January 2001

Prepared as part of the TSER project:
Comparative Analysis of Transitions from Education to Work in Europe

Young Immigrants on the Labour Market In France and Sweden

Michèle Mansuy

Lena Schröder

CEREQ-INSEE
Marseille, France
17, rue Menpenti
13387 Marseille Cedex 10
E-mail: michele.mansuy@insee.fr

Swedish Institute for Social Research
Stockholm University
S-106 91 Stockholm
E-mail: Lena.Schroder@sofi.su.se

WORKING PAPERS

1. Introduction

Immigrants and the descendants of immigrants constitute a substantial proportion of the populations in France as well as in Sweden. The position of immigrants on the labour market is an important issue and central to the integration of immigrants into society as a whole. In this paper we concentrate on the children of immigrants and their experiences during their first years on the labour market. The successes and failures during these first years probably have a decisive influence on their entire labour market career. The purpose of the study is to gain greater understanding of the labour market situation of the children of immigrants and the specific features that might affect their transition from school to work. By comparing two countries, France and Sweden, a more specific aim is to investigate if and how differences in educational systems and in labour market structure, promote or impede the integration of the children of immigrants on the labour market. The children of immigrants can be immigrants themselves or native born with foreign born parents.[1]

To our knowledge there are no previous international comparative studies on the transition from school to work of the children of immigrants. This is probably due to data constraints. Internationally comparable data are based on citizenship, which means that the definition of an immigrant is dependent on the internationally varying rules for naturalisation of foreign citizens. Moreover, internationally comparable datasets have no information on education or employment status of the parents of the young labour market entrants. The data used in this study stem from the CATEWE school leavers' survey data base and include information on the country of birth of the respondents and their parents, as well as information on the parents' educational level and employment status. However, the data only includes two countries, France and Sweden, and at only one point of time. The results should therefore be considered tentative rather than truly hypothesis testing.

[1] To use "children of immigrants" to denote both foreign born youth and native born children of immigrants is not entirely correct. Some of the foreign born young individuals have immigrated alone without parents. In Sweden this is partcularly the case for young male refugees from the wars in the Middle East and in the African horn (Ethiopia, Eritrea, Somalia). Adopted children are also, wrongly, included among the children of immigrants.

Background

In both countries, official statistical presentations of the immigrant population are based on citizenship. Foreign citizens are only a sub-group within the immigrant population, and constitute those who arrived more recently into the host country. There are, however, some specific studies using country of birth to define the immigrant population (Silberman and Fournier [1999], Vilhemsson [2000]). According to these studies, immigrants and the children of immigrants (in the case of France also the grandchildren of immigrants) constitute around 25 per cent of the young population in the two countries. In both countries immigrants are a mixture of labour migrants arriving mainly up to the 1970s and refugees who have been granted political asylum.

In Sweden immigration of labour was encouraged up to the middle of the 1960s and labour was actively recruited from mainly Finland, Southern Europe and Turkey. Because the Nordic countries (Sweden, Finland, Norway, Denmark and Iceland) have a treaty of free mobility of labour since 1954, labour migration between mainly Finland and Sweden has continued, reflecting the business cycles in the two countries. (The entry of Sweden into the free labour market of the European Union in 1995 has not been followed by any substantial increase in international labour mobility). The inflow of refugees into Sweden, on the other hand, reflects the political situation in the rest of the world as well as changes in the Swedish asylum policy. The main refugee groups came from Latin American countries in the 1970s, from countries in Asia and Africa in the 1980s and from the former Yugoslavian Republics in the 1990s. Up to the 1990s there has been a substantial inflow of refugees from Eastern European countries (Schröder [2000]).

France has a very long tradition of immigration and was one of the main immigrant destinations in the world at the end of the 19th century. Immigrants played an important role in the industrialisation of France. In the first decades of the 20th century the proportion of immigrants was in fact higher in France than in the US. These immigrants, as well as the native born blue collar workers, are severely hit by the restructuring of the manufacturing sector, which has resulted in a decline in demand for unskilled blue collar workers (Roche [1999]). Labour migrants as well as refugees into France to a large part

came from Southern European countries, especially Italy and Portugal and from North Africa.

The subject of this study is the transition from school to work in the 1990s. In Sweden, labour market entrants with an immigrant background comprise fewer native born children of immigrants from European countries (mainly Finland and Eastern European countries) and foreign born children of immigrants from Latin America, Asia and Africa. In France the dominant groups in the relevant ages are native and foreign born children of Southern European (mainly Portuguese) and Northern African (mainly Algerian) immigrants.

There are a few studies on the transition from school to work of the children of immigrants in France and in Sweden respectively, but none that compares the two countries. Rather similar results are reported from both countries. In France several studies have displayed that the children of immigrants are less succesful in school than children of parents born in France. These differences are more pronounced in elementary school than at upper secondary levels. In the case of the native born children of immigrants, their disadvantages in school achievement are explained by socio-demographic factors. Controlling for fathers occupation and other socio-demographic characteristics, there are no differences in elementary school, and at secondary levels the native born children of immigrants perform better than those with native born parents. Similar results are reported from Sweden (Vallet & Caille [1999], Vallet [2000], Arai, Schröder & Vilhemsson [2000]).

From both countries it is also reported that the children of immigrants have a more precarious labour market situation than other young people, with higher unemployment rates and, among those employed, higher rates of temporary and part-time jobs (Silberman & Fournier [1999], Brinbaum & Werquin [1999], Vilhemsson [2000], Arai, Schröder & Vilhemsson [2000]).

2. Why would the labour market situation differ between the children of immigrants and other young labour market entrants?

Human capital in terms of education is important for the labour market situation of the individual. This is especially the case for young labour market entrants, who can’t use

references from previous employment to the same extent as adult workers. The successes or failures in the process of labour market entry is to a great extent decided already in school. Some of the differences in labour market situation between the children of immigrants and other young labour market entrants are thus due to differences in education, where the level, the type of diploma and, in Sweden, the grades are important.

In both countries one of the aims of educational policy is to compensate for the social background of the parents. As has been shown in numerous sociological studies (e.g. Müller & Shavit [1998]), the education of parents and their position on the labour market are important factors for their children's school achievement as well as their situation on the labour market. This is true for France and Sweden as well as for other countries. Differences in the labour market situation between children of immigrants and other youth are thus partly explained by differences in their social background.

According to "assimilation" theories within the disciplines of economics and sociology, the number of years an immigrant has spent in the new country is of importance for their labour market situation. The change of national labour market associated with immigration leads to a temporary loss of human capital, which is regained by learning the new language, building up new social networks and becoming familiar with the special circumstances of the new country. For foreign born young immigrants their age at immigration is of importance, as it affects their learning of the new language as well as the number of years spent in the school system of the host country (Borjas [1994, 1998], Chiswick [1987, 1997], Silberman & Fournier [1999]). For native born children of immigrants, language abilities as well as contact with the host society is influenced by the number of years their parents have spent in the new country. For the same reasons it is important if one or both parents are foreign born.

Finally, it is possible that children of immigrants are discriminated against on the labour market. Discrimination could be caused by "preferences", i.e. employers, customers or colleagues, preferring native born to foreign born. Another source of discrimination occurs if information on the individual job seekers productivity is difficult to obtain or could only be obtained at high costs, i.e. by interviewing 100 per cent of all job seekers. When information is costly to obtain it is rational of the employer to base the hiring decision on true or false opinions on the average productivity of different groups.

The hiring decision would in this case be based on preconceptions of the average productivity of the group the job seeker seems to belong to, and not on the abilities of the individual job seekers. This kind of discrimination is within economics denoted as "statistical" discrimination, and would negatively effect young labour market entrants belonging to ethnic groups believed to have a productivity level below average (Arrow [1972], Phelps [1972], Lundahl & Wadensjö [1984]).

Discrimination on the labour market is difficult to capture with data normally used in empirical studies. In Sweden it is suggested that job seekers from Africa, Asia and Latin America might be negatively affected by statistical as well as preference discrimination (Arai, Regnér & Schröder [1999]). In France it is possible that North Africans are discriminated on the labour market (Silberman & Fournier [1999]).

3. Why would the relative educational attainment and labour market situation of the children of immigrants differ between France and Sweden?

The French school system is more selective than the Swedish, especially at lower levels. A consequence of this might be that the educational differences between children of immigrants and other children are greater in France than in Sweden. This could be due to differences in social background characteristics of children of immigrants and other children as well as language difficulties, particularly for the foreign born.

On the other hand it is possible that the greater selectivity of the French system also means that the signals to the labour market are more distinct in France than in Sweden, i.e. the French diplomas give better information on the potential productivity of a young jobseeker than the Swedish educational programmes. If that is the case it would affect "statistical" discrimination. Given the educational level and type of diploma of the individual, the differences between children of immigrants and other young labour market entrants would thus be smaller in France than in Sweden.

Both countries are considered to have quite strictly regulated labour markets, with inflexible wages and restrictions regarding temporary jobs and probation periods (OECD [1999]). The options for employers to compensate for perceived higher risk-taking by offering a lower wage are thus restricted. The possibilities to gain work experience within the school system in the form of apprenticeship training or other workplace-based

training might be important for counteracting statistical discrimination. France has a small apprenticeship training track, which might be a favourable option for those children of immigrants who are planning to go through a vocational upper secondary programme. On the other hand it is possible that discrimination affects the recruitment into apprenticeship training places as well as into jobs on the labour market.[2]

To sum up we expect that differences between children of immigrants and other youth in educational levels are greater in France than in Sweden but, given education, the differences on the labour market are greater in Sweden than in France.

4. Data

The young labour market entrants in our study left secondary school around five years before the year of the survey. The French data are the Generation 92 survey from CEREQ, which is a longitudinal survey of those who left education in 1992. The survey was performed in 1997, i.e. five years after leaving school. For comparability with Sweden, the secondary level leavers sub-sample (16,000 individuals out of 27,000 interviews) is selected. The Swedish data stem from Statistics Sweden and consists of a merged data set of the follow up studies in 1990, 1992 and 1995 of those who left compulsory education in 1988 (c.10,000 individuals)[3]. Most of the compulsory school leavers continued into the 2- and 3-year programs of upper secondary school. The Swedish 1995 survey was thus performed 4-5 years after the majority left upper secondary school. The French data are based on telephone interviews and the Swedish data on questionnaires. Another difference between the two datasets is that the French sample is a school-leaver study and the Swedish a cohort study. Swedish compulsory school leavers thus have 2-3 years longer labour market experience. Whether this is an advantage or a disadvantage is not easy to assess. The school system has a responsibility for all early leavers until they are 18 years old. This means that youth under the age of 18

[2] Both countries have compulsory unpaid practice periods within their school based vocational programmes. The significance on the labour market of these practice periods are unknown.

[3] In the Swedish data the children of immigrants are oversampled, which makes it possible to disaggregate the immigrant group into sub groups. The tables in the study show weighted results, which should be representative for the population.

hardly enter the labour market, but are engaged in different kinds of school- or local government based training schemes.

The combined French-Swedish sample is restricted to young labour market entrants defined as those who did not immediately continue from secondary to tertiary education. The data can thus not be used to analyze the choices between and selection into different educational programmes in general. The traditions regarding the entry into tertiary education are very different in France and Sweden. In France a very high (95%) proportion of students with a General Baccalaureate continue directly into tertiary education, which is not the case for young Swedes leaving the academic tracks in upper secondary school. In the Swedish sample only 23 per cent continued directly from the academic tracks into tertiary education.

The study is thus restricted to the situation on the labour market five years after leaving secondary school and the educational background of these labour market entrants. The data are not ideal, as the sample design differs between the two countries, and the exclusion of entrants into tertiary education has different implications in the two countries. In the absence of ideal data, the shortcomings in the surveys used in this study are counterbalanced by their information on the country of birth of the respondents and their parents as well as other socio-economic factors, which are not found in other more comparable data sources (for example the EU labour force surveys).

5. Description

The children of immigrants are a very heterogeneous group, consisting of young people born in France and Sweden respectively as well as of young people who have recently immigrated and spent very few years in the host countries. Their degree of “exposure” to the host country is influenced by how long they have lived in the host country themselves as well as by how long their parents are residents in the host country. As the French data have no information on the year of immigration, we can only distinguish between children and parents born in France and Sweden respectively, and those who were born abroad. From other sources we know that foreign born school-leavers in the beginning of the 1990s have a rather similar distribution on arriving before or after school-starting age. In France 52 per cent of young immigrants arrived in France before they started school

(i.e. before the age of six). The corresponding proportion in Sweden is 45 per cent (Brinbaum & Werquin [1999], Arai, Schröder & Vilhemsson [2000]).

We examine the labour market position of foreign born young and, among the foreign born, we will also distinguish between different countries, as this might affect discrimination on the labour market.

Immigrants and native born children of immigrants, distribution on country of birth

Around 5 per cent of young labour market entrants in France as well as in Sweden are born abroad. The distribution varies for the two countries. In France around 2 per cent were born in a North African country, 1 per cent in Turkey and 0.5 per cent in a Southern European country. In Sweden around 2 per cent were born in an Asian country (including Turkey) and 1 per cent in another Nordic country.

Table 1 Country of birth of respondents
(frlocb, swlocb2)

	France Per cent	Sweden Per cent
Native born	95.8	95.5
North Africa	1.9	0.0
Other Africa	0.2	0.2
Vietnam	0.3	0.1
North Europe	0.2	-
South Europe	0.5	0.0
Turkey	0.9	0.4
Other countries than those above	0.3	-
Nordic (not Sweden)	-	1.0
North Europe (not Nordic)	-	0.2
East Europe	-	0.4
USA, Canada, Oceania	-	0.1
Other Asian	-	1.4
Latin America	-	0.6
N	16,544	9,422

France has a longer tradition as an immigrant country than Sweden and thus a slightly larger proportion of native born youth with a foreign born mother or father.

The distribution by country reflects the different immigration patterns into the two countries. In France around 5 per cent of the parents of native born children originate in North Africa and another 5 per cent in a Southern European country.

In Sweden the country of birth of the parents to native born children reflects the earlier substantial labour immigration from Finland. Around 5 per cent of parents were born in another Nordic country. Another quite large group is former refugees from Eastern European countries and labour migrants from Yugoslavia, which constitute around 2 per cent of the parents of the native born Swedish youth in the sample. The proportion of native born youth with parents from non-European countries is very low. Immigration into Sweden from Latin America, Asia and Africa mainly consist of refugees arriving in the 1970s and later, i.e. their native born children have in large not yet reached the ages of labour market entry.

Table 2 Country of birth of parents to native born children

	France		Sweden	
	Fathers	Mothers	Fathers	Mothers
Native born	86.3	88.1	93.5	91.5
North Africa	5.3	4.6	0.0	0.0
Other Africa	1.1	0.6	0.0	0.2
Vietnam	0.1	0.1	0.0	0.0
North Europe	0.3	0.5	-	-
South Europe	6.2	5.5	0.5	0.3
Turkey	0.3	0.3	0.1	0.1
Other countries	0.4	0.4	-	-
Nordic (not Sweden)	-	-	3.1	5.7
North Europe (not Nordic)	-	-	1.0	0.6
East Europe	-	-	1.5	1.5
USA, Canada, Oceania	-	-	0.0	0.1
Other Asian	-	-	0.1	0.0
Latin America	-	-	0.2	0.0
N	13,274	13,274	7,931	7,931

There are some differences in occupational and educational attainment between native and foreign born parents. In Sweden immigrants from the Nordic countries have

higher shares of skilled workers than native born parents, and immigrants from southern Europe and non-European countries have higher shares of unskilled workers. When it comes to education, Nordic, Southern European, Turkish and Vietnamese parents have lower education levels than native born parents, while all other foreign born parents have equal or higher education levels than native Swedish parents. This indicates that parents from other Asian countries, Africa and Latin America have not managed to gain employment in accordance with their educational level.

In France young people with foreign born parents also differ from the rest of the population: they are more often children of a manual worker or of a father without a diploma. This does not apply to all countries of origin: although north African, Turkish or southern European fathers are more often manual workers and have frequently a lower level of education, this is not true for parents born in other countries.

In the analysis we will use two different measures of immigrant background. The first is related to assimilation theory and is based on the degree of "exposure" to the host country. According to assimilation theory the time spent in the new country is decisive for the labour market outcome of immigrants. In the case of young immigrants, the age at immigration is important as well, especially whether the immigrant arrived before or after the age of 6. Our data have no information on the age at immigration, which means we can only distinguish between foreign born and native born with or without immigrant parents. Another important factor for integration into the new country is whether both parents or only one parent are born abroad. We will thus use an "exposure" variable that combines the distinction between foreign and native born for the young labour market entrants with that of their parents.

Table 3 Exposure to host society, per cent

	France	Sweden
Native born, both parents native born	80.2	84.2
Native born, one parent foreign born	6.5	8.4
Native born, two parents foreign born	9.1	3.0
Foreign born	4.2	4.5
N	13,274	7,931

In addition we will also use a variable reflecting nationality. In France as well as in Sweden, whether certain groups among the immigrants are discriminated against on the labour market is discussed. In France discrimination is mainly supposed to affect immigrants from North Africa and their children. In Sweden it is those from Africa, Asia and Latin America (Silbermann & Fournier [1999], Arai, Regnér & Schröder [1999]). In France 7.9% of the respondents have a father or a mother born in North Africa. In Sweden 2.2% have a father or a mother born in Africa, Asia or Latin America.

Educational level and field of young labour market entrants

The French educational system is more selective than the Swedish one, which might imply that French children of immigrants are relatively more at a disadvantage in school than their Swedish counterparts. Controlling for social background this would mainly affect those who are not fluent in French and in Swedish respectively, i.e. mainly those who are born abroad themselves.

The description below of the educational background of young labour market entrants is only relevant for those who did not continue immediately from upper secondary school into tertiary education. To compare the educational levels and fields in the two countries we use the CASMIN scale[4]. As expected, foreign born children enter the labour market with only compulsory education to a greater extent than other children. Among the native born, those with two foreign born parents have higher shares with only compulsory education than other entrants. In Sweden this is also true for native born labour market entrants with only one foreign born parent. In both countries participation in the vocational tracks in upper secondary school (Casmin 2a) is lower among labour market entrants with an immigrant background than among other entrants. Another similarity between the two countries is that entering the labour market with a "full maturity diploma" is most frequent among foreign born children with one parent born abroad.

[4] See Müller & Shavit (1998) for a presentation of the CASMIN scale.

Table 4 Educational levels and fields according to exposure to host country, CASMIN scale

	Native born both parents native born		Native born, one parent foreign born		Native born, both parents foreign born		Foreign born	
	France	Sweden	France	Sweden	France	Sweden	France	Sweden
Levcas (When leaving school in France, at time of survey in Sweden								
1ab Compulsory	12.5	19.6	11.3	23.7	17.2	29.4	29.7	31.2
1c Basic vocational	10.0	-	10.4	-	9.3	-	7.5	-
2a Advanced vocational	35.2	42.0	29.6	38.6	29.8	38.5	27.2	35.6
2b Academic intermed	9.6	5.4	12.6	3.8	15.0	4.9	13.3	6.8
2c Full maturity	32.7	33.1	36.2	33.8	28.7	28.1	22.3	26.3

As a background to the analysis of the labour market we also present the distribution of leavers on the CASMIN scale for French children to immigrants from North Africa and Swedish children to immigrants from Africa, Asia or Latin America, irrespective of whether these young labour market entrants are native or foreign born themselves. In both countries very high proportions of these ethnic groups enter the labour market with compulsory education only.

Table 5 Educational levels and fields according to ethnicity, CASMIN scale

	France parents born in North Africa		Sweden parents born in Africa, Asia or Latin America	
	at least one parent	both parents	at least one parent	both parents
Levcas (When leaving school in France, at time of survey in Sweden				
1ab Compulsory	19.9	23.3	36.5	37.5
1c Basic vocational	7.8	6.9	-	-
2a Advanced vocational	28.0	27.3	32.1	33.1
2b Academic intermed	16.6	17.4	4.3	5.6
2c Full maturity	27.6	25.1	27.2	23.8

The logit estimates below (*Tables 6* and *7*) on the risk of entering the labour market with only compulsory education, show that most of the differences according to "exposure to the host country" are statistically significant in both countries. The higher the "exposure" the lower the risk of entering the labour market with compulsory education only. The only exception is French native born entrants with one foreign born parent, who have a *lower* risk than those with two native born parents. Including fathers social class and education in the analysis reveals that in France only those who are foreign born themselves have a higher risk of entering the labour market with compulsory education only. In Sweden the negative impact of having one or two foreign born parents remains after the inclusion of fathers' social class, albeit the coefficients are smaller.

In both countries the groups believed to be affected by discrimination have higher risks of entering the labour market with only compulsory education than other young entrants, i.e. those with North African origin in France and those with African, Asian or Latin-American origin in Sweden.

Table 6 Logit estimates. Dependent variable = entered labour market with compulsory education only (Casmin 1ab), France

Bold signifies statistical significance p <.05, *italics* p < .10

	France	France	France
Constant	**-2.02**	**-2.02**	**-1.91**
Foreign born	**1.23**	**1.05**	**0.93**
Native born, two parents foreign born	**0.40**	**0.24**	0.04
Native born, one parent foreign born	**-0.26**	**-0.26**	**-0.27**
Native born, both parents native born	ref	ref	ref.
Female	**-0.27**	**-0.27**	**-0.30**
North African origin		**0.38**	**0.31**
Father employed			**-0.21**
Father manual worker			**0.45**
Father upper sec. education			**-0.21**
Father university education			**-0.91**
N			
-2LL	9376	9193	9056

Table 7 Logit estimates, dep var = entered labour market with compulsory education only (Casmin 1ab), Sweden

Bold signifies statistical significance p <.05, *italics* p < .10

	Sweden	Sweden	Sweden
Constant	**-1.43**	**-1.42**	**-0.72**
Foreign born	**0.62**	**0.53**	**0.39**
Native born, two parents foreign born	**0.53**	**0.52**	**0.43**
Native born, one parent foreign born	**0.25**	**0.25**	**0.21**
Native born, both parents native born	ref	ref.	ref
Female	0.03	0.03	**-0.11**
Both parents born in Africa, Asia or Latin America		0.37	0.35
Father employed			**-1.12**
Father manual worker			**0.29**
N = 9618			
-2LL	9581	9578	9208

The hypotheses on the implications of the higher selectivity of the French school system cannot be tested with the data we are using. For the subgroup of labour market entrants, however, the French school system seems to provide greater difficulties for foreign born children than the Swedish system. This could be an indication of the higher selectivity of the French educational system, which would be particularly detrimental to pupils born abroad and is in accordance with what was expected.

On the other hand the French school system seems to provide relatively better opportunities for native born children with foreign born parents than the Swedish one. This result is not expected, nor are there any explanations in the data we are using.

Table 8 Logit estimates, dependent variable = entered labour market with compulsory education only (Casmin 1 ab)

Bold signifies statistical significance p <.05, *italics* p < .10

	1	2	3
Constant	**-1.36**	**-1.36**	**-0.67**
Foreign born	**0.62**	**0.46**	**0.34**
Native born, two parents foreign born	**0.53**	**0.51**	**0.43**
Native born, one parent foreign born	**0.23**	**0.20**	*0.18*
Native born, both parents native born	ref.	ref.	ref.
Female	**-0.10**	**-0.10**	**-0.19**
France	**-0.59**	**-0.59**	**-1.31**
Interactions France and exposure			
France * foreign born	**0.47**	**0.52**	**0.54**
France * two parents	-0.15	-0.23	*-0.30*
France * one parent	**-0.48**	**-0.54**	**-0.35**
Interaction France and possible discrimination			
France * North African (Fr) or African, Asian, Latin Am. (Sw)		-0.22	-0.13
Father employed			**-1.14**
Father worker			**0.30**
Interaction France and social background			
France * father employed			**0.95**
France * father worker			**0.23**
N=24,753			
-2LL	21,033	21,021	20,515

6. Labour market situation at time of survey

There are great differences between France and Sweden regarding the main activity at the time of the survey. In France the overwhelming majority are in the labour force, while the proportion in the labour force is substantially lower in Sweden. The low labour force participation rate in Sweden is explained by the high proportion of students. This could be due to different admission rules to tertiary education as well as different patterns of alternating between studies, work and other activities (like going abroad). More than half of the studying Swedes are at a university or college, the other half are participating in adult education and miscellaneous courses. The proportion at tertiary level is lower among foreign born students than among other young Swedes. The foreign born students are more likely to participate in different kinds of adult education programmes in order to complete their secondary education or to get higher grades than those received while in the regular school system.

Table 9 Main activity five years after leaving school[5]

	Native born both parents native born		Native born, one parent foreign born		Native born, both parents foreign born		Foreign born	
	France	Sweden	France	Sweden	France	Sweden	France	Sweden
Regular employment	68.4	51.0	63.5	45.4	60.3	45.8	54.1	36.1
Employment scheme, without training	3.1	5.6	2.4	7.8	2.7	5.9	2.7	6.7
Employment scheme, with training	0.9	-	0.5	-	0.5	-	0.5	-
Apprentice	0.4	-	0.5	-	0.4	-	0.1	-
Unemployed	17.3	9.8	17.6	11.8	23.7	21.0	30.8	17.0
State training scheme	2.6	1.2	3.2	0.6	3.7	1.0	4.0	1.9
Education/voc training	1.9	24.2	2.9	27.1	2.9	15.8	3.1	26.3
National service	1.0	-	1.8	-	1.4	-	0.4	-
OLF/other	4.5	6.4	7.4	5.8	4.3	7.7	4.3	10.5

[5] In Sweden 4-5 years after leaving upper sec, 7 years after compulsory.

Table 10 Main activity five years after leaving school

Bold signifies statistical significance p <.05, *italics* p < .10

	France parents born in North Africa		Sweden parents born in Africa, Asia or Latin America	
	at least one parent	both parents	at least one parent	both parents
Regular employment	53.3	48.6	33.2	36.5
Employment scheme without training	3.1	3.6	7.9	7.7
Employment scheme with training	0.3	0.3	-	-
Apprentice	0.4	0.6	-	-
Unemployed	29.1	33.1	19.8	21.2
State training scheme	5.1	5.7	1.5	1.0
Education/vocational training	3.2	3.3	28.7	22.1
National service	0.5	0.2	-	-
Out of labour force, other	5.0	4.5	7.4	9.6

The distribution on "main activity" in *Table 9* suggests a positive correlation between "exposure" and employment in both countries, the employment rates increase with the degree of exposure. The groups that might be at risk of being discriminated against on the labour market have lower employment rates than any other group. When it comes to unemployment there seems to be a negative correlation with exposure and with North African origin in France. In Sweden the pattern is blurred by the high participation rate in education.

The hypotheses to be examined in this section is whether, given education, the differences in employment and unemployment between immigrants and natives are smaller in France than in Sweden. The analysis is therefore restricted to those in the labour force. Besides the employed and the unemployed we also regard those who are participating in an employment scheme or in apprenticeship training as being in the labour force. As the employment schemes target different groups in the two countries[6], we treat employment schemes together with apprenticeship training as a separate category. The data set contains some important variables that are only available for one of the countries. We therefore begin with a presentation of the labour market situation for each country separately, using multinomial logit models. The reference group is always

native born youth with two native born parents. The labour market positions "unemployed" and "participating in employment scheme or apprenticeship training" are always compared with the reference alternative "having a regular job without any kind of subsidies".

In **France** the risk of being unemployed rather than employed is higher for foreign born youth and for native born youth with two foreign born parents (*Table 11, model 1*). These higher unemployment risks are to a large extent carried by young people of North African origin[7]. After including North African origin in *model 2* the coefficients for "foreign born" and "native born, both parents foreign born" are substantially reduced, but they are still positive and statistically significant.

Education is of great importance on the French labour market (*models 3 and 4)*. All educational levels above compulsory education experience a reduced risk of being unemployed. "Full maturity education", has the strongest impact and "academic intermediary" the lowest. Work experience in terms of following an apprenticeship track or having worked while in school also reduce the unemployment risks. Differences in education explain the higher unemployment risks of children of two immigrant parents. After controlling for education and work experience while in school the coefficient for "native born, both parents foreign born" is no longer statistically significant. Despite controlling for education and work experience the higher unemployment risks of foreign born youth and youth of North African origin are still statistically significant. *Model 5* includes variables indicating social background. Having an employed father reduces the risk of being unemployed. If the father is a manual worker the risk is increased. The higher unemployment risks of foreign born youth and youth of North African origin, however, remain statistically significant.

The French employment schemes and apprenticeship training places are not targeted at youth with an immigrant background. All coefficients for "exposure" or North African origin are negative and, with one exception, statistically insignificant. The target group for the French schemes within this age group is those with compulsory education only.

---

[6] See Schröder (2000).

[7] We have run separate models using "both parents born in North Africa" instead of "at least one parent born in North Africa". The signs of the coefficients and the significance levels are the same, but the value of the coefficients are somewhat stronger for "both parents", for example 0.72 in model 2 instead of 0.57.

The situation of young women on the French labour market is noteworthy. The risk of being unemployed is around twice as high for young women than for young men. This doubled risk for young women also holds for those participating in an employment scheme.

Table 11 France, multinomial logit estimates
Dependent variable = labour market position at time of interview
Bold signifies statistical significance p <.05, *italics* p < .10

	1		2		3		4		5	
	un-emp-loyed	scheme	un-emp-loyed	scheme	un-emp-loyed	scheme	un-emp-loyed	scheme	un-emp-loyed	scheme
Constant	**-1.70**	**-3.04**	**-1.70**	**-3.04**	**-0.75**	**-2.25**	**-0.64**	**-2.14**	**-0.45**	**-1.78**
Foreign born	**0.84**	0.00	**0.58**	-0.13	**0.36**	-0.31	**0.36**	-0.32	**0.44**	-0.17
Native born, both parents foreign born	**0.44**	0.00	**0.19**	-0.18	0.13	-0.24	0.12	-0.24	0.00	**-0.49**
Native born, one parent foreign born	0.12	0.00	0.00	-0.17	0.00	-0.14	0.00	-0.12	0.00	-0.23
Female	**0.66**	**0.63**	**0.65**	**0.63**	**0.77**	**0.73**	**0.74**	**0.70**	**0.75**	**0.68**
At least one parent born in North Africa			**0.57**	0.26	**0.52**	0.21	**0.55**	0.24	**0.47**	0.11
Basic vocational education					**-1.02**	**-0.72**	**-0.81**	**-0.39**	**-0.79**	**-0.53**
Advanced vocational education					**-1.15**	**-1.03**	**-1.00**	**-0.85**	**-0.90**	**-0.93**
Academic intermediate educ					**-0.46**	***-0.24***	**-0.39**	-0.18	**-0.38**	**-0.36**
Full maturity education					**-1.51**	**-1.25**	**-1.33**	**-1.07**	**-1.23**	**-1.12**
Apprentice track							**-0.33**	**-0.52**	**-0.31**	**-0.59**
Worked during educ							**-0.48**	**-0.45**	**-0.47**	**-0.43**
Father employed									**-0.43**	**-0.27**
Father manual worker									**0.15**	0.00
Father upper sec education									0.00	**-0.21**
Father university education									**0.25**	0.16
N =										

Table 12 Sweden, multinomial logit estimates
Dependent variable = labour market position at time of interview
Bold signifies statistical significance p <.05, *italics* p < .10

	1		2		3		4		5	
	un-emp-loyed	sche me	un-emp-loyed	sche me	un-emp-loyed	sche me	un-emp-loyed	sche me	un-emp-loyed	sche me
Constant	**-1.48**	**-2.23**	**-1.48**	**-2.25**	**-1.06**	**2.22**	0.00	**-0.96**	0.00	**-0.95**
Foreign born	**0.91**	**0.54**	**0.72**	0.38	**0.67**	0.37	**0.63**	0.31	**0.61**	0.30
Native born, both parents foreign born	**0.84**	0.17	**0.82**	0.15	**0.75**	0.15	**0.75**	0.15	**0.73**	0.13
Native born, one parent foreign born	**0.27**	**0.46**	**0.24**	**0.44**	**0.26**	**0.44**	**0.26**	**0.45**	**0.26**	**0.45**
Female	**-0.41**	0.00	**-0.41**	0.00	**-0.38**	0.00	**-0.30**	0.14	**-0.34**	0.13
At least one parent born in Africa, Asia or Latin America			**0.48**	0.43	***0.48***	0.43	***0.47***	0.41	***0.45***	0.40
Advanced vocational education					**-0.42**	-0.11	**-0.21**	0.15	**-0.18**	0.15
Academic intermediate educ					0.00	**0.42**	0.19	**0.73**	0.22	**0.73**
Full maturity education					**-1.16**	0.00	**-0.95**	**0.31**	**-0.90**	**0.33**
Grades							**-0.41**	**-0.52**	**-0.40**	**-0.52**
Father employed									**-0.26**	0.00
Father manual worker									***0.15***	0.12

The relative labour market situation of the children of immigrants in **Sweden** differs from the situation in France. Using only the ”exposure” variables results in higher unemployment risks for all children of immigrants, whether native or foreign born. The unemployment risks seem to be particularly high for those of African, Asian or Latin American origin. The coefficients for ”exposure” and for African, Asian and Latin American origin decline somewhat when additional variables are included, but they remain statistically significant and negative in all the models.

The targeting of the Swedish employment schemes[8] also appears to vary from the French schemes. In Sweden all the "exposure" and African, Asian and Latin American coefficients are positive and statistically significant. Another difference from France is the impact of education on the risk of participating in an employment scheme in Sweden. The Swedish schemes are targeted at those with an academic intermediary or a full maturity education (compared to those with compulsory education only)[9].

Another striking difference between the two countries is the labour market situation of young women. In Sweden young women have lower unemployment risks than young men, and there is no gender difference in the risks of participating in an employment scheme.

The results above indicate that education might reduce the labour market differences between youth with and without an immigrant background in France in Sweden. To examine this hypothesis we will pool the French and Swedish data and use the variables that are common for the two countries.

[8] No apprenticeship training operated in Sweden at the time of the survey.

[9] The most common labour market scheme at the time of the survey was explicitly targeted at those who were unemployed with an upper seconday education. Those with only compulsory education should be encouraged to return to school.

Table 13 Multinomial logit estimates
Dependent variable = labour market position at time of interview

Bold signifies statistical significance p <.05, *italics* p < .10

	1		2 [c]	
	unempl.	scheme	unempl.	scheme
Constant	**-1,48**	**-2,23**	**-0,86**	**-2,13**
Foreign born	**0,91**	**0,54**	**0,62**	*0,41*
Native born, both parents foreign born	**0,84**	0,17	**0,73**	0,15
Native born, one parent foreign born	**0,27**	**0,46**	**0,26**	**0,45**
Female	**-0,41**	0,00	**-0,43**	0,00
France	**-0,22**	**-0,97**	**0,36**	-0,18
Potential discrimination [a]			**0,46**	0.26
Vocational education [b]			**-0,36**	0,00
Academic intermediate educ			0,00	**0,45**
Full maturity education			**-1,01**	0,00
Interactions with France:				
Foreign born *France	0,00	-0,49	-0,22	**-0,64**
Native born, both parents foreign born * France	**-0,40**	-0,26	**-0,65**	**-0,74**
Native born, one parent foreign born * France	**-0,15**	**-0,56**	***-0,30***	**-0,72**
Female * France	**1,06**	**0,67**	**1,20**	**0,79**
Vocational education * France			**-0,75**	**-0,88**
Academic intermediate educ * France			**-0,45**	**-0,87**
Full maturity education * France			**-0,44**	**-1,25**

a France: at least one parent born in North Africa; Sweden: at least one parent born in Africa, Asia or Latinamerica.
b Basic (Casmin 1c) and advanced (Casmin 2a) vocational education.
c The variables *father employed* and *father worker* are included in the model. The coefficients have the expected signs but are not shown here.

The results of the pooled data shed some light on the hypothesis that, given education, the relative labour market situation of the children of immigrants is better in France than in Sweden. For young foreign born people there is no difference between France and Sweden in the relative risk of being unemployed. This is also true when education is included, which is somewhat contrary to what was expected.

There is a substantial difference between the countries in the labour market situation of the native born children of immigrants. Their relative unemployment risks are higher in Sweden than in France. In the first model education is not taken into consideration, which means that there is nothing in the model that can explain the higher Swedish relative unemployment risks. The disadvantages of the native born children of

immigrants in Sweden, as compared to France, become more pronounced when the educational level of the individual is taken into consideration (model 2). The relative risk of being unemployed is around 50 per cent lower for a native born young person with two foreign born parents in France compared to a young person in Sweden with similar characteristics in terms of immigrant background and school achievement. The importance of education on the French labour market is also demonstrated by the negative signs of the interaction variables between France and education.

The relative risks of participating in a labour market scheme also differ between the two countries. All interaction variables between France and exposure and France and education are negative, i.e. having an immigrant background or an educational level above compulsory education reduces the risk of scheme participation in France as compared to Sweden.

The results are thus not totally in line with the hypothesis, but indicate that there are some merits in the signalling power of an educational system that ought to be explored with data containing more countries or a greater number of time-points.

7. Summary and conclusions

The aim of the study is to investigate if and how differences in educational systems promote or impede the integration of the children of immigrants on the labour market. As both countries are considered to have strictly regulated labour markets, the influence of labour market structure is supposed to be equal in both countries. The study is restricted to young labour market entrants, i.e. those who continue to university studies are excluded from the data. The first hypothesis is that the more selective French school system would imply that the educational differences between the children of immigrants and other pupils are greater in France than in Sweden. This could be due to differences in social background between the children of immigrants and other children as well as to language difficulties of especially the foreign born. The results give some support to the hypothesis. In France, compared to Sweden, foreign born labour market entrants have a higher risk of entering the labour market with compulsory education only. On the other hand, native-born labour market entrants with foreign born parents have a lower risk of entering the labour market with compulsory education in France than in Sweden. It is not

possible to explain this country difference for the native born with an immigrant background with this data.

The labour market situation approximately 5 years after leaving school is discussed within the framework of statistical discrimination, i.e. that employers base their hiring decisions on the perceived average productivity of groups and not on the abilities of the individual jobseeker. It is possible that the greater selectivity of the French system also means that the signals to the labour market are more distinct in France than in Sweden, i.e. the French diplomas give better information on the potential productivity of a young jobseeker than the Swedish educational programmes. If that is the case, "statistical" discrimination would be of less importance in Sweden than in France. The second hypothesis is that, given the educational level and type of diploma of the individual, the differences between children of immigrants and other young labour market entrants are smaller in France than in Sweden.

The results indicate that all native born children of immigrants have a better relative labour market position in France than in Sweden. The disadvantages experienced by the native born children of immigrants in Sweden, as compared to France, become more pronounced when the educational level of the individual is taken into consideration. The relative risk of being unemployed is around 50 per cent lower for a native born young person with two foreign born parents in France compared to a young person in Sweden with similar characteristics in immigrant background and school achievement. The results indicate that there could be some merits in this hypothesis that ought to be explored with data including more countries and/or observation points.

In both countries some ethnic groups are believed to be particularly exposed to discrimination on the labour market, whether this discrimination is caused by preferences or by lack of information. In France this group comprises youth of North African origin, and in Sweden those of African, Asian or Latin American origin. In France youth of North African origin enter the labour market with a lower educational level than any other groups. In both countries young people belonging to the "potentially discriminated" groups have higher unemployment risks than other young people. These higher unemployment risks remain when variables controlling for the individual's education as well as their social background are included in the model.

References

Arai, M., Schröder, L. & Vilhemsson, R. (2000), *Mot en svartvit arbetsmarknad. (Towards a black and white labour market.)* Rapport från Expertgruppen för studier i offentlig ekonomi (ESO), forthcoming.

Arrow, K. (1972), "Models of Job Discrimination" in Pascal, A.H. (ed.) *Racial Discrimination in Economic Life*. Lexington Books, Massachussets.

Borjas, George J. (1994), "The Economics of Immigration", *Journal of Economic Literature*, vol. XXXII, (December 1994), pp. 1667-1717.

Borjas, George J. (1998), "The Economic Progress of Immigrants", National Bureau of Economic Research (NBER), Working Paper 6506.

Brinbaum, Yaël (1999), "Family Educational Aspirations: Another Approach to the School-to-Work Transition for Immigrants' Children", mimeo, LASMAS, Centre National de la Recherche Scientific (presented at the ESF conference in Obernai, September 1999).

Brinbaum, Yaël & Patrick Werquin (1999), "Transition into the Labour Market of Young People from Immigrant Families: Differentiated Pathways", mimeo, LASMAS, Centre National de la Recherche Scientific and CEREQ (publ in Edinburgh volume).

Chiswick, Barry R (1978), "The Effect of Americanisation on the Earnings of Foreign-Born Men", *Journal of Political Economy,* Oct. 1978, 86(5), pp. 897-221.

Chiswick, Barry R., Cohen, Yinon & Zach, Tzippi (1997), "The Labor Market Status of Immigrants: Effects of the Unemployment Rate at Arrival and Duration of Residence", i *Industrial and Labor Relations Review,* Vol. 50, no. 2, pp. 289-303.

Lundahl, M. & Wadensjö, E. (1984), *Unequal Treatment. A Study in the Neo-Classical Theory of Discrimination*. New York University Press, New York.

OECD (1999), Employment Outlook.

Phelps, E. (1972), "The Statistical Theory of Racism and Sexism", *American Economic Review*, vol. 62.

Roche, Pierre (1999), "L'immigration dans la société française. Aperçu historique. Un entretien avec Gérard Noiriel", *Formation Emploi*, No 65, Janvier-Mars 1999.

Schröder, L. (1999), "Integrationen av utrikes födda på svensk arbetsmarknad" in *Søkelys på arbeidsmarkedet*, vol. 12, no. 2.

Schröder, L. (2000), "The Role of Youth Programmes in the Transition from School to Work", in *A Comparative Analysis of Transitions from Education to Work in Europe –Based on National School Leavers' Surveys*. Working Paper, April 2000, The Economic and Social Research Institute (ESRI), Dublin.

Shavit, Y. & W. Müller (eds.)(1998), From School to Work. A Comparative Study of Qualifications and Occupational Destinations. Clarendon Press, Oxford.

Silberman, Roxane & Irène Fournier (1999) "Immigrants' Children and the Labour Market. The Mechanisms of Selective Discrimination", mimeo, CNRS (Centre National de le Recherche Scientifique) and LASMAS, (presented at the ESF conference in Obernai, September 1999).

Vallet, Louis-André & Caille, Jean-Paul (1999), "Migration and Integration in France. Academic Careers of Immigrants' Children in Lower and Upper Secondary

School", mimeo, LASMAS, Centre National de la Recherche Scientific (presented at the ESF conference in Obernai, September 1999).
Vallet, Louis-André (2000), "School Assimilation of Children born of Immigration and its Interpretation: French Data Examined", mimeo, LASMAS, Centre National de la Recherche Scientific (submitted to theEuropean Sociological Review).
Vilhemsson, Roger (2000), "Ethnic Differences in the Swedish Youth Labour Market", Institutet för social forskning, licentiatserien 15/2000.