4 Patterns in NEET statuses during the school-to-work transition in France

Magali Danner, Jean-François Giret, Christine Guegnard, Janine Jongbloed and Olivier Joseph[1]

4.1 Introduction to NEET in France

This chapter examines patterns in NEET statuses during the school-to-work transition in France. Young French people's experiences of NEET statuses are situated in a strongly standardized and academically oriented education system that is internally stratified based on types of *baccalauréat*, or school-leaving certificates, and in a national labour force context framed by a largely 'insider' market, characterized by market segmentation that disadvantages young people and the least qualified. This chapter explores different patterns of entry into the labour market, focusing on those who experience at least one month of NEET status during this transition. We identify those youth who experience recurrent and long-term NEET statuses throughout their school-to-work transition, and examine whether socio-demographic characteristics, such as gender, schooling history, and parental socio-economic factors, are linked to specific NEET patterns. Finally, we test whether these qualitatively different types of transitions are associated with varying financial and personal outcomes, seven years after leaving the educational system.

These topics are studied using longitudinal data from one of Céreq's *Génération* surveys, which are nationally representative French surveys that collect information about young people's entry into working life during the first seven years after they leave school. Thus, the focus is on the pathways of young people in the transition between the education system and the labour market in France, during which they potentially spend periods of time in NEET statuses. First, a description of the French labour market context is given, which provides background information essential to understanding the ways in which young people enter the labour market in France. Next, we identify the characteristics of young people who are NEET for at least one month during their school-to-work transition. We analyse the probability of experiencing at least one month of NEET status for the sample as a whole, then, in order to focus more specifically on NEET youth, only those with at least one month of NEET status are selected for analysis.

Moving beyond quantitative markers to qualitative patterns, we characterize typical transition pathways in France using monthly calendar data from

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the *Génération* survey of young people who left the education system for at least one year in 2004. Limiting our analysis to the sub-sample of those who experience at least one month of NEET, we conduct descriptive analyses of the patterns in the school-to-work transition in order to explore the prevalence of short- and long-lasting periods of NEET statuses. Sequence analyses and cluster analyses are used to describe, group, and visualize the time series data of monthly statuses, which are defined as time spent in initial education, employment, a return to education or training, or in NEET. Five distinct groups of transitions are found: although all experience at least one month in NEET status, the quantity and qualitative patterns of these statuses clearly differ. These groups then serve as dependent variables in analyses predicting the impact of various characteristics on the type of transition into the labour market using multinomial regression analyses. In this section, we focus on the determinants of pathways characterized by extended periods of time spent NEET. Then, we return to our sample as a whole and use Poisson regression techniques to predict the average number of months that individuals spend in a NEET state for all individuals. Notably, we explore interactions between gender and childbirth during studies to predict prolonged NEET statuses. Finally, we examine differences in outcomes seven years after exiting the educational system, focusing more particularly on monthly average revenues from employment for those who are employed at this seven-year mark.

Our results show that while women are less likely to experience at least one month of NEET status, gender as moderated by having a child during one's studies is predictive of group membership in a long-term or recurrent NEET school-to-work trajectory in France. Furthermore, women with children tend to have more accumulated months of NEET status. The socio-economic status of one's family of origin also plays an important role. Particularly, having a mother who works appears protective against later NEET-dominated labour market entry patterns, although father's employment status is less important. Thus, female labour market participation appears to have a strong cross-generational effect for both young men and women. In terms of membership in a particular trajectory type, having at least one parent who works in a white-collar or professional occupation and participating in an apprenticeship programme also lower the risk of an entry pattern marked by prolonged periods of NEET status. Coming from a family with an immigration background or experiencing early setbacks in the form of grade repeats early in one's schooling, on the other hand, increases the risk of finding oneself in such a pattern. Unsurprisingly, recurrent and long-term NEET patterns are associated with lower human capital accumulation, lower earnings seven years after leaving school, and a more negative overall outlook on one's life.

4.2 Institutions and policies in France

The French labour market is often seen as unfavourable to young people leaving the education system (Bruno and Cazes, 1998; Cahuc et al., 2013a). A comparison of NEET levels across the OECD countries underscores the

difficulties that young people face when entering the labour market. There are an estimated 1.9 million young people who are NEET in France, a figure that has risen in recent years. Unlike other OECD and European Union (EU) countries that have seen a decline in this figure since 2013, the percentage of people in France who are NEET has still not fallen and remains high (17.2% in 2016 versus 13.9% in other OECD countries).[2] While this four-point gap is wide, it is lower than the gap in youth unemployment rates (26.6% in France versus 13% in OECD countries overall).[3]

To combat high youth unemployment, successive French governments have proposed policies increasing educational provisions (Béduwé and Germe, 2004). Returning to education, especially higher education, encourages an increase in the level of qualification of the youth workforce while also taking pressure off the youth labour market. Therefore, the vocational *baccalauréat* was created in the 1980s to enable young people with vocational qualifications to continue their education. More recently, the reform of this vocational track – with the termination of the lower secondary education diploma (BEP) and the extension of the length of the vocational *baccalauréat* courses in order to be equal to other *baccalauréat* – was also designed to encourage higher educational attainments. By keeping youth in education, this policy mechanically reduced the number of inactive youths in the labour market.

These provisions did not completely stem the high dropout rate of young people from the education system, even if there has been a decrease in recent years. While the minimum school-leaving age has been 16 years for more than half a century now, it has not been extended to the age of 18. As a result, a large proportion of young people leave the education system without any qualification. The proportion of early school-leavers among the population of 18-–24-year-old young adults is slightly below the EU average, but opportunities for returning to education and, more particularly, the chances of finding a job are lower in France than in many other EU countries. This explains the relatively high proportion of NEETs in France who left school after lower secondary education (Cahuc et al., 2013b).[4]

4.2.1 The French education system

Education is compulsory in France from 3 to 16 years old,[5] and over 50% of youths between the ages of 18 and 21 are still in full-time education or participating in vocational training programmes. Currently, 79% of the students in a graduating class can expect to obtain the *baccalauréat* (28% from a vocational track, 20% from a technological track, and 52% from a general track), which is the standard final diploma of upper secondary education and the gateway to access to higher education.

There are two particularly important decision stages in the secondary system for both families and their children. The first occurs at the age of 15 at the end of lower secondary education (*collège*), where the choice is between academic *baccalauréat* (i.e. *baccalauréat général*) and vocational tracks. In upper secondary education, there are three tracks: the general or academic track in

the *lycée* (the most valued pathway with 1,599 thousand students enrolled in 2016), the vocational track in the *lycée professionnel* (665 thousand students), and the apprenticeship track, which is generally less valued, unless it takes place in higher education (417 thousand apprentices representing 5% of youth 16–25 years old).[6] The second important decision stage arises when students are 18 years old and concerns access to higher education.

Because of the emphasis on general education, the vocational education track in France is generally less valued than the academic track. The vocational secondary educational pathway, compared to the academic track, is often based on constrained choices and chosen by 'default' (Broccolichi and Sinthon, 2011). Following this choice, the rigidity of the system does not allow any real opportunity to change between tracks. This produces less motivated youths, with lower knowledge of basic skills and a higher dropout rate. Moreover, vocational education revolves around school-based education rather than firm-based apprenticeships. France, compared with other countries, remains a country associated with formal schooling, even in the apprenticeship track, and offers few opportunities to return to education within these tracks. The share of young people (15-–29 years old) who combine education and work is lower than in other countries (7% compared to 12% for all OECD countries).[7]

Overall, 44% of school-leavers are graduates of higher education, 30% have a *baccalauréat*, 12% hold a certificate of professional competence (*certificat d'aptitude professionnelle*, CAP), and 14% leave initial education without a diploma. This means that nearly 110,000 young people leave school without a secondary diploma in France.[8] The rate of early dropouts (for 18-–24-year-old youth) is nearly 9% compared to 11% overall in the EU in 2016.[9] In order to address the problem of early school-leavers, the Ministry of Education set up an integration mission in 1984, which is charged with preventing youth from leaving school early and helping those who do to integrate into further education or training. As part of this effort, monitoring and support platforms for dropouts have been implemented since 2011, with 400 coordinated programmes.[10]

Although in recent years France has seen a surge in the hiring of overqualified candidates and educational returns have stagnated, qualifications do provide increasing protection against unemployment. Three years after leaving education, young people with no qualifications are three to four times more likely to be jobless than young people with higher education qualifications (Barret et al., 2014). In addition, there is competition for access to employment that benefits the most highly qualified (Moncel, 2008), even for jobs requiring little (if any) formal qualifications. Successive eviction effects cause even highly qualified youth to be downgraded (Fondeur, 1999). Thus, young people with few or no qualifications are at the back of the queue behind better-qualified individuals when applying for unskilled jobs. The rationing of such jobs and a lack of credentials forces those without qualifications into unemployment. However, this 'qualifications race' is not the same across all

sectors of the economy. While it may be a strain to recruit skilled labour in industrial sectors of the labour market, this is not so in the administrative service sector where the *baccalauréat* and even a first degree in higher education are increasingly the reference standard (Couppié et al., 2004).

Young people without qualifications face the question of returning to education and training after leaving the system early. However, multiple obstacles stand in their way. First, there are fewer opportunities for resuming studies or training than there are young people who may be interested. There are sometimes competing schemes designed to propose solutions through training courses designed to re-motivate young people. EPIDE (*Etablissements pour l'insertion dans l'emploi*) or second-chance schools (*Ecoles de la deuxième chance*) offer training aimed at acquiring basic proficiency and soft skills for young people with few or no skills and incorporate work in a vocational project and the possibility of a sandwich period of practical work experience.[11] Even so, such schemes remain selective and tend to be aimed at more employable youth (Zaffran, 2017), neglecting those who are the furthest removed from the labour market. Second, national and international evaluations of students emphasize, especially for the weakest, a decline in literacy and numeracy skills that particularly affects students from lower social backgrounds and economically deprived areas (Le Donné & Rocher, 2010). These weaknesses compound with school dropout (Dardier et al., 2013) and reduce youths' chances of getting back into education and training. This twofold effect means that young people with low basic skills and no qualifications are being excluded from the labour market.

4.2.2 Vocational education and training in France

France is distinctive in that its vocational education in secondary education has long been structured around the school curriculum. Even so, this vocational track, despite its successive changes, is a 'default' choice for many secondary school students. Poor educational achievement and social background continue to structure participation in this track (Di Paola et al., 2016). Vocational education is more or less forced upon some students as a result of career guidance and limitations in educational provision. Inapt career guidance also generates a high risk of dropout from courses that are too far removed from young people's choices (Arrighi et al., 2009). Moreover, for those who do succeed, there remains the question of finding a job or possibly continuing in education. The 2008 economic crisis seems to have made first-job entry more difficult for those from vocational tracks, and markedly more so than for those with other qualifications (Di Paola et al., *op.cit*). This effect is particularly detrimental for administrative-related studies, which are more female-oriented fields, and so it more frequently affects young women and causes them to become economically inactive (Ilardi and Sulzer, 2015).

The vocational track appears to be becoming increasingly segmented after the 2009 reform and the creation of a three-year vocational *baccalauréat* course

to bring it in line with the other general or technological *baccalauréat* (Bernard and Troger, 2013).[12] The 2009 reform has bolstered the academic ambitions of some vocational *baccalauréat* holders. However, this reform risks widening the gap between youth leaving at the first level of the vocational track, the CAP, and those leaving after the vocational *baccalauréat*. This splits the vocational track, concentrating educational inequalities in the first segment (CAP) and reducing social mixing among students. The second segment (vocational *baccalauréat*), on the other hand, moves these students closer to the other *baccalauréat* holders by facilitating access to higher education.

To make it easier for young people leaving secondary education to find employment, the government has sought for several years now to put effort into the development of vocational apprenticeship courses, in particular with reference to the German dual model. The apprenticeship contract, in theory for 16-–25 year-olds,[13] is a course completed as part of an educational qualification with a portion of the training done within a firm. In France, this may occur at different levels of educational qualifications, from lower secondary to university degrees. It most often prepares apprentices for a certified technology or vocational qualification. Some studies have reported that apprenticeships are only moderately successful in training young people, especially in secondary education (Bonnal et al., 2002; Lopez and Sulzer, 2016). Recent years have seen a fall in the number of apprentices in lower levels of secondary schooling. In 2015/2016, they represented 53% of apprentices registered for the CAP and 8% of those registered for vocational *baccalauréat* versus 62% and 16%, respectively, in 2000/2001.[14]

Two difficulties are worth mentioning. Despite substantial public financial support – indeed, in even larger amounts than in Germany – apprenticeships have mostly been developed in higher education in France in recent years (Cahuc et al., 2014) and have actually declined in secondary education. Another difficulty concerns access to apprenticeships, which is often based on educational and social selection, to the detriment of young people from disadvantaged and lower socio-economic backgrounds (Kergoat, 2010).[15] This phenomenon, which is most striking in higher education, also appears in secondary education. Lastly, the apprenticeship contract is often equivalent to a form of early recruitment: slightly more than one in three young people stay on with the firm after training, and this rate rises for higher education graduates. In other words, although generally considered effective for the lower qualified, the development of apprenticeships seems to provide ever less protection from NEET for those who need it most. Furthermore, it is not a guarantee against dropping out of school: almost one in three youths in France quit during their apprenticeship.

4.2.3 Transition systems: Segmentation that disadvantages youth

France is generally considered to be a country with a largely insider market which leads *de facto* to marked segmentation of the labour market (Eyraud et al., 1990). Described as an *internal labour market (ILM) system* by Marsden (1999),

in contrast to countries such as Germany with *occupational labour market (OLM) systems*, France lacks a sufficiently specific education and training system providing occupational skills recognized by employers in the labour market. This creates barriers in the labour market between 'insiders,' who are protected within insider markets from economic vagaries, and 'outsiders' in outsider markets in which young people, and especially the low-skilled, have no job security, and are often engaged in temporary employment contracts and thus experience repeated episodes of unemployment. Young people, whether 'entrants or outsiders,' according to the terminology of Lindbeck and Snower (1989), are therefore confronted far more than other generations in the labour market with the ups and downs of the economic climate. Even so, the most highly qualified usually manage to get into the insider market, with education often being a decisive factor (Dupray, 2001).

In the secondary segment of the labour market, the question of the cost of labour is critical for unskilled jobs and especially unfavourable for young people in France as compared with other countries (Cahuc et al., 2013). Although the minimum wage is identical regardless of age, numerous policies have sought to cut employers' contributions for unskilled employment, which had previously benefitted young people.[16]

Questions may also be asked about more structural changes in the labour market. Not only is the share of insecure employment in the labour market rising, but also the transition from temporary to permanent contracts has receded.[17] Part-time contracts, which most people typically engage in by necessity and not by choice (see Couprie and Joutard, 2015), are also more frequent among young workers. Shrinking internal markets (Gautié, 2004), the growth of unskilled labour in the services sector, and the decline in employment in the public sector explain this rise in instability that primarily affects youth. However, for the better qualified who have priority access to ILMs, the proportion of young people with permanent contracts remains similar (Couprie and Joutard, 2017). Three years after leaving education, one in three youths without qualifications who are in employment have a permanent employment contract, while one in two secondary school graduates and nearly three in four higher education graduates have a permanent contract (Gaubert et al., 2017).

4.2.4 Labour market arrangements: Employment policies

France has often promoted interventionist policies for youth employment in particular by subsidizing jobs offered to young people.[18] For the past 20 years, between one quarter and one-third of jobs held by those under 26 years old have benefitted from state aid (Aeberhardt et al., 2011). This is quite unique to France, as compared to other contexts. Examples of programmes focusing on the direct employment of young people, mainly in the public sector, include *contrats d'emploi solidarité*, *travaux d'utilité collective*, and *emplois d'avenir*. These programmes provided subsidized jobs with a training component to help young people between 16 and 25 years old in

precarious life situations gain work experience and allowed the employer – mainly in the public sector – to receive financial assistance in return for recruiting a young person.

While this choice can prevent large amounts of time spent outside the labour market, it has often been considered of little effect for the subsequent destinations of young people (Bonnal et al., 2006). In some instances, it may even provide a negative signal when attempting to gain access to the private sector. Indeed, only those measures aimed at the private sector seem to have had positive effects on young people's future trajectories. Certain arrangements, essentially those amounting to subsidies for employing young people in the private sector, have had positive stabilizing effects (Benoteau, 2015). Others, such as apprenticeships, which are at the crossroads between employment policy and educational policy also seem to promote access to employment, even if they increasingly depend on young people's educational level.

The effects of employment policies are therefore nuanced. While these policies keep young people out of certain segments of the labour market for a time (Elbaum and Marchand, 1994) and, in particular, reduce competition in the private sector of the economy, their effects on future employability are unclear. There are many doubts about the capacity of these policies to enable young people to acquire experience and skills that increase their productivity or enhance their social capital.

In a limited form since 2013, and generalized across the country since 2017, French employment policy has headed in a different direction: supporting young people in looking for work. In the French version of the Youth Guarantee Scheme (*Garantie Jeunes*), 16–25-year-olds with no social security, who are not in education, employment, or training (50,400 youth in 2016) are offered a *contrat d'engagement*. Based on support from *Missions locales* (part of the public employment service for young people), the aim is to enable them to gain work experience, training, or consolidate their career project.[19] This support is reinforced with an income of 462 euros that is meant to give young people some degree of independence. This is part of a larger approach (*parcours contractualisé d'accompagnement vers l'emploi et l'autonomie, PACEA*) that provides support in finding training opportunities, work experience, and social and professional guidance based on individuals' own objectives but evaluated by programme staff. A 'work first' logic is still central to these programmes: access to employment remains a priority compared with all other opportunities. Initial evaluations of the scheme suggest it has positive albeit limited effects (Gautié, 2018). Although it seems on the whole to achieve its target and enable greater access to employment for beneficiaries, qualitative studies underscore that it is not very effective for those who are the furthest from employment (Loison-Leruste et al., 2016). As the scheme is demanding in terms of support, concerns also arise over its capacity to target young people who are most at risk.

4.2.5 Welfare systems

Chevalier (2016) claims that France, which relies on a Bismarckian welfare system, has developed a 'family-based' social citizenship for its young people: parents are supposed to support children through family policy mechanisms, with direct provision from the state only taking over after they reach the age of 25. This familialist approach means that benefits are not paid directly to young people but to their families, either as direct cash payments or tax rebates (*quotient familial*) until children are 20 years old, or 25 years old if they are still students (even if they no longer live at home). While in the education system, grants are conditional upon parental support and parents receive tax credits.

Unlike many other countries, most youths under the age of 25 years old without prior work experience are not eligible for general social assistance in France. On leaving education, 18–24-year-olds no longer living with their parents are not entitled to benefits in the form of the *Revenu de Solidarité Active (RSA)* unless they have either already been employed for a certain number of months, or if they are young single parents. This employment history criterion handicaps them because of the difficulties they face finding work.[20] There is a minimum-age requirement of 16 years of age for unemployment benefits (distributed by *Pôle emploi*), and the payment of benefits again depends on work history (specifically, the length of the contribution period); for example, a youth who has worked four months since the last unemployment spell will receive four months of benefits (up to a maximum of two years).

In France, as in many other countries, the extension of the transition period from education to work raises the question of youths' independence. Higher levels of education, with young people now leaving the French educational system on average at the age of 21, and the instability of the period of integration into the labour market make young people increasingly dependent on outside resources. The lack of direct state support combined with an elitist educational system and an employment policy that does little for promoting access to higher qualifications increases social inequalities amongst youth. More recent arrangements, which nevertheless remain selective, such as the Youth Guarantee Scheme or the *Ecoles de la deuxième chance*, propose a top-up income that is more or less the same as the out-of-work benefit (*revenu minimum d'insertion*). However, this lack of direct public aid for young people can be expected to exacerbate the negative effects of NEET statuses in the French context.

Even if other welfare benefits such as housing support supplement youth resources and favour a move out of the parental home (Thévenon, 2011), social resources for young people remain limited especially for NEETs (Castell et al., 2016). At the end of 2014, fewer than one in five young people in France who were unemployed or inactive received unemployment benefit, with just 36% of young people who were NEET receiving any welfare support.

4.2.6 Family policy

In terms of family policy, France places emphasis on women's ability to be active in the labour market through 16-week maternity leaves and enhanced childcare possibilities. Family policy is overseen by a special branch of the Social Security Administration, the National Family Allowance Fund (*Caisse Nationale des Allocations Familiales*), which determines areas of intervention following decisions made by the government. Financial assistance to families is distributed by the local branches of the Family Allowance Funds, which are also responsible for the development of childcare services. Beginning in the 1970s, the number of public day-care (*crèche*) places increased exponentially and nursery school (*école maternelle*, created in the 1880s under the Third Republic) attendance rose for young children until becoming mandatory for all children three years and older in 2018. Indeed, this provision is free and universal, and canteen and out-of-school-hours care centres (for a minimal fee) allow more mothers to work full-time. These policies integrate the model of the 'working mother' (Fagnani, 2007).

In terms of cash benefits, a family allowance payment is given to all families, whether the parents are working or not, and this payment is financed from social security contributions paid by employers. Parents can also receive a Child Rearing Benefit (*Allocation parentale d'éducation*, APE) after the birth of a child if they were employed but stopped working to raise their child. However, these benefits appear to function in opposition to the 'working mother' model: they enable a large number of mothers, and most often those with few or no qualifications, to exit the workforce or reduce their working hours, perhaps permanently, after the birth of a child (Fagnani, 2007). Although this parental leave (*Congé parental d'éducation*) guarantees a return to work until the third birthday of the youngest child, it has been described as a 'poisoned chalice' that perpetrates gender inequalities in the workforce (Fagnani, 2000). Indeed, these leaves may result in a depreciation of skills and a loss of work experience that are disadvantageous to women when they return to work (Boeckmann et al., 2014).

4.3 Hypotheses

Persistent social inequalities, family backgrounds, and levels of education shape differences in the school-to-work transition in France, and these as well as other inequalities also continue to play a role in the labour market. Based on theoretical assumptions described in Section 1.3, we expect that in France, most NEET only remain NEET for a short period of time (Hypothesis 1), but also that there exists a group of young people with long NEET spells (Hypothesis H2a).

The characteristics of French public policy and the labour market context described above compile to create a particularly challenging environment for NEET youths. Those with low skills and few or no qualifications are

presented with extremely limited options when entering the labour market. While this is also the case in OLM countries, such as Germany, the combination of an ILM system, labour queues, and low-quality signals for vocationally specific qualifications in the French labour market may make this transition even more difficult. While relatively low educational qualifications may be taken as a signal of employability in highly stratified educational systems, this is not necessarily the case in the French context. The challenge facing youth as new entrants in this type of labour market is that employers do not know very much – or even sometimes anything – about their potential occupational skills. This puts both youth and employers in a situation of strong potential risks, which may increase reliance on socio-economic status cues and social networks. Hence, our hypothesis (H3c) is that social categories likely play a strong role in predicting NEET statuses in France.

In a selective labour market, youths from immigrant backgrounds also face many disadvantages, even if their labour market access conditions vary depending on their social and educational characteristics. For most of them, low levels of education, failed career guidance in secondary vocational education and training (VET) programmes, absence of social capital, geographic segregation, and lack of transport are compounded and make their integration in the labour market even more difficult. Furthermore, employers' discriminatory behaviour makes matters worse in some sectors (Silberman and Fournier, 1999; Brinbaum and Guégnard, 2013). Thus, we test hypothesis H3c and expect that youth from immigrant backgrounds will be more likely to experience NEET statuses.

As in other European contexts, gender inequality continues to differentiate career paths to the detriment of young women (Brinbaum and Trancart, 2017). Better-qualified young women experience unequal pay and reduced access to more qualified positions. For less qualified young women, inequality comes in the form of a lack of job security, part-time work, unemployment, or economic inactivity. While discrimination continues, especially for more qualified positions, differences relating to career guidance are also decisive – even though young girls generally perform better at school. The limited labour market opportunities for VET graduates in some highly feminized sectors, especially in the administrative service sector (secretariat, accounting, and other fields), increase young women's unemployment risks, either through discouragement or labour market exclusion. As described earlier, many of these women further disengage from the job market after the birth of their first child. Therefore, our hypothesis (H4) is that young women – most particularly young women with children – face greater risks of becoming NEET in France, and for longer periods of time.

Another characteristic of the labour market for young people is spatial disparity. Economic dynamics vary widely between regions, which affects both employment of young people and their geographical mobility during education and then when getting into work (Caro, 2011). Generally, the less economically dynamic regions are characterized by greater difficulties in

the labour market, especially for young women and those leaving education with few or no qualifications (Dupray and Gasquet, 2004).[21] Within regions, differences relating to the rural–urban gradient also shape inequalities. In terms of both the level of education of youth and demand for employment, two types of areas experience difficulties: deprived suburban areas and rural areas. They are usually associated with high levels of dropout from education (Boudesseul et al., 2013) and a low density of employment. Although rural areas seem to allow less qualified young people to avoid precarious work situations (Zaffran, 2017), this seems more difficult to do in some suburban areas which are classified by public policies as deprived urban areas (*Zus*, *Zones Urbaines Sensibles*). Despite their support for these areas, the lack of qualifications of young people, remoteness from employment, difficulties relating to geographical mobility, weak social and personal networks in these districts, and also the existence of geographical discrimination make it harder for young people to get into work (Calavrezo and Sari, 2012). Consequently, we explore whether geographic differences may both independently increase the chances of becoming NEET and exacerbate other inequalities.

4.4 Data and measurements

4.4.1 Data

In France, Céreq[22] carries out nationwide surveys every three years in order to observe the entry into working life of a youth cohort that left the education system in the same year. For our analysis, we used data from Céreq's *Génération* 2004 survey, covering the seven first years after entry into the labour market (2004–2011). We also analyse years spent in higher education before 2004 using retrospective self-reported educational participation data.[23] We use sequence analysis on ten years of monthly data following secondary school leaving (typically at 18 years old) and examine labour market outcomes in 2011 (seven years after these young people exited the educational system for at least one year). We thus examine both their education-to-work transition over time, as well as their labour market outcomes at a fixed point in time.

4.4.2 Measurements

The Céreq survey was conducted on a target population of young people who left their initial education (secondary schools and higher institutions) for the first time and at least one year in 2004. This survey is based on the French concept of people *leaving* initial education and training. Only young people who have interrupted their schooling for at least one year are surveyed. In other words, the scope of the French survey, contrary to those in other countries, excludes young people who are continuing their studies, unless they have exited completely from the education system for at least one year.

Panel survey data were collected by phone three times (spring 2007, spring 2009, and autumn 2011) in order to gather retrospective life-course information. Our analyses utilize data from 12,326 youth – 6,419 women and 5,907 men. Respondents reconstructed their work status month by month,[24] their family status, and gave their opinions on their current situation, their work experience and prospects, and other socio-demographic characteristics. We distinguish four monthly statuses – initial education, employment, a return to formal education or training (FET), and NEET – and use a common definition of NEET as the experience of at least one month without a job and without participation in education (the minimum length for statuses being one month).

4.5 Analyses and results

4.5.1 Descriptive analyses: NEET in France

The sample is representative of the corresponding population of youth who left the educational system in 2004. These young people began their entry into the labour market in unfavourable economic context, despite a slight improvement during the years 2006–2007, before the economic crisis hit at the end 2008. Most began the transition from school leaving by entering higher education, although a sizeable minority transitioned directly into work and a significant proportion spent a few months in NEET status before finding work. Over time, a larger and larger proportion of the sample were in employment, a smaller and smaller proportion were in initial education, and small but relatively consistent minorities found themselves in NEET statuses or engaged in a return to formal education or training. In terms of sample characteristics, slightly more than half of the sample is female and a slight majority completed a higher education credential. In terms of familial socio-demographic factors, more than 80% of school-leavers' fathers were employed, as well as just over 70% of their mothers. Almost a third had at least one parent employed in a professional occupation, while nearly one-fifth come from a family with an immigrant background. By 2011, over one-third had started a family (one child or more).[25]

Examining Figure 4.1, we see the school-to-work transition sequences of the sample as a whole (for both those with and without at least one month of NEET status) in the state distribution plot of all individuals. This plot shows the proportion of each status for each point in time and allows us to see trends and changes in these statuses over time. In the first few months after leaving school, most individuals remain in initial education by entering into some form of higher education directly (dark blue)[26] or employment (green).

However, a substantial minority take some time to transition into employment and thus spend several months in NEET statuses (orange) or decide to return to formal education or engage in professional retraining (light blue). NEET statuses represent a small but significant proportion of the sample over

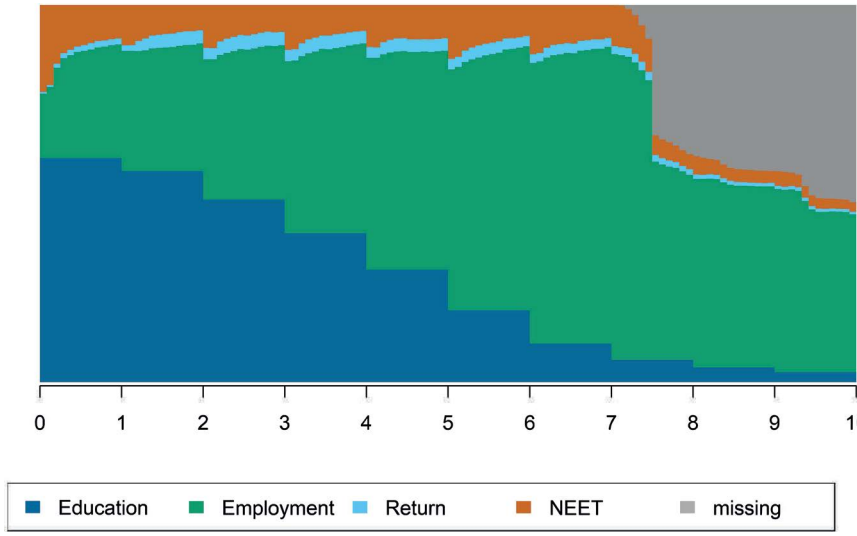

Figure 4.1 Transversal state distribution plot for the sample as a whole.

the ten-year period. At the end of the ten-year period under observation, slightly less than 10% of the sample population are NEET, while the vast majority (90%) is employed.

When describing the French context, we predicted that socio-economic and demographic characteristics would have an impact on school-to-work trajectories, and more particularly on the prevalence of NEET statuses over time. We suggested that socio-economic and immigrant backgrounds, gender, and region of residence are associated with differing probabilities of entering into and potentially remaining in prolonged periods of NEET. Table 4.1 shows the frequencies of these characteristics in the part of the sample without any months spent in NEET during the transition from school to work, in the part of the sample who spent at least one month in NEET, and in the overall sample.

We can gain some preliminary insights from these descriptive statistics of the distribution of characteristics. For those with at least one month of NEET over the observation period, we see that there are more individuals with an immigration background and grade repeats in early schooling, and fewer individuals who had a child during their studies and who did an apprenticeship. The share of women is higher in the non-NEET group than those with at least one month of NEET. Levels of education are clearly lower in the group with at least one month of NEET. Finally, we see that while the differences are not large, those with at least one month of NEET include a slightly lower percentage of fathers and mothers in employment, as well as a lower percentage of parents in a professional occupation.

Next, in order to test these descriptive differences parametrically, we conduct logistic regression analyses on a dichotomous dependent variable

Table 4.1 Covariate frequencies by NEET status

	No NEET over the period	*NEET at least one month*	*All individuals*
Women	2,064	4,355	6,419
	53.95%	51.24%	52.08%
Child during studies (*2004*)	205	161	366
	5.36%	1.89%	2.97%
Parents with immigrant background	575	1,630	2,205
	15.03%	19.18%	17.89%
Was late entering middle school	375	1,067	1,442
	9.80%	12.55%	11.70%
Apprenticeship (*last school year)*	689	1,154	1,843
	18.01%	13.58%	14.95%
Father not in employment (*2004*)	668	1,576	2,244
	17.46%	18.54%	18.21%
Mother not in employment (*2004*)	1,043	2,540	3,583
	27.26%	29.88%	29.07%
At least one parent professional (*2004*)	1,178	2,337	3,515
	30.79%	27.49%	28.52%
Highest education ISCED 0–2 (*2011*)	122	808	930
	3.19%	9.51%	7.55%
Highest education ISCED 3–4 (*2011*)	1,148	3,649	4,797
	30.01%	42.93%	38.92%
Highest education ISCED 5–6 (*2011*)	2,556	4,043	6,599
	66.81%	47.56%	53.54%

Source: Céreq's *Génération 2004* survey.

measuring the occurrence of at least one month of NEET status in the ten-year observation period after leaving education for the first time and at least one year. The independent variables used in the analyses include the same socio-economic characteristics included in the descriptive analyses (gender, having a child during one's studies, immigration background, grade repetition in early schooling, participating in an apprenticeship, and father's and mother's employment and occupational status in 2004), as well as a variable capturing the region in France in which the individual was resident when they left the educational system and entered (or attempted to enter) the labour market. Figure 4.2 illustrates the results of the logistic model in terms of the odds ratios.

We see that men are significantly *more* likely to experience at least one month of NEET status, as are those who repeat at least one grade before entering middle school. Those who have at least one parent with a professional occupational status are less likely to report at least one month of NEET status. We also see a clearly significant effect of both apprenticeship programmes in the last year of schooling and immigration background. Those who complete an apprenticeship are less likely to spend at least one month in NEET status, while those with an immigration background (i.e. one of their parents was not born in France) are more likely. The same is true for parental

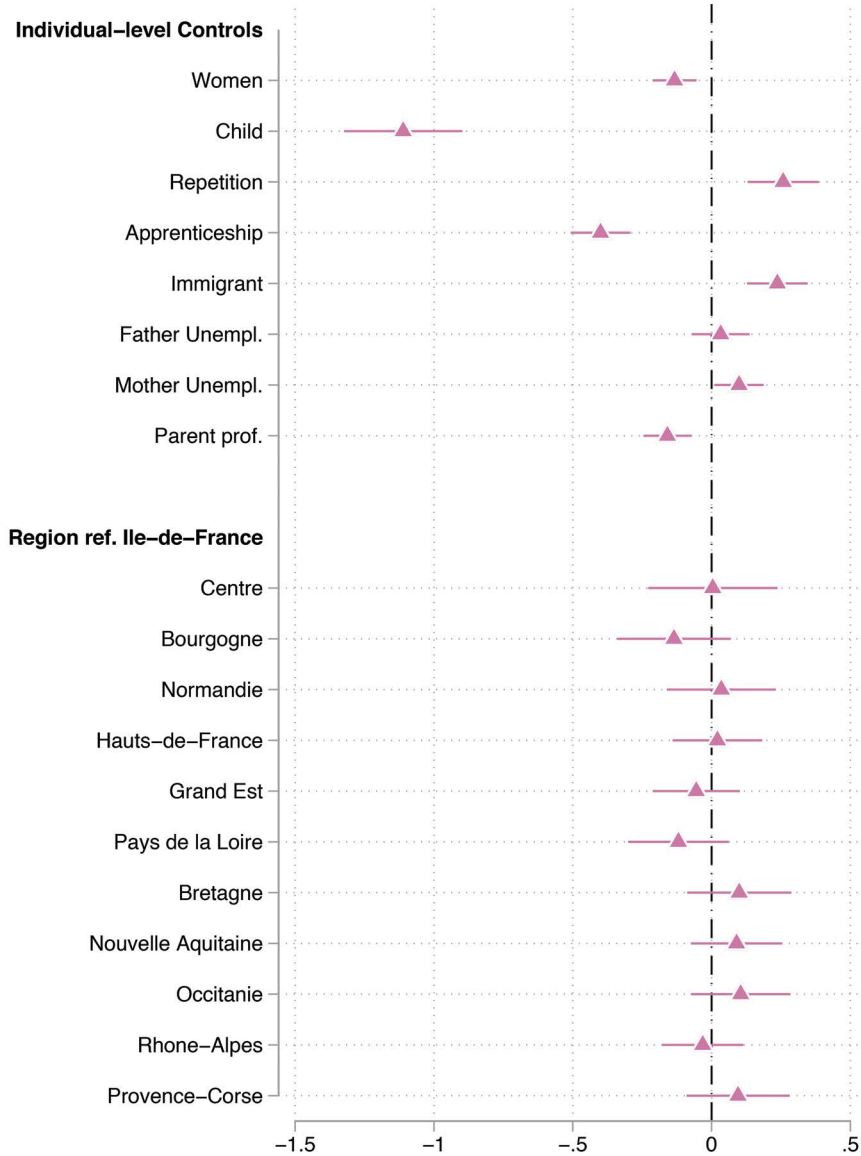

Figure 4.2 Logistic model predicting those who experienced at least one month of NEET.

employment: those with mothers who were unemployed when the individual left the educational system are more likely to report at least one month of NEET status in the ten-year period of their school-to-work transition. However, this effect is not significant for father's employment status.

The fact that women are less likely to experience at least one month of NEET status is a surprising finding based on previous research and our hypotheses (H4). The effect of children is also different than might be expected: those who have a child during their studies are much *less* likely to report at least one month of NEET status in the years following their entry into the labour market. Furthermore, when we include an interaction term between gender and child, the interaction is not significant, while the individual direct effects of gender and child remain significant (see the online supplement). This suggests that women with children are not more likely to experience at least one month of NEET; however, later models examining NEET length will explore the possibility that women with children may be more likely to spend longer periods of time in NEET statuses once they have entered a NEET state.

4.5.2 Sequence analyses: Exploring NEET patterns in France

The primary objective of this chapter is to conduct an exploratory analysis of NEET patterns in order to detect trends in NEET statuses during the transition from initial education into the labour market. We classified the trajectories into groups by applying sequence analysis and cluster analysis (Brzinsky-Fay and Solga, 2016), using optimal matching[27] and Ward algorithms, respectively. Using these methods, we were able to generate a classification of distinct 'types' of sequences. In these analyses, we restrict our sample to those individuals who experienced at least one month of NEET status during the ten-year period under investigation.

In order to determine the optimal number of clusters, we examined the dendrogram and cluster solutions from three to eight clusters. Based on the typological analysis, we chose to retain the five-cluster solution, which also showed the best theoretical interpretability of the group characteristics. Using these five distinct groups, we examine the trajectories of these young people as five different types of transitions into the labour market (as shown in Figures 4.3 and 4.4). The first two include those who participated in higher education for longer or shorter periods of time before transitioning relatively quickly into the labour market; the third is made up of those who embarked in a return to formal education or training (FET) after initially leaving the education system for one year; the fourth comprises those who remained in a pattern of recurrent and relatively long-term NEET statuses throughout the survey period without, for the most part, participating in higher education; and the fifth group is made up of those who transitioned directly from secondary schooling into employment. The characteristics of each of these groups of transition pathways are explored in further detail below.

The analytical process outlined above identified trajectory types that are quite distinctive both in terms of patterns of activity over time and in terms of group characteristics. Cluster 1 comprises the group of young people who experienced a fairly long, but favourable transition over the seven years

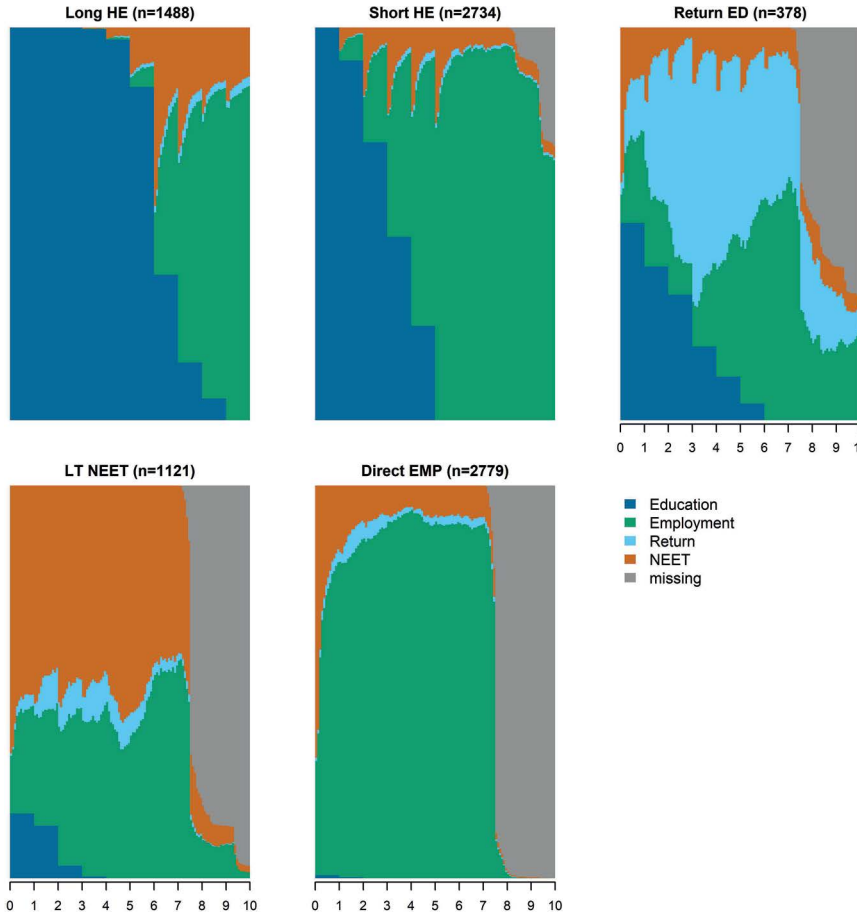

Figure 4.3 Transversal state distribution plots by cluster groups.

since finishing their initial education. This cluster is referred to as the 'Long Higher Education' pathway, which includes a significant number of years in higher education followed by a relatively smooth entry into the labour market. Young people in Cluster 1 represent the 18% of the sample who spent extended periods of time in education.[28] This group, which is almost entirely made up of higher education graduates (96%, see Table 4.2), and mostly female (56%), gained access to employment fairly quickly. On average, they spent 77 months in higher education, took 7 months to find their first job, and at the end of the ten-year period, they had totalled 31 months in employment, with only 11 months in NEET on average. In 2011, after seven years in the labour market, 90% were in work and only 9% were in NEET. This group left the education system at the oldest age (25 years on average) and is the most likely to have children. Indeed, almost half of this group had children as of 2011 (43%).

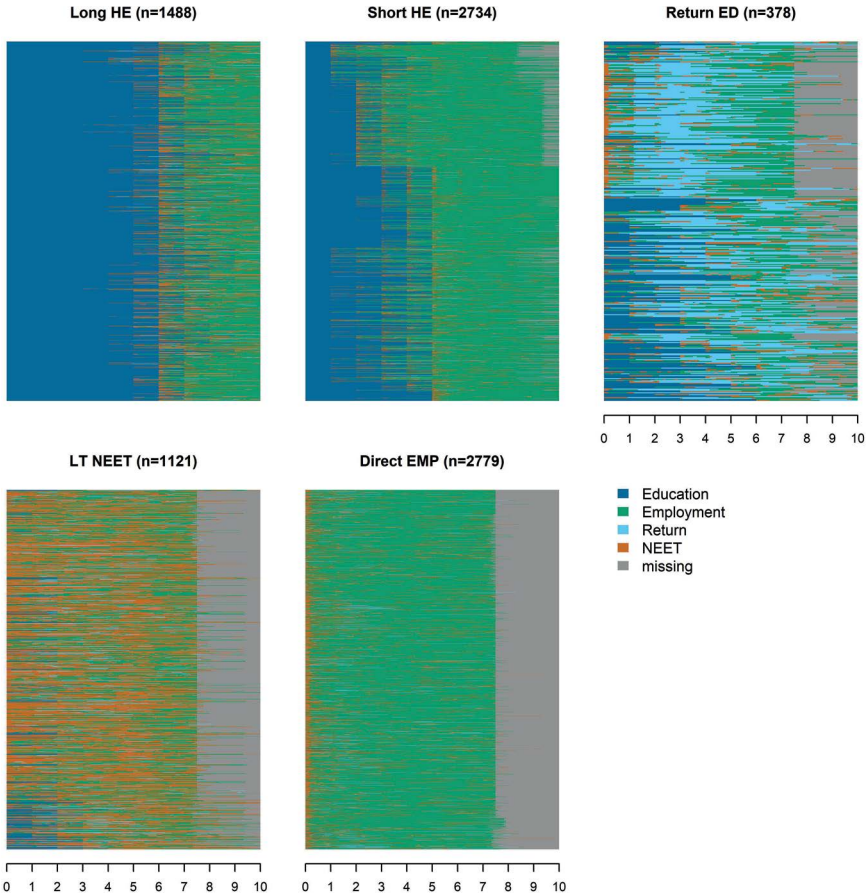

Figure 4.4 Monthly status index plots by cluster groups.

In 2011, more of them were responsible for large families (19% have two or more children versus 12% for the sample as a whole), although only a small portion became parents before they left education (3% versus 2% on average). This group has the highest monthly salaries in 2011, when we consider only those who are in employment, with an average of 1,992 euros (the overall average for the sample is 1,640 euros).

Cluster 2 brings together 2,734 young people who experienced a short and favourable transition from higher education into employment. This cluster is referred to as the 'Short Higher Education' pathway. This group, which is mostly made up of higher education graduates (86%, see Table 4.2), and 55% female, had the swiftest transition employment, taking only three months on average to find their first job. This rapid and organized transition into work is evident when looking at the index plots for this group (see Figure 4.4). At the end of their first seven years in the labour market, these young people had totalled 69 months in employment and only seven months in NEET on

Table 4.2 Covariate frequencies by cluster groups

	Cluster 1: Long HE (n = 1,488)	*Cluster 2: Short HE (n = 2,734)*	*Cluster 3: Return FET (n = 378)*	*Cluster 4: Long NEET (n = 1,121)*	*Cluster 5: Direct (n = 2,779)*	*All (n = 8,500)*
Women	826	1,505	260	590	1,174	4,355
	55.51%	55.05%	68.78%	52.63%	42.25%	51.24%
Child during studies (*2004*)	48	24	5	39	45	161
	3.23%	0.88%	1.32%	3.48%	1.62%	1.89%
Parents with immigrant background	332	434	80	302	482	1,630
	22.31%	15.87%	21.16%	26.94%	17.34%	19.18%
Was late entering middle school	65	128	27	282	565	1,067
	4.37%	4.68%	7.14%	25.16%	20.33%	12.55%
Apprenticeship (*last school year*)	58	289	17	145	645	1,154
	3.90%	10.57%	4.50%	12.93%	23.21%	13.58%
Father not in employment (*2004*)	373	458	58	253	434	1,576
	25.07%	16.75%	15.34%	22.57%	15.62%	18.54%
Mother not in employment (*2004*)	499	701	102	483	755	2,540
	33.53%	25.64%	26.98%	43.09%	27.17%	29.88%
At least one parent professional (*2004*)	726	889	118	169	435	2,337
	48.79%	32.52%	31.22%	15.08%	15.65%	27.49%
Highest education ISCED 0–2 (*2011*)	2	3	29	344	430	808
	0.13%	0.11%	7.67%	30.69%	15.47%	9.51%
Highest education ISCED 3–4 (*2011*)	52	384	229	673	2,311	3,649
	3.49%	14.05%	60.58%	60.04%	83.16%	42.93%
Highest education ISCED 5–6 (*2011*)	1,434	2,347	120	104	38	4,043
	96.37%	85.84%	31.75%	9.28%	1.37%	47.56%
Average age in 2011 (*sd*)	31.84	29.23	27.54	26.62	26.69	28.44
	(1.41)	(1.33)	(2.12)	(1.89)	(1.78)	(2.51)

Source: Céreq's *Génération 2004* survey.

average. In 2011, 95% were in work and only 4% were in NEET. This group has the second highest monthly salaries in 2011, when we consider only those who are in employment, with an average of 1,750.36 euros. This group left the education system on average at the age of 22 years. Almost half of this group had children as of 2011 (41%), although less than 1% had become parents before they left education (1% versus 2% on average).

Cluster 3 is more heterogeneous in terms of the variability of individual trajectories than the first two groups (see Figure 4.4). It comprises only 5% of the overall sample and is 69% female. These individuals exited from education system only to fairly quickly re-enter and engage in some type of formal education or training (FET). Indeed, they spent an average of 40 months in education, and only an average of 33 months in employment. Their transition into the labour market was fairly difficult: on average, it took them 17 months to find their first job. However, they only spent 11 months in a NEET status on average, and, in 2011, 78% were employed, 8% were still in FET, and 14% were NEET. This group left the education system on average at the age of

21 years, and only 18% of this group had children as of 2011, showing a later engagement into traditional adult roles. This group had the monthly salaries closest to the overall sample average in 2011, when we consider only those who are in employment, with an average of 1,598.09 euros.

The fifth cluster is mostly male (58%) and brings together almost one-third of the sample. These young people transitioned quickly from secondary education into work ('Direct-to-Employment' pathway). This group contains a mix of lower educational levels: 83% of these youths have a *baccalauréat* diploma, which is the key diploma necessary to access higher education, or a VET credential at the secondary level, while only 1% have a tertiary diploma and almost 16% have less than secondary education (without a diploma). They had spent an average of 77 months in employment by 2011 and were rarely NEET (on average a total of 10 months). When examining the trajectories in this group, it is evident that this short period of NEET status was most common just after leaving compulsory schooling (see Figure 4.4). Few have experienced lasting periods of unemployment, and seven years after leaving initial education, only 10% were NEET versus 89% in employment.

Contrasting with these four trajectory groups are the young people in Cluster 4 who make up 13% of the cohort. Women are slightly overrepresented (53%). The young people in this cluster are the most vulnerable group within our sample and share a common 'Recurrent or Long-term NEET' pathway. They are characterized by very little participation in formal education from the time they initially left secondary schooling until 2011, with only four months on average of initial higher education. Some have experienced episodes in employment, but less than those in the other groups (on average only 37 months), and these young people have totalled on average 48 months of NEET status over the ten-year period. These are interspersed with a few months of education and training, which totals five months on average for this group. Their entry into the labour market was very difficult, and they took 16 months on average to find their first job. After seven years in the labour market, 42% were still NEET, 55% were in employment, and 3% had re-entered formal education or training.

Although these long-term NEETs emerge from all family backgrounds, they are more likely to have come from 'disadvantaged' families: only 15% have a parent who is in a professional (executive, manager) position (versus 28% on average), while their mothers are less likely to be employed (57% versus 70% on average). Finally, upon completing their education, only 48% of these young people have both parents in employment (versus 60% for the sample as a whole), which may influence the relationship of these young people with the labour market and the density of their family's network in the world of work. Their parents are less often French-born and this immigrant background (almost one-third versus 19% on average) may also have repercussions on their social and professional integration. In addition, more of them live in struggling economic areas with high rates of unemployment (*Zus* or economically deprived areas) upon completing their education.

These young people are also more often school-leavers without a diploma (31%). They show a combination of various difficulties in their educational paths: they are more likely to have degree levels lower than the cohort average, to have been late on entering secondary school (repeating one or more years of primary school for almost one-third versus 13% on average), and to have experienced constrained study choices in secondary school, ending up in a VET track by 'default' rather than choice. These observations should not mask, however, the non-negligible proportion of VET and *baccalauréat* holders (60%) among them.

The school-to-work transition for the young people who are long-term NEET involves 'desynchronization' of the stages of their transition to adulthood (Galland, 2000). Cohabitation, parenthood, and residential autonomy appear to occur later for these youths. The absence of employment or stable employment is a barrier to independence with a smaller percentage living with a partner or alone. It is evident that being NEET is not a comfortable position for these young people, as almost half of them (47%) report not being satisfied with their situation (versus 25% on average) and 12% of them report being in poor health (versus 8% on average) at the end of the ten-year period of study. In addition, more of them say they have suffered from discrimination in the labour market in the first seven years of their careers (22% versus 13% for the sample as a whole).[29]

4.5.3 Multinomial analyses: Explaining problematic NEET transitions

After examining the pathways of youth from education into the labour market, we next attempt to predict which individual characteristics and situations are likely to lead to certain types of trajectories, focusing on the recurrent NEET pathways. To predict group membership in the trajectory clusters, we use multinomial logistic regression models where individual, time-constant characteristics of school-leavers are the independent variables and membership in the cluster groups are the dependent variables. The results of these models can be described in multiple ways: the exponentiated coefficients describe the odds for each independent variable in predicting membership in one particular category of the dependent variable relative to a reference category, while the average marginal effects capture the average change in the probability of belonging to a particular pathway group for a variable of interest (see online supplement).

We report the average marginal effects of each variable of interest here, in order to maintain maximum comparability between effects by groups and variables.[30] Using this approach, we analyse the effect of various time-constant personal, social, and contextual characteristics on the probability of becoming a member of a particular group, and most particularly the recurrent NEET group. The independent variables are gender, having a child, having done an apprenticeship, having repeated a grade before middle school,

having an immigration background, having a mother who is unemployed, having a father who is unemployed, having at least one parent who is a professional, and the region where the individual was resident when they exited the educational system in 2004.

Our findings are largely consistent with the literature specific to France outlined in the introduction to this chapter. When predicting the cluster groupings, personal and family factors tend to explain trajectories marked by long-term NEET statuses. Examining the marginal effects of gender on the probability of belonging to a specific type of school-to-work transition pathway, we see that the marginal effects for females are positive and significant for Clusters 2 and 3, i.e. those in a 'Long Higher Education' and a 'Return to Formal Education or Training' trajectory pattern (see Figure 4.5). This is also true for belonging to the 'Long-term NEET' trajectory; however, this effect disappears when an interaction term is introduced between gender and having a child during one's studies (see Figures 4.6 and 4.7). This is confirmed when looking at the relative risk ratios for these models (see the online supplement). Thus, within the restricted sub-sample of those who have at least one month of NEET status, and given equivalent characteristics, being a woman is not associated with an increase in the probability of being in a recurrent NEET transition *unless* she has a child (see Figures 4.5 and 4.7). Women are also much less likely to be in the 'Direct-to-Employment' group, as we saw in the descriptive analyses earlier.

Those who had a child during their studies are more likely to end up in the 'Long Higher Education' group and less likely to be in the 'Short Higher

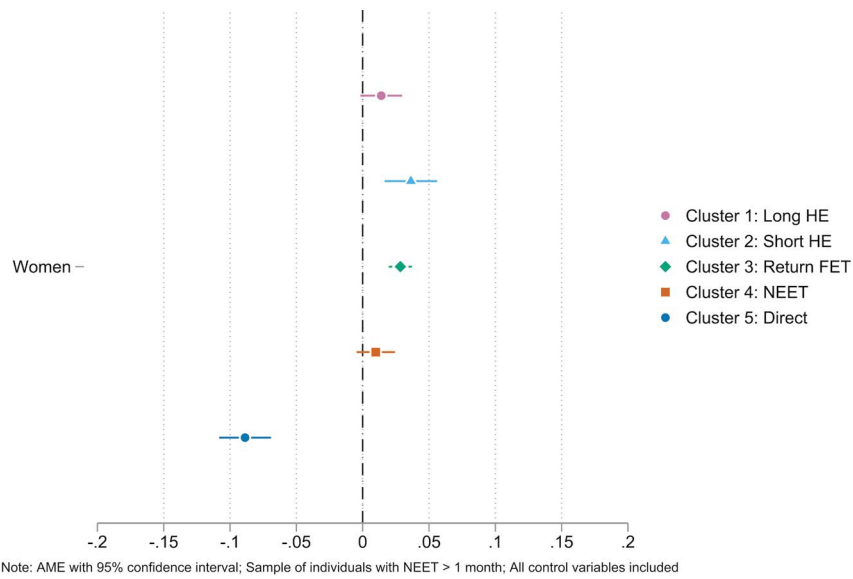

Figure 4.5 Average marginal effects (AME) of gender in predicting cluster membership.

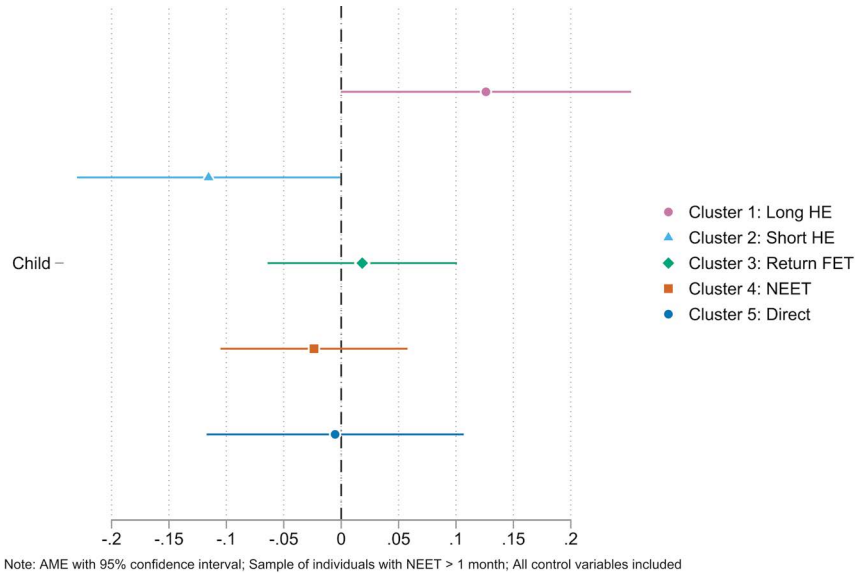

Figure 4.6 AME of having a child during studies in predicting cluster membership.

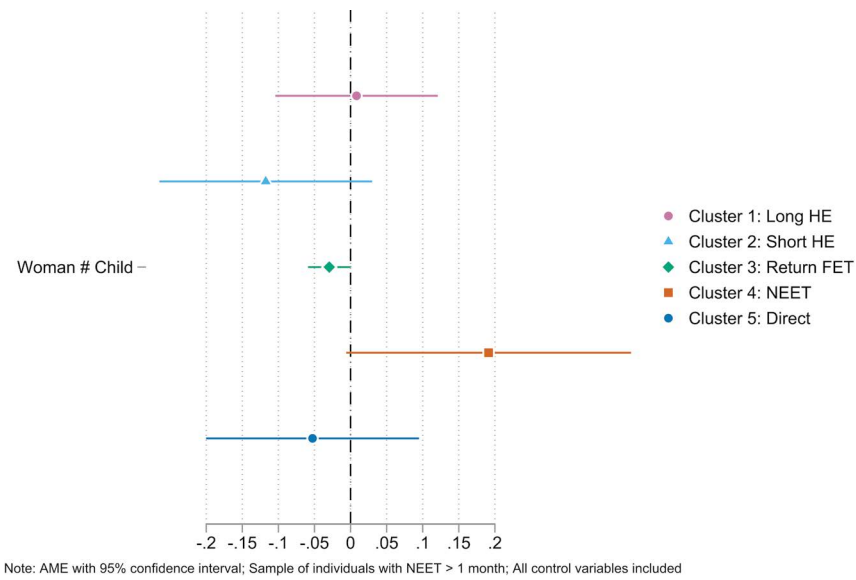

Figure 4.7 AME of the gender and having a child interaction in predicting cluster membership.

Education' cluster (see Figure 4.6). Furthermore, these effects remain consistent when an interaction term between gender and childbirth is introduced. The independent effect of having a child during one's studies remains across model specifications. This is, however, to be expected, since those in the 'Long Higher Education' group finish their initial education at an older age than the other groups. Indeed, the comparison of interest here is between the 'Direct-to-Employment' and 'Long-term NEET' trajectory groups, as both leave school at an early age and have lower educational qualifications as well as socio-economic disadvantages. One difference is the gender make-up of these two groups (predominately male for the first versus female for the second), and another is the probability of having had a child before one completed one's schooling.

Next, we turn to characteristics of one's early schooling history, including participating in an apprenticeship during secondary school and having repeated a grade during primary school. An important differentiating characteristic between those who participate predominately in initial higher education, return to formal education or training, or become NEET versus those who enter directly into the workforce is that of having completed an apprenticeship course, which is a factor associated with a direct (and quick) transition into employment. Indeed, those who have participated in an apprenticeship are much more likely to end up in the cluster which transitions directly into employment (see Figure 4.8). However, those with a direct-to-employment transition and those with a recurrent NEET transition are both equally more likely to have had a difficult educational path with class

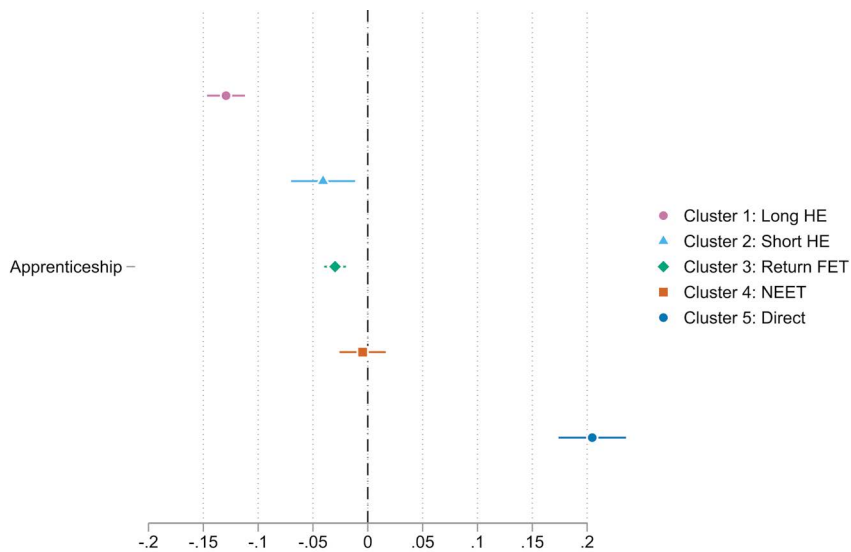

Figure 4.8 AME of apprenticeship in predicting cluster membership.

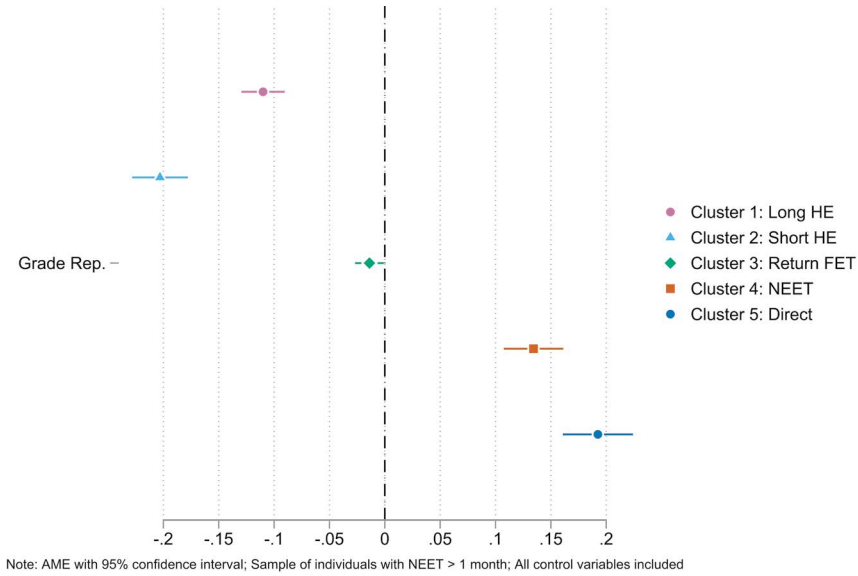

Figure 4.9 AME of grade repetition in predicting cluster membership.

repetition before middle school (see Figure 4.9). This suggests that apprenticeships are an important and potentially determinant factor for labour market integration for those who face difficulties in compulsory education. This may be particularly the case in the 'insider'-type market characteristic of France, although it would seem that these benefits operate despite an overall lack of public investment in the apprenticeship system at the secondary level, as discussed in the description of the French context earlier in this chapter. This may be most pronounced at the beginning of young people's careers, as apprenticeships often lead directly to a first job after their completion. However, this may also be taken as some evidence of increasing quality in the signals provided by apprenticeships to employers.

Social origin also plays a role in predicting group membership. We see that parental characteristics are important in shaping their children's outcomes. Young people with at least one parent with an immigration background (i.e. born outside of France) are more likely to experience a long-term NEET transition to employment over the long term compared with those with two French parents (see Figure 4.10). In comparison, the group traditionally viewed as successful due to their educational attainments and quick labour market integration, the members of the 'Short Higher Education' cluster are significantly less likely to have an immigration background.

Parents' employment and professional status also play a role in our models of cluster membership. Those in the 'Direct-to-Employment' pathway are significantly less likely to have a father who is unemployed, while those in a prolonged educational pathway are more likely (see Figure 4.11). Although

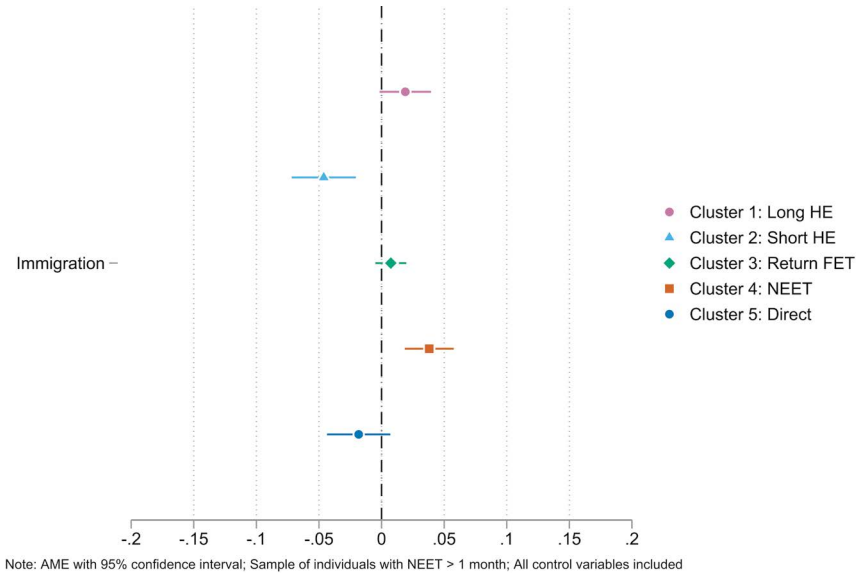

Figure 4.10 AME of immigration background in predicting cluster membership.

we do not see significant differences in predicting long-term NEET group membership with father's employment status, we do see that having a mother who is unemployed significantly increases the chances of being in this group (see Figure 4.12). Again, this is also true for those in the 'Long Higher

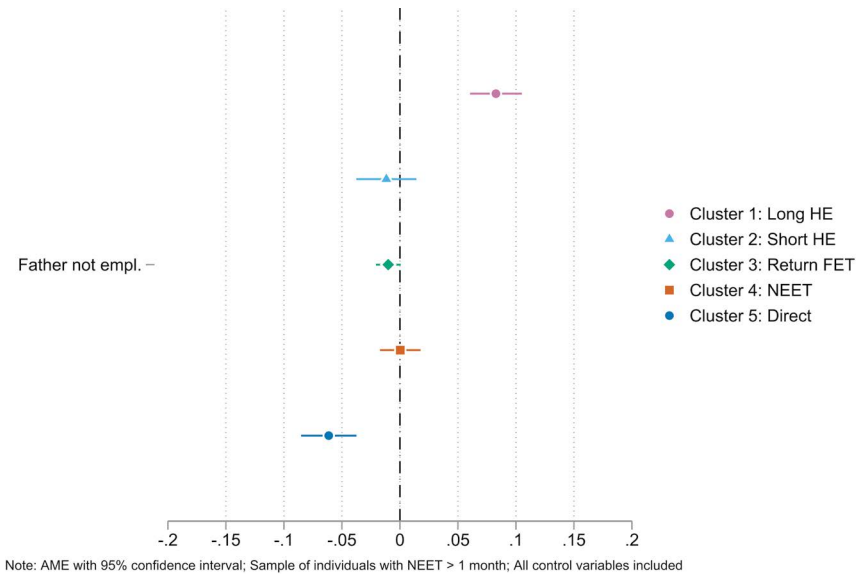

Figure 4.11 AME of father not being in employment in predicting cluster membership.

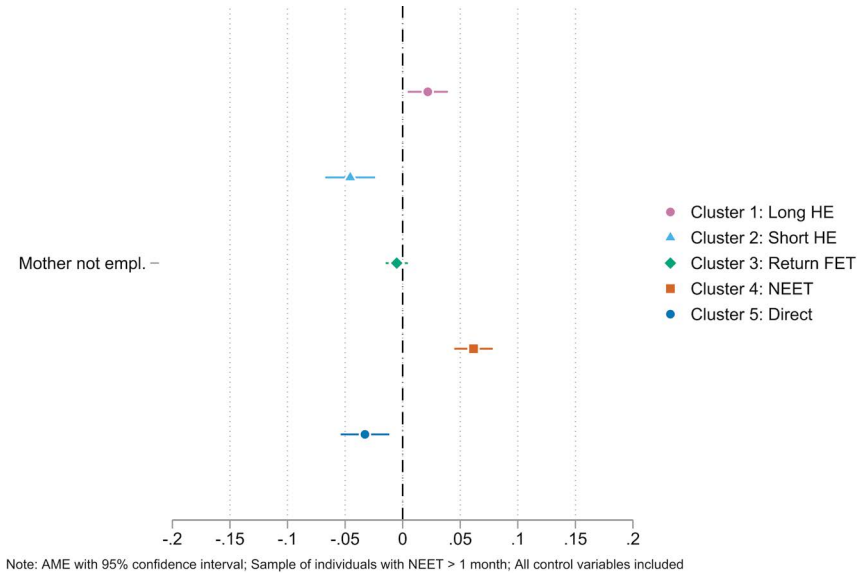

Figure 4.12 AME of mother not being in employment in predicting cluster membership.

Education' group. In contrast, those in the 'Short Higher Education' and 'Direct-to-Employment' groups are significantly less likely to have a mother who is not in employment. Thus, the mother's employment status seems to be particularly key in determining relatively quick and successful entries into the labour market in France.

Finally, those in the NEET group are less likely to have at least one parent who is a professional, white-collar worker, although this is also the case for those in the 'Direct-to-Employment' pathway (see Figure 4.13). Both groups with higher education pathways, short or long, are more likely to have at least one parent who is a professional ('*cadre*') or white-collar worker rather than a lower-skilled occupational status. This effect is particularly neat and marked: we see a clear relationship reflecting the cross-generational impact of parents' occupation on children's educational trajectories.

When examining findings by region, we see that the geographical context at the time of completing education is of importance (see the online supplement). Certain regions are more or less dynamic in terms of employment and training opportunities. For example, the regions of *Pays de Loire* and *Bretagne* have low levels of youth unemployment, as does the comparison group of *Île-de-France*. Indeed, we find higher relative risk ratios for the 'Long-term NEET' cluster in the regions of the *Centre*, *Bourgogne*, *Normandie*, *Hauts-de-France*, *Grand Est*, and *Occitanie*, as compared to *Île-de-France*. These regions thus show an overall less favourable situation for youths in terms of avoiding the risk of recurrent NEET statuses during their transition into the labour market.

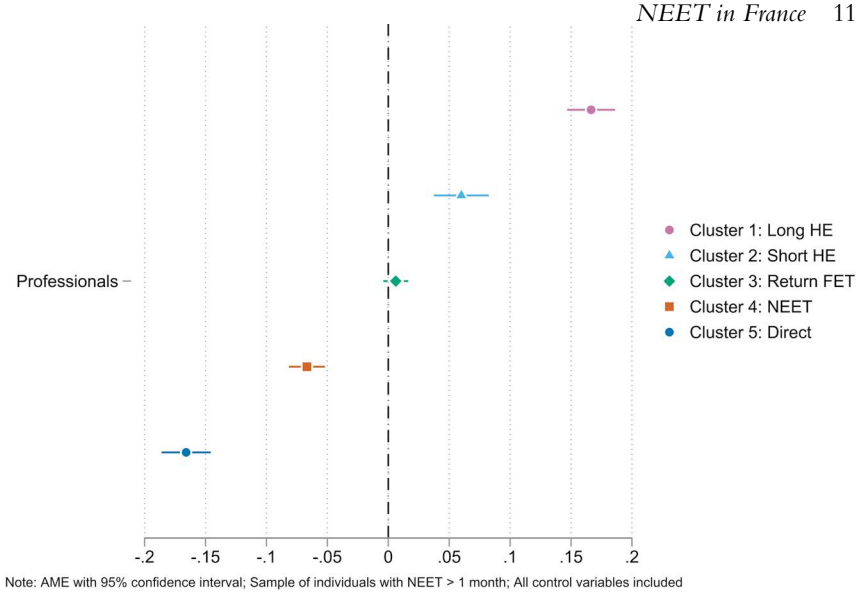

Figure 4.13 AME of professional work status in predicting cluster membership.

In summary, we find fairly strong evidence that a gender effect exists when predicting school-to-work trajectory patterns, and young people who had a child during their studies show a higher probability of having a 'Long-term NEET' trajectory as well. These results change, however, when we include an interaction term in the model and when we adapt these models to include all individuals, using those individuals who experience no months of NEET as the comparison group (see the online supplement). When we do so, having a child decreases the likelihood of being in a 'Long-term NEET' trajectory, while being a woman with a child increases this risk. Thus, we find fairly strong evidence of an interaction between gender and having a child, with men being less likely to fall into a pattern of recurrent NEET statuses when they have a child during their studies, while women are more likely. This is consistent with the literature outlined at the beginning of this chapter.

More importantly in the French context, we see a strong effect of prior schooling history and social origin: those with early academic difficulties in compulsory schooling are less likely to continue on into higher educational pathways, and more likely to either transition directly into employment or end up in a prolonged NEET pathway. An important differentiating factor is participation in an apprenticeship at the end of secondary schooling. This factor seems to distinguish the employment and NEET clusters, along with immigration background. Thus, social origin shows effects consistent with existing theory: school-leavers with immigrant parents have a higher probability of belonging to the trajectory with long and frequent NEET periods. In contrast, school-leavers with mothers who are employed, and

especially employed in a professional occupation, are less likely to belong to the trajectory with long and frequent NEET periods and more likely to belong to one of the higher education clusters. Thus, we see evidence of a cross-generational inheritance in employment trajectories that hinge on mother's labour market participation.

4.5.4 Further explorations of the context of NEET statuses

Following our descriptive and explorative analyses of school-to-work transition period patterns in NEET status, through which we created a qualitative typology of patterns, we turn to a strictly quantitative indicator: cumulative NEET length. This simple aggregate measure captures the cumulative number of months spent in NEET status over the ten-year observation period, without consideration for the qualitative patterns in these statuses. Clearly, this measure differs significantly on average between the clusters (with the 'Long-term NEET' cluster showing by far the highest average). However, results may differ because education no longer directly impacts the measure. The entire sample is used in these analyses, including those who do not experience any months of NEET. We use cumulative NEET length as the dependent variable in regression models measuring the effect of our various time-constant personal, social, and contextual characteristics on individuals' total number of months spent in NEET status. Both Ordinary Least Squares (OLS) and Poisson regression models are used because the number of months of NEET is a count variable with many 'zero' responses.[31]

The results of the model with all controls and an interaction term between gender and having a child during one's studies are illustrated in Figure 4.14. Sequential stacked models are given in the online supplement. We see that, in contrast to the earlier results, there is a large statistically significant interaction between gender and having a child. What is more, the independent direct effects of gender and children disappear once this interaction is taken into account. Thus, when looking at the total number of months spent in NEET status, women are not more likely to spend more months in NEET status than men *unless* they also have a child. Likewise, a young person with a child is only more likely to spend more months in a NEET state – 12 months more on average, *ceteris paribus* – if she is also a woman. This crucial distinction from the earlier models shows that gender is instrumental in forming NEET pathways, but that it only becomes a critical factor when compounded with having a child and becoming NEET for a preliminary period of time. The other findings from these models are consistent with the results described earlier. Those with a history of grade repetition are more likely to have additional months of NEET status (four months, on average), as are those from an immigration background (again, four months, on average). Those with a father or a mother who are unemployed are both more likely to spend more time in NEET statuses themselves. On the other hand, those

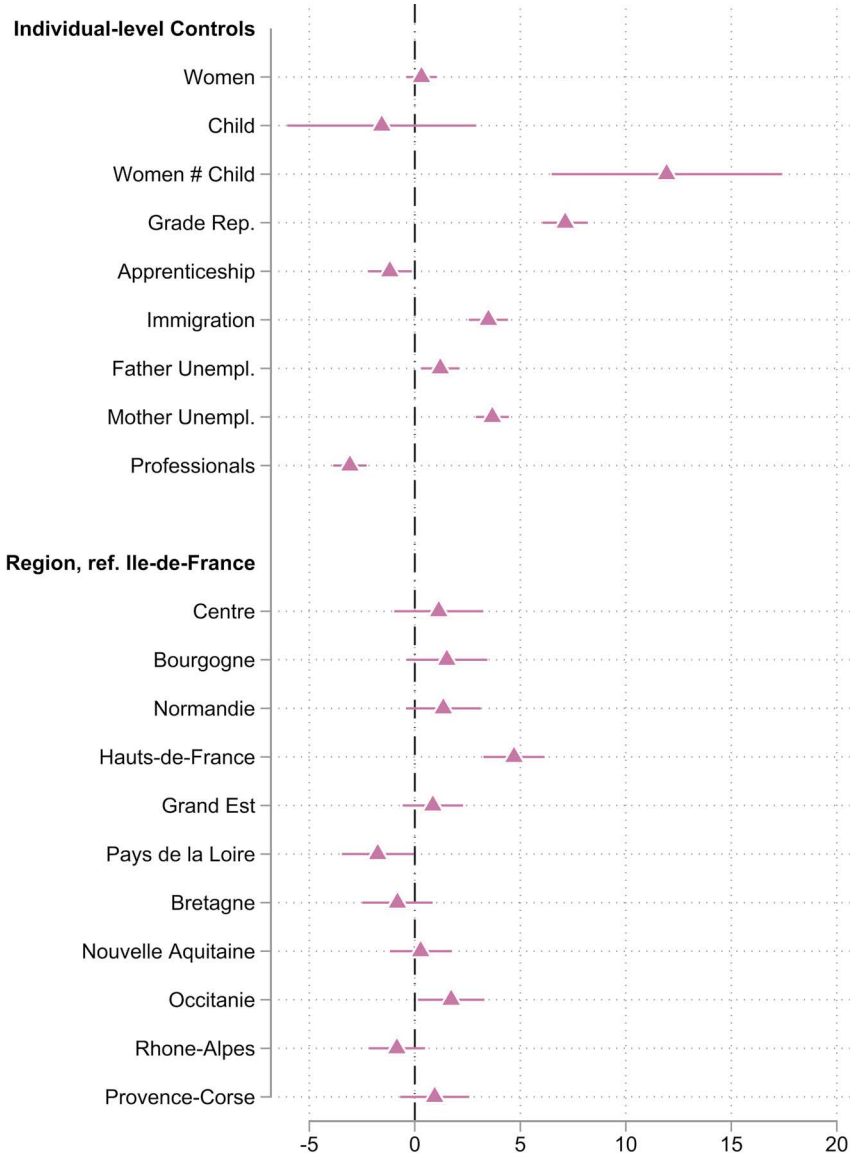

Figure 4.14 OLS (and Poisson) regression predicting the number of months spent in NEET.

who complete an apprenticeship or have at least one parent who works in a professional-type occupation have fewer months spent in NEET statuses on average and holding all other factors constant (two months and four months less, respectively).

4.5.5 Predictive analyses: Consequences of NEET in France

Finally, we turn to the outcomes associated with 'Long-term NEET' trajectory patterns in the transition from education to the labour market. Falling into NEET status during the school-to-work transition can interrupt individuals' career trajectories, causing them to lose time in a 'human capital void' that is neither used to accumulate work experience, nor educational credentials. Therefore, it can be assumed (and has been shown in previous research outlined earlier in this chapter) that young people with prolonged periods in NEET status after leaving school face significant disadvantages in their later employment, in particular in terms of their occupational status and income. In this chapter, we focus on the question of the impact of NEET pathways on the monthly earnings from employment of young people in 2011, seven years after they left initial education and entered the labour market. We use the same control variables as the previous models, but this time we include the qualitative cluster groupings as independent variables. In doing so, we incorporate the findings from the classificatory analysis earlier in this chapter in order to predict later income, exploring whether or not specific trajectory patterns influence this labour market outcome.

We run Tobit regression models to account for the fact that a significant proportion of our sample has zero income (and our dependent variable is thus left-censored), and most particularly for our group of interest: those who are in NEET status in 2011. Our comparison group for the independent variables capturing the cluster patterns is the group of individuals in the sample who reported no months of NEET. Indeed, since these analyses are run on our complete sample, we have distinguished a sixth group based on a quantitative criterion – no months spent in NEET status – rather than a qualitative pattern. However, we hypothesize that the fact of having never been in a NEET state is an important marker of an individual's transition, suggesting very quick and orderly transitions between school and work. These individuals, we see, also earn the highest average monthly incomes in 2011.

The results are displayed in Figure 4.15. We find clear evidence that NEET status has a negative association with later earnings: those in the 'Long-term NEET' cluster earn by far the least of all groups (more than 1,000 euros less per month on average, *ceteris paribus*), and those with no experience of NEET earn even more than the highest earning and most educated group with at least one month of NEET status. We also see a strongly significant effect of cumulative NEET length on earnings with those who spend more months in a NEET state earning significantly less in monthly revenues (approximately 20 euros less for each additional month of NEET status). Furthermore, consistent with the literature, women earn significantly less than men on average, as do those who experienced a setback in early schooling. We see a slight advantage for those with children, which may also partially reflect an age effect. Unsurprisingly, due to the substantial centralization typical of France, all individuals in regions *other* than Île-de-France earn significantly less than those in the Paris region.

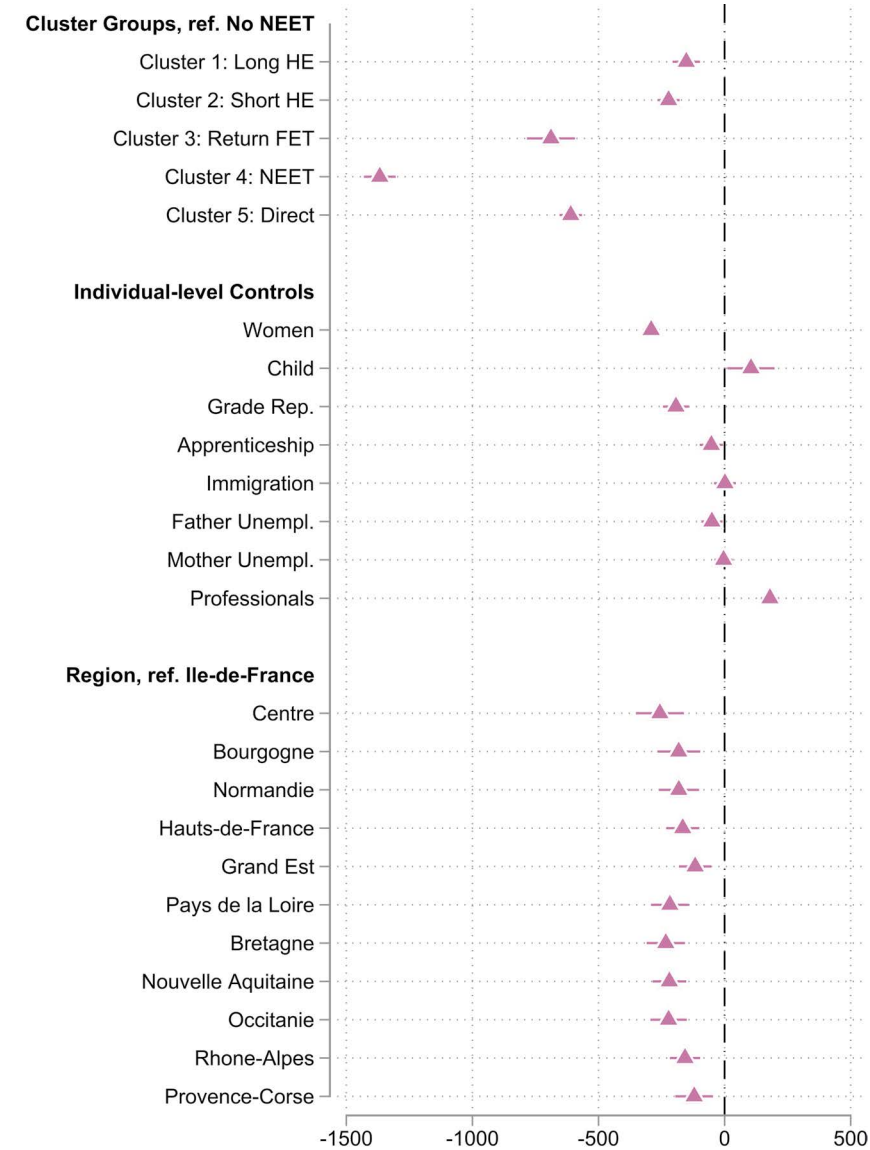

Figure 4.15 Tobit regression predicting monthly salary after seven years in the LM.

4.6 Conclusion and discussion

This chapter uncovered novel longitudinal dimensions in NEET patterns of young people in France, both highlighting new insights and confirming previous research into the socio-economic context that leads to recurrent NEET

pathways as well as labour market outcomes in terms of salaries seven years after leaving initial education. We underscored France's specific institutional context, which is characterized by a strongly standardized and academically focused education system that is stratified by types of *baccalauréat*, and labour force entry patterns that are shaped by an 'insider' market that creates segmentation disadvantaging new entrants and low qualified workers. We also suggested that a gendered occupational structure continues to exist in France, even though family policies and childcare provisions favour women's labour market participation.

These research questions led us to investigate patterns in NEET statuses using several approaches. First, we estimated a logistic regression model predicting the probability of experiencing at least one month of NEET status and found that men, those who repeat at least one grade before entering middle school, and those with parents with an immigration background (i.e. one of their parents was not born in France) were significantly more likely to experience at least one month of NEET status. On the other hand, women, those with children, those who have at least one parent with a professional occupational status, those who complete an apprenticeship, and those with mothers who were employed when the individual left the educational system are less likely to report at least one month of NEET status in the ten-year period. These central findings generally held true across all of our further analyses, with the partial exception of gender and children.

In our next analyses, we used sequence and cluster analysis techniques to classify the trajectories of those individuals who experienced at least one month of NEET status. We classified the 8,500 school-to-work trajectories into five distinct types, which illustrated descriptively how NEET statuses are distributed in varying patterns over the transition from education to the labour market. Notably, we found a 'Long-term NEET' cluster, which resembled the 'Direct-to-Employment' cluster in many respects (socio-economic status, educational levels, etc.), but differed both in its composition of women with children and men who had not participated in an apprenticeship at the end of secondary schooling. Using these five clusters, we conducted multinomial regression models to predict the probability of experiencing a particular trajectory type using personal and familial socio-economic, as well as regional, characteristics as predictor variables. We found that women only have a higher probability of entering a NEET-dominated trajectory when they have a child during their studies (a moderated effect of gender by childbirth). However, this effect is relatively small in the French context (H4), while the effects of grade repetition before middle school, mother's employment status (H3c), and immigration background (H3d) are much stronger predictors of belonging to this group.

Next, we explored whether socio-economic characteristics influence the cumulative number of months spent in NEET status over the ten-year observation period. Here, we found a highly significant and positive effect of the interaction between gender and having a child during one's studies on NEET length. Thus, our findings suggest that the gender–childbirth nexus is more

determinate of NEET length than NEET pattern in France. However, these qualitative NEET patterns may be more important to consider since they contain more detailed and nuanced information than the brute NEET length measure. Lastly, we investigated potential associated labour market outcomes related to our school-to-work transition patterns using Tobit regression models of monthly income from employment in 2011. We predicted income using both the qualitative cluster groups and the quantitative cumulative NEET length indicator, finding that, in both cases, a recurrent NEET pathway has a strong negative impact on earnings.

The findings of this chapter emphasize the difficulty some young people in France face attempting to escaping recurrent NEET statuses. This concerns about one in ten young people in the first seven years after leaving the education system. Among the reasons that explain why some remain NEET, the level of qualifications is decisive. Young people who have no qualifications are much more likely to be NEET than higher education graduates. The characteristics of early academic careers also impact these pathways: poor scholastic achievement before entry into secondary education increase the likelihood of becoming or remaining NEET. Finally, young people's education-to-work transitions also depend on their parents' employment situation and background. Having inactive or unemployed parents, as well as those from working-class or immigrant backgrounds, elevates the risks of following a long-term or recurrent NEET trajectory. Conversely, once these various factors have been controlled for, regional characteristics seem to have a relatively weak impact.

These analyses have several limitations. One of these limitations concerns the role of gender. Career paths are highly gendered and studying the diversity of labour market histories among women and men suggests specific pathways that cannot readily be observed when the two populations are included within the same sample. In-line with this, while mother's unemployment appeared more determinant than father's unemployment in our analyses, this may interact with the gender of the young person: it is possible that these effects may operate differently for young women and men. Another limitation is the role of qualifications: it would be worth conducting an analysis focused on youth with lower qualifications, in order to understand whether the protection of apprenticeship that is observed for all graduates continues to exist for unqualified young people or those leaving education with only a first level of vocational training (CAP). Group differences between the 'Long-term NEET' cluster and the 'Direct-to-Employment' clusters suggested that apprenticeships protect best at the lowest levels of education, but this is worth testing parametrically in further analyses. Lastly, the analysis ignores the diversity of jobs held by young people and in particular subsidized jobs, which account for a large proportion of jobs taken up by those leaving education with few if any qualifications. Some subsidized jobs may prevent recurrences of NEET more than others. However, our sample size does not permit a more refined analysis of this question.

In conclusion, the term NEET covers a range of profiles: young people who are not in education, employment, or training, for a short or long period of time, with or without parental responsibilities, living with a partner or living with their parents, with at least a secondary school diploma or with no qualifications. Membership in a school-to-work transition trajectory that comprises long-term and recurrent NEET statuses may be a consequence of structural problems related to the French labour market (such as segmentation, job quality, and short-term contracts), employment and training policies, or social policies (where benefits are only available for young people who have worked for a certain amount of time or for young people with children). While membership in long-term NEET pathways includes a diversity of situations that require a number of discrete responses in terms of social action or public policy, some overall trends are evident in the French context that highlight the need for expanded public support for childcare, regional mobility, and enabling a return to formal education or training. These policy implications will be further explored in Chapter 7.

Notes

1. Authors' names are listed alphabetically. Their work was supported by a French National Research Agency grant awarded to IREDU [Grant Number ANR-15-ORAR-0005- 01]. See author lists for affiliations and brief biographies of the authors.
2. Eurostat puts the NEET rate in France in 2016 at 14.4% for 15–29-year-olds versus 14.8% for the EU.
3. This is found in the NEET population structure, which, in France more frequently than elsewhere, is made up more of young people who are unemployed rather than economically inactive.
4. Cahuc et al. (2013a) report that about 42% of young people who are NEET have not gone further than middle school (*collège*), which is among the highest rates in the EU after the countries of southern Europe.
5. Sometimes children even start school at two years old if they are toilet-trained and there are places available.
6. L'Etat de l'Ecole, 2017: p. 11.
7. L'Etat de l'Ecole, 2017: p. 77; OECD, Society at a glance, 2016.
8. France stratégie, 2016, Quelles priorités éducatives 2017–2027?
9. Repères et statistiques, 2017: p. 271.
10. These support platforms include: The right to *Retour à l'école au lycée* (52,000 young people from 2014) andsecond-chance schools (*Ecole de la Deuxième chance* with 15,000 young people each year).
11. The gap is wide if we compare, even in rough terms, the 15,000 young people who get into *Ecole de la Deuxième Chance* and the 3,000 who get into the EPIDE with the 100,000 young people who drop out each year.
12. In particular, it abolished the four-year secondary stream in which young people had to first earn a lower secondary education certificate, the BEP, and then the vocational *baccalauréat* two years later.
13. Under certain circumstances, the age limit may be pushed back to 30 years.
14. If compared for each age cohort, in 2015, the rate of school apprenticeships is 7% at 18 years old versus 5% at 16 years old.
15. Moreau (2015) reports that this is particularly true for girls and for young people from immigrant families.

16. More than 8 in 10 jobs held by young people benefit from reduced levies, especially general ones with low wages (Boisson-Cohen et al., 2017).
17. A total of 50% of 15–24-year-olds were in insecure jobs in 2011, versus 17% in the early 1980s (*Insee*).
18. Since the 1980s, France has invested great effort in numerous co-existing policies focused especially on 16–25-year-olds. These take three main directions: increasing the qualification of young people in order to improve their access to employment, individual support for young people, and incentives to employers (direct subsidies, tax credits, minimum wage, etc. for firms). There are also numerous national measures to promote youth employment (support, training, and work experience), which operate in a fairly complex and fragmented system.
19. Youth can continue to find government-subsidised employment through their *mission locale* by signing a *Contrat unique d'insertion* (CUI).
20. Since September 1, 2010, the RSA has been extended to young people under 25 years (Young RSA) who have worked for at least 3,214 hours in the three years preceding the application. Otherwise, the *RSA* is reserved for people who are more than 25 years old without resources, unemployed, and not in training. The condition relating to being in employment is not required for young pregnant women or those who already have at least one dependent child. The *RSA* also provides an additional income for poor workers.
21. Young people's career paths are built in the local labour markets (Grelet, 2006; Couppié and Gasquet, 2009) and especially so when they are not highly educated, with the least qualified being the least mobile geographically.
22. Centre for Research on Education, Training and Employment, which is a public establishment under the aegis of the Ministries of Education and Labor.
23. The years of higher education were imputed based on respondents' educational credentials; therefore, sequences vary from seven to ten years.
24. At each survey date, a calendar was used to collect successive monthly statuses, including employment, unemployment, initial education, a return to formal education or training (FET), and inactivity. For the descriptive analysis, we applied sample weights correcting for sample design in terms of gender and education, and for the multivariate analysis, we used the unweighted sample.
25. While the socio-demographic variables, such as gender and immigrant origin, are time-constant variables by nature, having children and the highest level of education are time-varying within our sequence data. Highest education is highly pattern dependent and examined only as an outcome variable. Having children during one's studies, on the other hand, is substantively of interest in predicting patterns and is therefore included in models even though this leads to some degree of endogeneity when calculating probabilities.
26. The colours chosen for the status proportion plots and the sequence index plots are based on the colour-blind-friendly scheme suggested by Okabe and Ito (2002) and consistent with the other country chapters.
27. Indel costs are set to 1; substitution costs are set to 2. Missing data from the end of sequences due to unequal sequence lengths were simply deleted at zero cost.
28. Those who *return* to formal education are undoubtedly underestimated. Young people who go back into education or apprenticeship during the first year after leaving in 2004 are not considered to have left learning. They are not, by definition, within the scope of the *Génération* survey included in the sample. Generally, these surveys are based on the French concept of 'education leaver': any young person registered in an initial education and training establishment in a given year and not registered the following year in that or some other establishment is considered to have left the education system and so comes within the scope of the survey.

29. In answering the question, 'Do you consider that you have been a victim of discrimination at time of hiring at least once in your career since 2004?'
30. In doing so, we conduct our analyses using the 'margins' command in Stata. Because the marginal effects differ from individual to individual in our models, we compute this probability for each individual and then compute the overall average of these marginal effects.
31. Both OLS and Poisson regressions were conducted, but for ease of interpretation, the OLS results are reported here. The results did not differ in direction or significance between the two models.