Unemployment by age

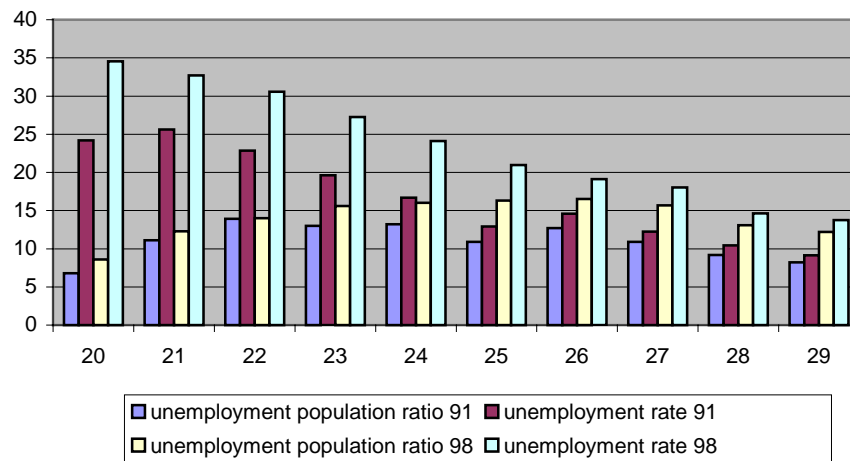


Figure 9 Average real hourly earnings by age

