Over the last two decades, youth unemployment emerged as one of the major problems of many contemporary European societies. As educational achievement is regularly claimed to prevent labour market exclusion, this paper explores the educational stratification of unemployment in early labour market career and its institutional embeddedness in specific education and employment systems. The paper investigates youth unemployment in France, the United Kingdom and West Germany, using microdata from national Labour Force Surveys of the mid-1980s and the mid-1990s. Methodologically, we rely on single-stage and sequential logit models to estimate the effects of individual educational achievement on unemployment risks. As a result, we are able to present evidence of a sharp distinction between the educational stratification observed in Germany on the one hand and France and Britain on the other. In Germany, labour market entry is found to occur fairly smoothly and immediately for vocationally qualified leavers, while extensive search for first jobs is confined exclusively to the least qualified. After initial employment has been found, education plays a negligible role for the risk of unemployment which is much more tied to features of employment positions. In France and Britain, in contrast, the match between qualifications and jobs is less clear-cut. Rather, the level of education provides advantages in terms of less search unemployment and lower job instability, yet differentiation is much less pronounced. Results are found to be stable over the last decade.