



**HAL**  
open science

# Absence of generalised employment instability in the French and British labour markets

Aline Valette

► **To cite this version:**

Aline Valette. Absence of generalised employment instability in the French and British labour markets. 8th European Congress of the International Industrial Relations Association, Jun 2007, Manchester, United Kingdom. halshs-00156459

**HAL Id: halshs-00156459**

**<https://shs.hal.science/halshs-00156459>**

Submitted on 21 Jun 2007

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

# Absence of generalised employment instability in the French and British labour markets

Valette Aline, LEST-UMR 6123, aline.valette@univmed.fr

## Abstract

This paper aims to enlighten the debate around the increase of instability in contemporary labour markets. Based on the case of France and the UK, we analyse the position in the national employment system of employees, from 30 to 55 years old, concerning their job stability. National employment systems are broken down into four stability regimes created from the stability variable we generate. This variable is calculated on the basis of the ratio of tenure in current job to total time spent in the labour market. Both descriptive statistics of the stability variable and probabilities for employees to joint one regime or another, show the absence of a generalised employment instability for this “central” work force.

## Introduction

There are two opposing schools of thought in the literature on the evolution of the labour market. For the first (Behaghel, 2003; Cahuc and Kramarz, 2004; Givord and Maurin, 2004), employment instability is becoming generalised, either as a result of greater insecurity in employment and hence an increased likelihood of job loss or because atypical jobs are accounting for an increasing share of new hires. For the second (Auer, 2005; Auer et Cazes, 2000; Doogan, 2005; Postel-Vinay, 2003), on the other hand, employment stability remains high and stable jobs account for the highest share of employment relationships, particularly in the French and British labour markets. The aim of this paper is to provide some additional evidence to contribute to the deconstruction of the “myth” of generalised employment instability. To this end, we will give a detailed presentation of a new variable, termed stability in employment. This variable is constructed on the basis of length of current job tenure and length of time in the labour market (Section 1). Next, we draw on our estimation of multinomial logit models to show that the profiles of employees in the employment stability regimes we identify are specific (Section 2).

## 1. Evolution of employment stability in the French and British labour markets over the last two decades

This section focuses on the changes in the main statistics that form the basis of the stability in employment variable. The results obtained make it difficult to say that the French and British labour markets have become more unstable in general terms than they were twenty years ago.

### 1.1 Definition of the stability in employment variable

This variable has been constructed in order to counter some of the criticisms that have been made of the standard job tenure variable, in particular the fact that it takes no account of individuals' potential work experience, that is the length of time they have spent in the labour market. We decided, therefore, to construct a new variable, which we term ‘degree of stability’, since it provides information on individuals' degree of stability in their jobs, measured on the basis of the length of time they have spent in the labour market.

The stability in employment variable is calculated on the basis of the ratio of tenure in current job to total time spent in the labour market. Total time spent in the labour market is defined as the difference between age at the time of the survey and age on completion of education.

Let  $S_i$  be the degree of stability of an individual  $i$ ,  $Ten_i$  his tenure in current job,  $AgeInd_i$  his age on completion of education and  $AgeEqu_i$  his age at the time of the survey:

$$S_i = Ten_i / (AgeEqu_i - AgeInd_i)$$

Thus the degree of stability is, by construction, a value between zero and one.

### **Box 1** : Presentation of the data

The surveys used are the 1982 and 2001 waves of the INSEE Enquête Emploi (EE/Employment Survey) in the case of France and the 1983 GHS and 2001 LFS data in the case of the UK. The population under investigation is male and female employees aged between 30 and 55. This population was selected in order to concentrate the analysis on the forms of labour force management in use in the stabilised segment of the labour market. In both countries, individuals' labour market position stabilises from age 30 onwards and their characteristics fall into line with those of the economically active population as a whole. This choice also avoids any bias arising out of significant national differences in participation rates among young people and older workers, the two populations that are the main targets of institutional interventions and government programmes. Significant differences in employment, unemployment and inactivity rates between the 20-30, 30-55 and over-55 age groups confirmed us in our choice (VALETTE, 2005). The selected population accounts for 66% of the economically active population in both countries.

## **1.2 Evolution of the basic statistics on stability**

In order to gain a better understanding of the changes that have affected the French and British labour markets since the beginning of the 1980s, we present a deep descriptive analysis of the stability variable. The surveys on which our results are based are the INSEE Enquête Emploi in France and the GHS and LFS for the UK (see Box 1).

### *Averages, medians, standard deviations and variances*

The basic statistics that constitute the stability in employment variable (Table 1) show that the average degree of stability among the 30-55 age group increased during the observation period in both countries. This finding is consistent with the studies by Auer (2003, 2005). In France, the increase is of the order of 12%, compared with 8% in the UK. Nevertheless, it would be risky to conclude from this that job stability is increasing among the whole of the population in question.

While the average and median values increased in France, the standard deviation and variance also increased, which indicates an increase in average deviations and increasing dispersion within the population. Thus while the average degree of stability increased in France, it was as a result of an upward trend in the strongest degrees of stability and a polarisation of the sample around the extreme values. Between 1982 and 2001, the share of employees with a degree of stability greater than  $\frac{3}{4}$  rose from 22 to 32%, while at the same time the share of employees with a degree of stability between  $\frac{1}{4}$  and  $\frac{3}{4}$  fell by more than 8 percentage points (Table 2).

**Table 1:** Basic statistical measures of stability in employment

	France		UK	
	1982	2001	1983	2001
Average	0.442	0.496	0.322	0.349
Median	0.412	0.505	0.267	0.25
Standard deviation	0,305	0,337	0,269	0,307
Variance	0.093	0.113	0.072	0.094
Numbers	33 012	39 835	4 584	10 238

Sources: EE, 1982 and 2001 for France ; GHS 1983 and LFS 2001 for the UK.

Population: employees, men and women, aged 30 to 55.

In the UK, the average and median values did not evolve in the same way. The median fell slightly, which indicates a reduction in the degree of stability below which 50% of the sample fall. It was 0.25 in 2001, indicating that half of British employees aged between 30 and 55 had spent less than quarter of their working lives in the organisation in which they were employed at the time of the survey. On this basis, we might conclude that job instability had increased. However, the average increased, pulled upwards by an increasing number of employees with long job tenures (the share of employees with a degree of stability greater than  $\frac{3}{4}$  rose from 10% in 1983 to 15% in 2001). Thus

what we are witnessing in the British labour market is an increasing bipolarisation of the labour force, with the share of the most unstable and that of the most stable rising simultaneously. This phenomenon is confirmed by the increase in the standard deviation and in the variance.

**Table 2:** Distribution of the population by degree of stability in employment

Degree of stability	France		UK	
	1982	2001	1983	2001
Less than $\frac{1}{4}$	33.60%	31.98%	48.54%	49.72%
From $\frac{1}{4}$ to $\frac{1}{2}$	22.73%	17.46%	26.33%	21.80%
From $\frac{1}{2}$ to $\frac{3}{4}$	21.53%	18.44%	15.16%	13.15%
More than $\frac{3}{4}$	22.15%	32.13%	9.97%	15.34%
Numbers	33 012	39 835	4 584	10 238

Sources: Enquêtes Emploi, 1982 and 2001 for France; GHS 1983 and LFS 2001 for the UK.

Population: employees, men and women, aged 30 to 55.

Analysis of the basic statistical measures of stability in employment has revealed a certain degree of similarity in the dynamics at work in the French and British labour markets. Thus the average degree of stability has increased in both countries, as a result of an increase in the highest degrees of stability. Nevertheless, in both countries, this rise in the average value conceals increasing polarisation of the labour force by degree of stability (Table 2).

Taken as a whole, the data presented in this first section do not allow us to conclude that employment instability is becoming more generalised. There are increasing numbers of unstable employees and, at the same time, increasing numbers of stable employees. These findings suggest that there is increasing differentiation among employees, depending on their degree of stability in employment. In the following sections, we will attempt to clarify this idea and show how it operates within the employed population under investigation here.

## 2 What is the link between individual and job profiles and the various degrees of stability?

The view adopted here is of a labour market structured around four stability regimes: the first includes individuals whose job tenure is at least four times lower than the time they have spent in the labour market, the second consists of individuals for whom the ratio between job tenure and time spent in the labour market lies between 0.25 and 0.5, the third contains employees whose job tenure is equal to at least  $\frac{1}{2}$  and at most  $\frac{3}{4}$  of the total time they have spent in the labour market and the fourth and final one includes those whose degree of stability is greater than  $\frac{3}{4}$ . Admittedly, the construction of these stability regimes is characterised by a certain degree of arbitrariness, given the relatively greater share of individuals with very low stability (less than 0.25) (Table 2). Nevertheless, it has the statistical advantage of enabling us both to track developments over time and to compare developments in one country with those in the other.

The principle of the multinomial logit model is that it explains the allocation of individuals to one of the four predefined regimes on the basis of their individual characteristics and jobs, which thereby become explanatory factors (Afsa, 2003). The use of such a model enables us to estimate, for each country and all other things being equal, the probability of an individual being in one or other of the labour market regimes.

### 2.1 Qualificational level and socio-occupational categories: two decisive factors in France

As noted above, the results of the estimates shown in the following table enable us to highlight the parameters that explain individuals' allocation to one or other of the labour market regimes.

In the French case, there is a marked contrast between the profiles of the employees in the least stable regime and those in the most stable one. This contrast held good between 1982 and 2001, indicating that there was no diminution in the differences between these two groups.

It should be noted here that the coefficients shown in Tables 3 and 4 are marginal effects. They are to be interpreted, therefore, as a deviation in the probability, for a given individual, of belonging to a given regime, compared with the probability for the reference individual. For example, the value of

0.04 at the beginning of the table's fifth row expresses the fact that, in 1982 and all things being equal, a woman had a 4% greater probability than a man of being in a very low stability regime.

*Increasing propensity to stability with rising qualification levels and indication of the existence of an external market favourable to the most highly qualified*

Compared with employees with lower secondary school certificates (CAP-BEP), those with no qualifications or, at most primary school education, had an 8% greater probability in 1982 and a 6% greater probability in 2001 of being in the least stable regime. At the same time, their probability of entering the most stable regime was 11% lower in 1982 and 9% lower in 2001 than the reference population. It would seem, therefore, that their relative position has improved. In order to explain this phenomenon, it should be noted, firstly, that we are dealing with the 30-55 age group, which means that the question of poorly qualified new entrants is sidestepped. Moreover, between 1982 and 2001, the share of employees with, at most, primary school education fell from 46% to 24% and in the very high stability regime it fell from 25 to 16%. We can reasonably hypothesise, therefore, that there is an 'over-selection' phenomenon associated with these individuals.

Between 1982 and 2001, employees with the upper secondary school leaving certificate (*baccalauréat*) saw their situation evolve towards an increased probability of stability and a reduced probability of instability. On the other hand, university graduates in 2001 were less sharply differentiated from the reference population with regard to their probability of being in the unstable regime. Their probability of being in the most stable regime was no greater than that of employees with lower secondary qualifications (CAP-BEP). University graduates' slightly greater relative probability of being in the unstable regime may possibly reflect the existence of an external market that favours individuals with qualifications of a sufficiently high level to enable them to opt for voluntary and well-rewarded mobility.

*Are the characteristics of youth employment spreading to the heart of the economically active population?*

In terms of age, the profiles seem to have changed between 1982 and 2001. The 30-35 age group has seen its likelihood of being in unstable employment increase over the period, whereas the 45-55 age group were more likely to be in stable jobs in 2001. It might be asked whether this finding indicates that the characteristics of youth employment are spreading to other groups. This would support the argument advanced by Fondeur and Minni (2004) on the dissemination of new employment forms. Nevertheless, this instability is not affecting the oldest group in our sample. On the basis of this finding, we can say that a certain category in the population continues to maintain its highly stable employment position.

**Table 3:** Individual access probability to each regime, France, 1982 and 2001

	Less than ¼		Between ¼ and ½		Between ½ and ¾		More than ¾	
	1982	2001	1982	2001	1982	2001	1982	2001
<b>Sex</b>								
M	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
F	0.04 <sup>***</sup>	-0.02 <sup>***</sup>	0.004	0.01 <sup>***</sup>	-0.08 <sup>***</sup>	-0.02 <sup>***</sup>	0.04 <sup>***</sup>	0.03 <sup>***</sup>
<b>Qualification</b>								
None – primary ed.	0.08 <sup>***</sup>	0.06 <sup>***</sup>	0.04 <sup>***</sup>	0.02 <sup>***</sup>	-0.01	0.01 <sup>**</sup>	-0.11 <sup>***</sup>	-0.09 <sup>***</sup>
Lower secondary	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Higher secondary	0.03 <sup>**</sup>	-0.02 <sup>**</sup>	-0.02 <sup>+</sup>	-0.03 <sup>***</sup>	-0.03 <sup>***</sup>	-0.007	0.02 <sup>***</sup>	0.06 <sup>***</sup>
Higher education	0.05 <sup>***</sup>	0.001 <sup>+</sup>	-0.016	-0.009	-0.05 <sup>***</sup>	0.001	0.015 <sup>+</sup>	0.007
<b>Age</b>								
30- 35	-0.03 <sup>***</sup>	0.01 <sup>**</sup>	-0.03 <sup>***</sup>	0.01 <sup>**</sup>	0.02 <sup>***</sup>	0.04 <sup>***</sup>	0.03 <sup>***</sup>	-0.07 <sup>***</sup>
35-45	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
45-55	0.004	-0.05 <sup>***</sup>	0.01 <sup>+</sup>	0.01 <sup>**</sup>	-0.005	0.01	-0.01 <sup>+</sup>	0.04 <sup>***</sup>
<b>Sector</b>								
Agriculture	-0.11 <sup>***</sup>	-0.11 <sup>***</sup>	0.01	0.02	-0.02	0.0003	0.12 <sup>***</sup>	0.09 <sup>***</sup>
Manufacturing	-0.16 <sup>***</sup>	-0.18 <sup>***</sup>	-0.004	-0.03 <sup>***</sup>	0.07 <sup>***</sup>	0.04 <sup>***</sup>	0.10 <sup>***</sup>	0.17 <sup>***</sup>
Construction	0.02 <sup>+</sup>	-0.03 <sup>**</sup>	-0.009	0.02 <sup>**</sup>	-0.02 <sup>+</sup>	0.01	0.009	-0.009
Services	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
<b>Public or private</b>								
Public	-0.18 <sup>***</sup>	-0.19 <sup>***</sup>	-0.01 <sup>**</sup>	-0.03 <sup>***</sup>	0.07 <sup>***</sup>	0.04 <sup>***</sup>	0.13 <sup>***</sup>	0.17 <sup>***</sup>
Private	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
<b>Size of firm</b>								
Fewer than 10 employees	0.08 <sup>***</sup>	0.10 <sup>***</sup>	0.007	0.02 <sup>***</sup>	-0.05 <sup>***</sup>	-0.03 <sup>***</sup>	-0.04 <sup>***</sup>	-0.10 <sup>***</sup>
10-49 employees	0.06 <sup>***</sup>	0.08 <sup>***</sup>	0.03 <sup>***</sup>	0.04 <sup>***</sup>	-0.04 <sup>***</sup>	-0.005	-0.05 <sup>***</sup>	-0.12 <sup>***</sup>
50-499 employees	0.01 <sup>+</sup>	0.006	0.02 <sup>***</sup>	-0.04 <sup>***</sup>	-0.01	0.02 <sup>***</sup>	-0.02 <sup>***</sup>	-0.06 <sup>***</sup>
500+ employees	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
<b>Occupations and socio-occupational categories</b>								
Managers and higher professions	-0.06 <sup>***</sup>	-0.03 <sup>***</sup>	-0.03 <sup>***</sup>	-0.01	0.01	-0.02 <sup>**</sup>	0.08 <sup>***</sup>	0.06 <sup>***</sup>
Intermediate professions	-0.08 <sup>***</sup>	-0.05 <sup>***</sup>	-0.03 <sup>***</sup>	-0.02 <sup>***</sup>	0.02 <sup>***</sup>	-0.01	0.09 <sup>***</sup>	0.07 <sup>***</sup>
Lower white-collar	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Skilled manual	-0.02 <sup>**</sup>	0.04 <sup>***</sup>	0.03 <sup>***</sup>	-0.01 <sup>**</sup>	0.002	-0.005	-0.01	-0.02 <sup>**</sup>
Unskilled manual	0.05 <sup>***</sup>	0.14 <sup>***</sup>	0.05 <sup>***</sup>	-0.001	-0.03 <sup>***</sup>	-0.03 <sup>***</sup>	-0.07 <sup>***</sup>	-0.10 <sup>**</sup>
<b>Working time</b>								
Full-time	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Part-time	0.20 <sup>***</sup>	0.13 <sup>***</sup>	-0.009	0.01 <sup>+</sup>	-0.10 <sup>***</sup>	-0.03 <sup>***</sup>	-0.09 <sup>***</sup>	-0.10 <sup>***</sup>
Constant	0.15 <sup>***</sup>	0.11 <sup>***</sup>	-0.03 <sup>***</sup>	-0.07 <sup>***</sup>	-0.02 <sup>**</sup>	-0.06 <sup>***</sup>	-0.1 <sup>***</sup>	0.02 <sup>***</sup>

Sources : Enquêtes Emploi, 1982 and 2001.

Population: employees, men and women, aged 30-55.

Explanatory note: \* significant to 10%, \*\* to 5%, \*\*\* to 1%.

Log probability for 1982: -40450.48 and for 2001: -50637.44.

### *Growing duality among employees depending on whether or not they gain access to internal markets*

As expected, working in the public sector public increases an individual's probability of being in the most stable regime, by around 13% in 1982 and by 17% in 2001. A not insignificant part of this increase can be imputed to the French government's youth employment scheme (*Emplois-Jeunes*). The five-year employment contracts introduced under this scheme at the end of 1997 were taken up by a high share of young people, who were taking advantage of them in the most stable regime in 2001.

Size of firm is a relatively important factor in determining the allocation of individuals to a particular regime, which highlights the role of the demand-side variables. Thus in 1982 and in 2001, employees in all firms with fewer than 500 workers had a lower probability of being in the most stable

regime. This effect intensified between 1982 and 2001, leading to an increasing deterioration in employment stability among workers in small firms. At this stage, it can be hypothesised that employees are becoming increasingly dualised, depending on whether they work in small or large firms. In view of the strong association between internal labour markets and large firms or the public service, our results tend to reveal a process of dualisation that is increasingly separating employees in internal markets from the rest, despite the fact that they too are in employment.

Managers and those in intermediate occupations are still at less risk of being in the least stable regime than lower white-collar workers, who in turn had a lower probability in 2001 of being in unstable employment than skilled manual workers (4% less) and unskilled manual workers (14% less). Conversely, managers and those in intermediate occupations have a greater probability (8 and 9% respectively) than lower white-collar workers of being in the most stable regime. The fact that managerial staff are less likely than employees in the intermediate professions to be in the most stable regime may reflect the existence of an external labour market favourable to the supply side, in which the most highly qualified individuals are able to construct a career on the basis of a fairly high degree of mobility. While signs of such a trend are becoming evident, it is still marginal and concerns only a limited number of highly qualified individuals.

At the other end of the skill spectrum, the situation of unskilled manual workers has deteriorated to some extent<sup>1</sup>. In 1982, their probability of being in unstable employment was 5% greater than that of lower white-collar workers, whereas in 2001 the difference had increased to 14%. Similarly, their chances of gaining access to the most stable regime declined over the same period relative to the reference category, from minus 7% to minus 10%. This deterioration in the position of the least qualified group since the beginning of the 1980s has been highlighted by Gautié (2002) and interpreted as a consequence of the questioning of internal labour markets.

#### *Part-time employees and women: a relative improvement*

The difference between full-time and part-time employees remains considerable, even though the possibility of part-timers escaping instability seems to have evolved positively over the observation period. Thus part-timers have a 10% lower probability of being in a stable regime, particularly in the most stable one. Their probability of being in the unstable regime was 20% greater than of full-timers in 1982 and 13% greater in 2001.

At first sight, the results for the gender effect appear to be counter-intuitive. In 1982, women were more likely than men to be in the most unstable regime; by 2001, however, the opposite was the case, with women's probability of being in the most unstable regime now being 2% lower than that of men. In order to explain this result, it might be hypothesised that the other characteristics of women's employment take precedence, in the estimation, over the gender variable. Thus the part-time rate among women rose between 1982 and 2001 from 15 to 30%, whereas the rise among men during the same period was from 1 to 3%. Besides the part-time factor, the other principal characteristics of women's employment<sup>2</sup> are that it is concentrated in the lower white-collar category, in small firms and in the service sector. Taken together, these characteristics tend to indicate a position in the least stable regime. The fact that, in 1982 as in 2001, women were more likely than men (by 4 and 3% respectively) to be in the most stable regime reflects, among other things, the feminisation of the public sector, which expanded over the period.

The highly polarised nature of the profiles of stable and unstable employees indicates that different allocation mechanisms and criteria are associated with the different employment stability regimes. Thus the question about the extent of the effects of the destabilisation of internal labour markets posed in the introduction can be answered by pointing to our finding that employees have become increasingly differentiated according to their degree of employment stability and, indirectly, their success or failure in retaining their positions in such markets. Thus the destabilisation of internal labour markets will not have affected all categories of employees to the same extent.

---

<sup>1</sup> The level of aggregation in our data on occupations and socio-occupational categories does not enable us to separate skilled from unskilled white-collar workers. As Amossé and Chardon (2006) show, the employment and working conditions and pay of unskilled white-collar workers are closer to those of unskilled manual workers than to other white-collar workers.

<sup>2</sup> In 2001 in France, 53% of women were lower white-collar workers, 36% worked in firms with fewer than 50 employees and 84% in the service sector.

## **2.2 Similar profiles, but differences in the roles played by qualificational level and socio-occupational category**

Analysis of the British situation shows certain points in common with the French case as well as points of divergence.

### *Decline in male-female disparities in terms of employment instability*

In the UK between 1983 and 2001 women's position in terms of employment stability improved relative to that of men. Thus although they still have a lower probability of being in stable employment, the gap shrank in the most stable regime from 7% in 1983 to 4% in 2001. Similarly, their probability of being in the least stable regime increased from minus 11% in 1983 relative to men to an absence of any significant difference in 2001. This finding should be viewed in the context of a considerable expansion of public-sector employment in the UK over the observation period, particular in the health and education sectors, which are highly feminised. Nevertheless, this lack of significance should be viewed with caution, in the sense that it can be explained by the fact that other characteristics of women's employment have come to the fore, such as the fact of working in services (79% of women in 1983 compared with 88% in 2001) or being lower white-collar or manual workers (43% of women in 1983 compared with 50% in 2001). Thus these variables have captured the greater instability among women that might be expected. Consequently, women were relatively less likely to be in stable regimes even in 2001, but the disparities between men and women do seem to be declining. Another factor that emerges from the studies by Lefresne (2002) can be adduced to account for this development. She points to the rise in women's participation rate and the fall in the male rate, mainly among the least skilled.

### *University degree and unstable employment: an external labour market favourable to the supply side?*

The qualification variable seems to be only very weakly significant and selective among individuals with regard to their employment stability, with the exception of the most stable regime in 2001. All the same, it should be noted that individuals with, at most, primary-level education are at greater risk of being in an unstable regime than the rest of the employee population. It would appear, moreover, that possession of a university degree does not increase the probability of stability in the British labour market. This finding, like some of those for France, reflects the existence of an external labour market for the most highly qualified individuals that is favourable to the supply side. These individuals are able to exploit their voluntary instability in order to construct careers based on a high level of external mobility.



**Table 4:** Individual access probability to each regime, UK, 1983 and 2001

	Less than ¼		Between ¼ and ½		Between ½ and ¾		More than ¾	
	1983	2001	1983	2001	1983	2001	1983	2001
<b>Sex</b>								
M	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
F	0.11 <sup>+++</sup>	n.s.	0.04 <sup>++</sup>	0.05 <sup>+++</sup>	-0.09 <sup>+++</sup>	-0.02 <sup>++</sup>	-0.07 <sup>+++</sup>	-0.04 <sup>+++</sup>
<b>Qualification</b>								
None – primary ed.	n.s.	n.s.	0.04 <sup>+</sup>	0.03 <sup>+++</sup>	n.s.	n.s.	n.s.	-0.03 <sup>+++</sup>
Lower secondary	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Upper secondary	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	0.02 <sup>++</sup>
Higher education	n.s.	0.04 <sup>+++</sup>	n.s.	n.s.	n.s.	-0.02 <sup>++</sup>	n.s.	-0.02 <sup>++</sup>
<b>Sector</b>								
Agriculture	-0.15 <sup>++</sup>	n.s.	n.s.	n.s.	n.s.	0.07 <sup>+</sup>	0.06 <sup>++</sup>	0.09 <sup>++</sup>
Manufacturing	-0.06 <sup>+++</sup>	n.s.	n.s.	n.s.	0.02 <sup>+</sup>	n.s.	n.s.	n.s.
Construction	n.s.	-0.09 <sup>+++</sup>	n.s.	0.03 <sup>++</sup>	n.s.	0.03 <sup>+++</sup>	n.s.	0.03 <sup>+++</sup>
Services	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
<b>Public or private</b>								
Public	-0.17 <sup>+++</sup>	-0.19 <sup>+++</sup>	0.05 <sup>+++</sup>	0.04 <sup>+++</sup>	0.07 <sup>+++</sup>	0.06 <sup>+++</sup>	0.04 <sup>+++</sup>	0.09 <sup>+++</sup>
Private	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
<b>Size of firm</b>								
Fewer than 25 employees	0.15 <sup>+++</sup>		-0.08 <sup>+++</sup>		-0.04 <sup>+++</sup>		-0.03 <sup>+++</sup>	
25-99 employees	0.08 <sup>+++</sup>		-0.04 <sup>++</sup>		n.s.		-0.03 <sup>+++</sup>	
More than 100 employees	Ref.		Ref.		Ref.		Ref.	
Fewer than 10 employees		0.13 <sup>+++</sup>		n.s.		-0.05 <sup>+++</sup>		-0.08 <sup>+++</sup>
10 to 49 employees		0.12 <sup>+++</sup>		n.s.		-0.05 <sup>+++</sup>		-0.06 <sup>+++</sup>
50 to 499 employees		0.04 <sup>++</sup>		n.s.		-0.02 <sup>++</sup>		-0.03 <sup>+++</sup>
More than 500 employees		Ref.		Ref.		Ref.		Ref.
<b>Occupations and socio-occupational categories</b>								
Managers and higher professions	-0.18 <sup>+++</sup>	-0.17 <sup>+++</sup>	n.s.	n.s.	0.06 <sup>+</sup>	0.04 <sup>+++</sup>	0.09 <sup>+++</sup>	0.12 <sup>+++</sup>
Intermediate professions	-0.12 <sup>+++</sup>	-0.13 <sup>+++</sup>	n.s.	-0.03 <sup>++</sup>	n.s.	0.03 <sup>+++</sup>	0.09 <sup>+++</sup>	0.12 <sup>+++</sup>
Lower white-collar	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Skilled manual	-0.08 <sup>+</sup>	-0.06 <sup>+++</sup>	n.s.	-0.03 <sup>+</sup>	n.s.	n.s.	0.06 <sup>++</sup>	0.06 <sup>++</sup>
Unskilled manual	n.s.	0.04 <sup>++</sup>	n.s.	-0.05 <sup>+++</sup>	n.s.	n.s.	n.s.	n.s.
<b>Working time</b>								
Full-time	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
Part-time	0.13 <sup>+++</sup>	0.13 <sup>+++</sup>	n.s.	n.s.	-0.07 <sup>+++</sup>	-0.05 <sup>+++</sup>	-0.06 <sup>+++</sup>	-0.07 <sup>+++</sup>
Constant	0.30 <sup>+++</sup>	0.31 <sup>+++</sup>	n.s.	-0.1 <sup>+++</sup>	-0.10 <sup>+++</sup>	-0.09 <sup>+++</sup>	-0.12 <sup>+++</sup>	-0.13 <sup>+++</sup>

Sources: GHS 1983 and LFS 2001.

Population: employees, men and women, aged 30-55.

Explanatory note: \* significant to 10%, \*\* to 5%, \*\*\* to 1%.

Log probability for 1982: -5126.89 and for 2001: -11926.21.

#### *Large firms and the public sector: persistence of stability in employment*

The fact of working in the public sector increases the probability of being in the most stable regimes. In 2001, the probability of being in the most stable regime was 10% greater for public-sector workers than for those in the private sector. At the same time, the probability of a public-sector worker being in the most unstable regime was 17 to 19% less than for a private-sector worker.

The size of firm variable emerges as an absolutely decisive factor in the allocation of individuals to the various regimes. In 1983, being employed in a firm with fewer than 25 employees increased the probability of being in the most unstable regimes by 15% compared with workers in firms with more than 100 employees, while at the same reducing the probability of being in the most stable regime by

3%. In 2001, the smaller the firm, the greater the probability was of being allocated to the least stable regime. Conversely, working in a firm with fewer than 500 employees reduced the likelihood of being in a stable regime by 3 to 8%.

As in France, the socio-occupational category variable is an important factor in selection, mainly for the regimes at either end of the range. In 2001, managers and those in intermediate professions had a 12% greater probability of being in a high stability regime than lower white-collar workers. Skilled manual workers were also more likely to enjoy employment stability than lower white-collar workers, whereas unskilled manual workers were not distinguishable in this regard from the reference category. On the other hand, in 1983 and in 2001, it was lower white-collar workers and unskilled manual workers who had the highest probability of being in the most unstable regime. The key finding here is that the lower white-collar category is the one most affected by instability, together with unskilled manual workers. One of the limitations of our study is the level of aggregation of the socio-occupational categories and the absence of any distinction between skilled and unskilled white-collar workers.

All things considered, the modes of allocation to the different stability regimes are very similar in the UK to those in France. Size of firm, which associates large firms with stability, socio-occupational category, which associates high qualificational levels with stability, and part-time employment, which is also associated with instability, all tend to pull in the same direction. In both countries, an absence of qualifications is a strong source of instability. The profiles of individuals in stable and unstable employment are broadly similar in both countries. The divergences that can be observed relate more to the magnitude of the differences in the probability of being in the various regimes. Qualificational level plays a more important role in France, both in reducing the risks of instability and increasing the probability of stability. On the other hand, the effect of socio-occupational category is stronger in both periods in the UK. These findings echo those of a set of studies of 'labour recruitment institutions' in the two countries, with a particular emphasis on job offers (Bessy et al., 1999). Level of initial education (upper secondary school leaving certificate and higher) is specified as a matter of course in France, whereas this is not the case in the UK. The authors speak of the value attached to '*potential*' in France, at the expense of experience (p. 9). This potential is, as it were, signalled by qualificational level, which makes its role more important in France, whereas greater weight is attached in the UK, so the authors argue, to assessments of personal characteristics based on competences. Greater importance is also attached in the UK to evaluations of performance at work. This is reflected in particular in the importance attached to the various evaluation tests in recruitment processes. The objectification principle plays a greater role in the UK than in France, and the rent associated with initial education or training is correspondingly less.

## **Conclusion**

This paper and more precisely the construction of employee profiles shows that the French and British labour markets are still segmented, particularly with regard to individual stability in employment. Underpinning the segmentation approach, and in particular the seminal study by Doeringer and Piore (1971), is a set of structural characteristics in the economy that leads to the segmentation of firms; at the same time, individuals are distributed among these segments in a non-random way that depends on the degree of congruence between their individual characteristics and the various segments of firms. True, our approach is based on a population of employees and not of firms, but the principles are similar. The stability regimes we have constructed seem to have specific characteristics that are matched to the firms associated with them through the workers they employ. Thus size of firm plays an important role in both France and the UK, in the sense that large firms and stability are strongly associated, as is full-time working. This stability of employment in large firms matches with the individual characteristics of the most stable employees, who tend to be high school or university graduates, managers or those in the intermediate occupations. Thus there is a system of complementarities, identification of which leads us to conclude that the profiles of unstable employees and those of the firms that employ them are specific. We would add that some of our results reflect the presence of external labour markets favourable to the supply side, in which highly qualified workers construct upwardly mobile careers. This phenomenon is common to both countries. Another point they have in common is the relative improvement in the position of women in terms of access to employment. The persistence of the principle of labour stabilisation, as manifested in internal labour markets, has been demonstrated in both countries, where one of the challenges for individuals revolves around their ability (or inability) to gain access to such markets. Questions have also been raised about public employment policies. Are they pursuing the right goal in seeking solely to place people in work, regardless of the quality and stability of that work?

## Bibliography

- AFSA E., 2003, Les modèles Logit polytomiques non ordonnés : théorie et applications, *Document de travail de l'Unité de méthodologie statistique*, n°3001, INSEE.
- AMOSSE T. ET CHARDON O., 2006, Les travailleurs non qualifiés : une nouvelle classe sociale ?, *Economie et Statistique*, n° 393-394, pp. 203-229.
- AUER P., CAZES S., 2000, L'emploi durable persiste dans les pays industrialisés, *Revue Internationale du travail*, Vol. 139, n°4, pp.379-408.
- AUER P., 2005, Protected mobility for employment and decent work: labour market security in a globalized world, *Employment Strategy Papers*, 2005/1, ILO, 20 p.
- BEHAGHEL L., 2003, Insécurité de l'emploi : Le rôle protecteur de l'ancienneté a-t-il baissé en France ?, *Economie et Statistique*, n°366, pp. 3-29.
- BESSY C., EYMARD-DUVERNAY F., DE LARQUIER G., MARCHAL E., 1999, Les institutions du recrutement – Approche comparative France/ Grande-Bretagne, *La lettre du CEE*, N°60, pp 1-10.
- CAHUC P. ET KRAMARZ, 2004, *De la précarité à la mobilité : vers une sécurité sociale professionnelle*, Rapport pour le Ministère de l'Economie, des Finances et de l'Industrie, La Documentation Française, Paris, 204p.
- DOERINGER P. ET PIORE M.J., 1971, *Internal Labour Market and Manpower Analysis*, Lexington, Mass, 215 p.
- DOOGAN K., 2005, Long-term employment and the Restructuring of the Labour Market in Europe, *Time and Society*, vol. 14 no 1., pp. 65-87.
- GAUTIE J., 2002, Déstabilisation des marchés internes et gestion des âges sur le marché du travail: quelques pistes, *Document de travail du CEE*, n°15, 34 p.
- GIVORD P. ET MAURIN E., 2004, Changes in job security and their causes: An empirical analysis for France: 1982-2002, *European Economic Review*, 48, pp. 595-615.
- LEFRESNE F., 2002, Royaume-Uni – L'emploi en question, *Chronique Internationale de l'IRES*, n° 78, pp. 70-82.
- POSTEL-VINAY F., 2003, Evolution du risque de perte d'emploi : changements structurels ou changements institutionnels ?, *Economie et Statistique*, n°366, pp. 24-29.
- VALETTE A., 2005, Impacts of Internal and External Changing Conditions On French and British Labour Market Segmentation, 26<sup>th</sup> Conference of the IWPLMS, 8-11 September, Berlin, 25 p.