Getting Skills Right

France

OECD

Getting Skills Right: France

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Foreword

Across countries, tackling skill mismatch and skill shortages is a major challenge for labour market and training policies in the context of rapid and substantial changes in skill needs. In most countries, a substantial share of employers complain that they cannot find workers with the skills that their businesses require. At the same time, many college graduates face difficulties in finding job opportunities matching their qualifications.

In light of this challenge, OECD has undertaken an ambitious programme of work on how to achieve a better alignment or skill supply and skill demand, with a focus on: i) understanding how countries collect and use information on skill needs; ii) investigating cost-effective training and labour market policies to tackle skill mismatch and shortages; iii) studying the incentives of training providers and participants to respond to changing skill needs; and iv) setting up a database of skill needs indicators.

This works builds on the extensive programme of work of the OECD in the area of skills, including the OECD Skill Strategy and its follow up national implementation strategies, the Survey of Adult Skills (PIAAC) and its rich analyses in the areas of skills mismatch, vocational education and training and work-based learning.

This policy review is one of a series on skill imbalances aiming to identify international best practice in addressing skill imbalances in order to minimise the associated costs to individuals, enterprises and economies. The review involves an in-depth assessment of the country's skills system, leading to a set of policy recommendations backed by analysis and input from country stakeholders.

The work on this report was carried out by Marieke Vandeweyer from the Skills and Employability Division of the Directorate for Employment, Labour and Social Affairs under the supervision of Glenda Quintini (team manager on skills) and Mark Keese (Head of the Skills and Employability Division). The report has benefited from helpful comments provided by Stefano Scarpetta (Director for Employment, Labour and Social Affairs) and staff at the JPMorgan Chase Foundation.

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Acronyms and abbreviations

ADEC	Actions for the development of employment and skills
AFC	Agreed training action
AFPR	Pre-recruitment training action
AIF	Individual training support
BAC	Baccalaureate
BAIP	School-to-work transition help desk
BEP	Certificate of professional studies
CAP	Certificate of professional competence
CEP	Professional evolution advice
CIP	Individual training leave
CPC	Consultative professional commission
CPF	Personal training account
CNCP	National commission for professional certificates
CQP	Professional qualification certificate
ERS	Higher education and research
EU	European Union
FCIL	Complementary training at local initiative
FEST	On-the-job training
FPSPP	Joint fund for securing professional pathways
GDP	Gross domestic product
GPEC	Provisional management of employment and skills
ICT	Information and communication technology
LRU	Freedom and responsibilities of universities
NEET	Not in employment, education or training
OPCA	joint organisation for approved collections
PES	Public employment service
PIAAC	Survey of Adult Skills
POE	Operational preparation for employment
R&D	Research and development

REC	Employment and skills network
RNCP	National directory of professional certificates
ROME	Operational directory for occupations and jobs
VAE	Recognition of prior learning

Summary and key recommendations

The demand for skills in developed countries is changing constantly as a result of global trends such as technological progress, globalisation and population ageing. In France, as in many other high-income countries, the composition of the economy has changed considerably in recent decades, shifting towards high service intensity. High-tech manufacturing and knowledge intensive services account for an important share of French value added, signalling a strong demand for high-level skills. Nonetheless, while France performs well in terms of innovation, a substantial gap remains compared with other European countries in the vanguard. The educational attainment level of the French population is average compared with other OECD countries, and the proficiency of French adults in literacy and numeracy is below the OECD average, suggesting that the supply of skills may represent bottlenecks for the economic performance of France.

In addition to below-average skill development, France faces an important underutilisation of available skills. The high number of unemployed, and especially long-term unemployed, are at risk of skills depreciation, especially when they have limited access to training options. Additionally, a substantial share of employed individuals in France are mismatched to their job in terms of level or field of qualification, which implies that their skills might not be optimally used. The risk of skill depreciation is especially important for youth, as a large share of French youth are not in employment, education or training, and many young people are employed in temporary jobs with low access to training. Similarly, migrants account for a large pool of unused or underused skills, as they face above-average unemployment and overqualification rates.

In order to better match the demand and supply of skills, France has to invest in developing the right skills, especially in an era of fast-changing skills demand. A first step in tackling skills imbalances is a thorough understanding of the country's skill needs. In France, multiple national, regional and sectoral skill needs assessment exercises have been put in place, using a variety of data sources and methodologies. The evidence from these exercises feeds into training, career guidance and migration policies. Nonetheless, the skill needs assessment system would benefit from increased co-operation between the different actors, and from an effort to bring all the information together to be more relevant for users.

A range of policies have been put in place in France to tackle skills imbalances. From the demand side, the development of high-skill economic activity is fostered through investment plans, policies that stimulate re-industrialisation and the facilitation of entrepreneurial activity among students. From the supply side, policies have been implemented in the domain of general and professional education and training, career guidance and migration. General education has been brought closer in line with labour market needs by changing the secondary education curriculum and by giving more flexibility to universities. In professional education, social partners are actively involved in the creation and evaluation of training programmes. Multiple initiatives have been set up to make vocational education more attractive, and incentives have been put in place for employers to make apprenticeship places available. Lifelong learning is encouraged

and facilitated through several training initiatives, including personal training accounts and individual training leave. Moreover, employers play an important role in lifelong learning, both in terms of providing training opportunities, as well as contributing to financing lifelong learning. Training opportunities for the unemployed have been scaled up substantially, and better skill matching tools have been developed by the French public employment service. Career guidance in schools has been more closely aligned with the world of work, and free and personalised career advice has been made available to individuals in search of a career change. Finally, labour migration rules have been relaxed for individuals with skills in high demand.

In spite of this range of policy initiatives to tackle skills imbalances in France, some challenges remain. Access to education and training remains unequal, with low participation rates among individuals from disadvantaged backgrounds and low-skilled individuals. Vocational education remains an unattractive option among students and their parents, and labour market outcomes for some vocational tracks are poor. While many lifelong learning options exist, the quality of training is not sufficiently guaranteed. Career guidance information is scattered, and does not fully use the information from skill needs assessment exercise. Career progression and change is hindered by low levels of basic skills and overregulation of professions. Finally, low levels of awareness, as well as policy complexity limit the take-up of some policy initiatives.

The main recommendations for better addressing skills imbalances in France are listed in the box below, and more detailed recommendations are provided in Chapter 4.

Key recommendations

Skill needs assessment exercises

- Facilitate knowledge sharing among stakeholders involved in skill needs assessment exercises at the national, regional and local level by providing a co-ordination platform. The Skills and Employment Network (REC) could be further developed to take on this role.
- Bring together the information from different exercises (forecasts, surveys, vacancy data) into an overall assessment of skills imbalances. Present the information from the overall assessment in a user-friendly way, such that it can reach a wide audience.

Equity in education and training

- In order to minimise the impact of socio-economic background on education outcomes of students, sufficient individualised support should be provided in schools. Teachers should receive specialised pedagogical training, to be able to provide the necessary personal support.
- The existing lifelong learning possibilities and available support measures should be actively promoted among low-skilled workers and unemployed. This should be the joint responsibility of government, employers, social partners and the public employment service. More resources should be made available for training of individuals who are most in need of training, such as the low-skilled or older workers.
- Remove non-financial barriers to participation in lifelong learning, by introducing flexible and innovative adult learning programmes. Non-standard training options, such as modular approaches and online courses, could help individuals who face time constraints, but also individuals who feel apprehensive about returning to standard classroom training.

Key recommendations *(cont.)*

Vocational education

- Improve quality of vocational education, by ensuring that the content of vocational programmes is more in line with the needs of employers. Make sure the skills of teachers in vocational programmes are up-to-date with current workplace practices. A larger share of secondary vocational students should be in apprenticeships.
- Improve the image of vocational education among employers, students and parents. While improving the quality of the programmes should contribute to a better image, further campaigns should be set up to provide information about the career pathways and employment and earnings outcomes of vocational education.
- Extend vocational education to other sectors, especially emerging sectors.
- Provide sufficient places in higher professional education for graduates from secondary vocational education programmes, and offer sufficient support to facilitate the transition from secondary to higher professional education. Ensure that students understand the possible education pathways in vocational education.

Quality of lifelong learning

- The quality of training programmes should be regularly re-evaluated, making sure that the content is relevant and responsive to the needs of the users. Participants should be able to provide feedback that can be consulted by other potential users.
- To guarantee the success of the personal training account (CPF), the eligible training options should be restricted to programmes that underwent thorough quality assurance and are provided by quality assured providers. In addition, the CPF eligible training options should be focused more strongly on training that is related to real labour market needs.

Career guidance

- A single website should be created collecting career guidance information from the different players (e.g. regions, sectors, public employment service). The information should be presented in a user-friendly way, following existing best practice examples.
- The providers of Advice for Professional Evolution (CEP) should be sufficiently trained to provide high quality career advice and design career pathways. The CEP professionals should receive continuous training for them to keep their knowledge of the labour markets and skill needs up to date. This would also strengthen their ability to steer individuals towards careers in occupations in high demand or emerging occupations.

Facilitating career progress and change

- Improve transversal skills acquisition, including basic skills, at all stages of compulsory and higher education. Make sure that transversal skills training forms an integral part of upper secondary vocational education. To ensure that basic skills remain at satisfactory levels, encourage workers, especially those with low qualification levels, to participate in regular basic skills training courses.
- Thoroughly analyse and evaluate existing professional regulations. Regulations that are not justified or too strict should be relaxed or removed.

Key recommendations *(cont.)*

Awareness and user-friendliness of policies

- Actively promote existing and new policy initiatives, especially among lower-skilled target audiences. Existing bodies, such as career guidance providers and trade unions, as well as employers have an important role in the promotion of policies.
- Present information on policies and initiatives in a user-friendly and interactive way, making it possible for readers to only get the information that is relevant for them. Explain the different steps that individuals have to take to benefit from the policies.

Skills policy coherence

- A coherent system-wide approach to skills-related policies should be developed. This should involve: identifying the key objectives for the French skills system for the coming years; taking stock of existing policies; identify existing and anticipated challenges; and setting out priority actions for the improvement of the skills system.
- To ensure coherence, as skills play an important role in many areas, the initiatives by different stakeholders should be better co-ordinated. The first step in the development of a coherent set of policies should therefore be a consultation of the relevant stakeholders and their involvement in diagnosing the challenges, setting objectives and identifying coherent policy actions.

Chapter 1

Key drivers of skills demand and supply in France

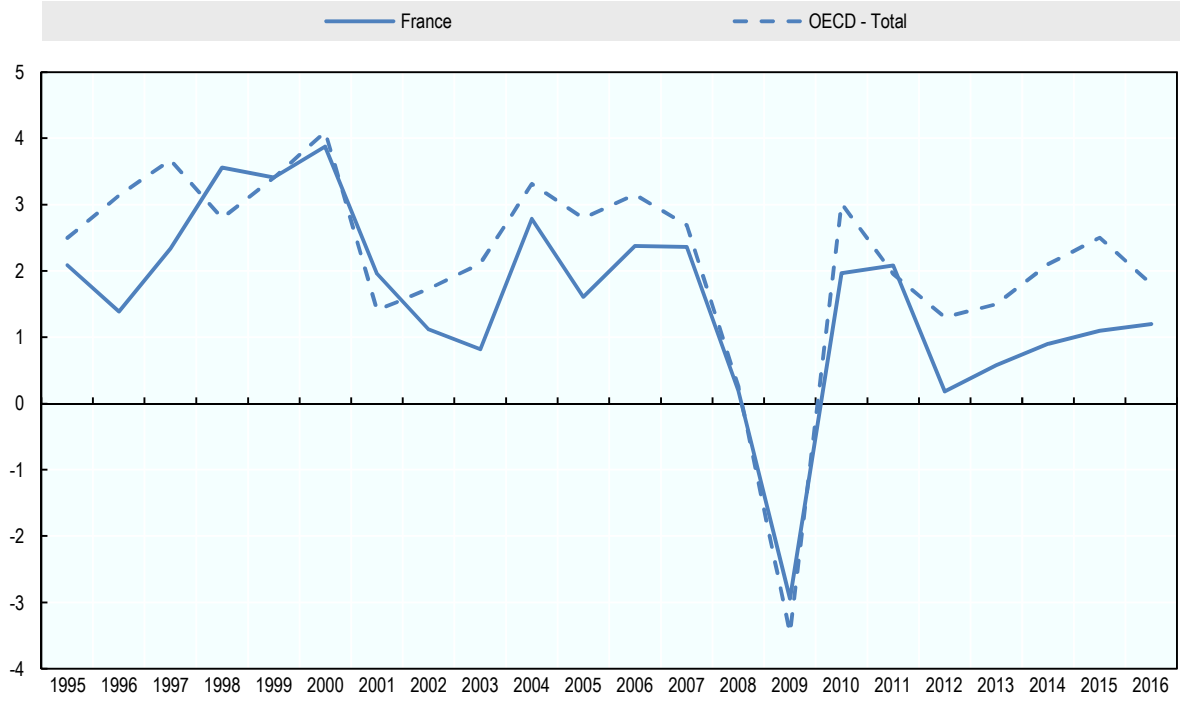
Skills imbalances are driven by structural and cyclical factors that shape the demand for and supply of skills. For instance, economic growth, changes in the composition of economic output over time and the so-called megatrends are all important macroeconomic factors influencing the demand for skills. On the other hand, labour market trends, migration, and skills and education outcomes play an important role in defining the supply of skills. The main drivers of skills demand and supply in France are discussed in this chapter, together with the current state of skills imbalances.

Key economic trends and their influence on skills demand

Economic growth, changes in the composition of economic output over time and labour market and migration trends are all important macroeconomic factors influencing the demand for and supply of skills. Since the turn of the century, GDP growth in France has been relatively slow compared to the OECD average (Figure 1.1). While the French economy grew faster than the OECD average in most of the 1990s, GDP growth has remained below the OECD average in almost all years since 2000. In the context of the Great Recession, the country's economy contracted in line with OECD average but the recovery has been slower.

Figure 1.1. GDP volume growth, France and OECD, 1995-2016

Real GDP growth rate (%)



Source: OECD National Accounts Database.

The sectoral composition of economic output in France paints a mixed picture regarding the demand for higher-level skills. The country's industrial structure is similar to that of other European countries. As in other developed countries, the importance of the manufacturing sector has declined strongly over the last decades. In 1980 the sector still accounted for about 20% of total value added. Since 2010, however, the process of deindustrialisation seems to have stopped, as the manufacturing share has remained stable at approximately 11% of value added, below the EU average of 15.6%. High-tech manufacturing accounts for around 10% of manufacturing value added in France, which is slightly higher than the EU-28 share. However, with just over 30% of manufacturing value added from low-tech manufacturing, the French manufacturing sector also has a higher low-tech intensity than the European average (around 27%). Services, on the other hand, have increased in size to reach 84.2% of French total value added in 2015. In 2014,

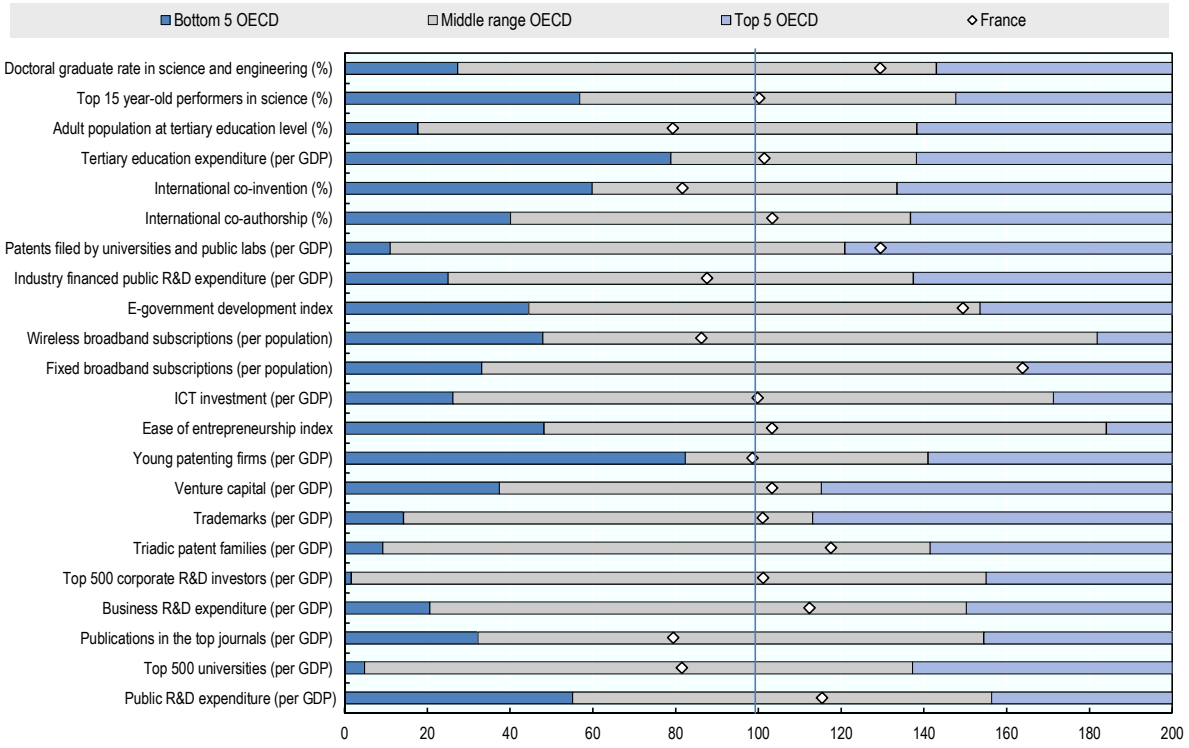
knowledge-intensive services accounted for 55% of French value added in services, which is close to the EU-28 average. France has a large public sector, representing 23% of total value added. This share is significantly higher than the EU average (19.1%), and only Denmark's share is slightly higher (23.1%).

France export trends point to relatively strong demand for higher-level skills. France's exports and imports are dominated by goods, and mainly by manufacturing goods (54% of total export value added). About 26% of manufacturing goods exports are high tech, compared to only 16.7% across OECD countries. The only other OECD members with similar high high-tech export intensity are Korea and Switzerland (World Bank World Development Indicators, 2014). The high-tech exports in France consist mainly of aerospace products (44%) and electronics and telecommunication products (21%) (Eurostat Science and Technology Database, 2015). In recent years, growth in service trade has outpaced growth in goods trade. Service exports in France are dominated by "Other commercial services", consisting for 59% of "other business services" (WTO Country Profile).

The high high-tech intensity of France's exports can be linked to its relatively strong performance on science and innovation indicators, which in turn paint a positive outlook for the demand of high-level skills. As Figure 1.2 shows, France scores above the OECD median for a range of science and innovation indicators (16 out of 22). France is among the top performers for "patents filed by universities and public labs" and "fixed broadband subscriptions". France spends 2.26% of its GDP on R&D, which is more than the EU-28 (1.95%) average and only slightly less than the OECD average (2.38%). Expenditure (expressed relative to GDP) has been growing steadily at about 1% on average per year during the period 2010-14, although the level of investment remains below the 2020 target set in the Europe 2020 framework (3% for France). The European Innovation Scoreboard confirms France's relatively strong performance, as its innovation index is 9% higher than the EU average (European Commission, 2016). Nonetheless, France's innovation performance is significantly weaker than the "innovation leaders" (Switzerland, Sweden, Denmark, Finland, Germany and the Netherlands).

Figure 1.2. Comparative performance of national science and innovation systems, France and OECD, 2014

Normalised index of performance relative to the median values in the OECD area (Index median = 100)



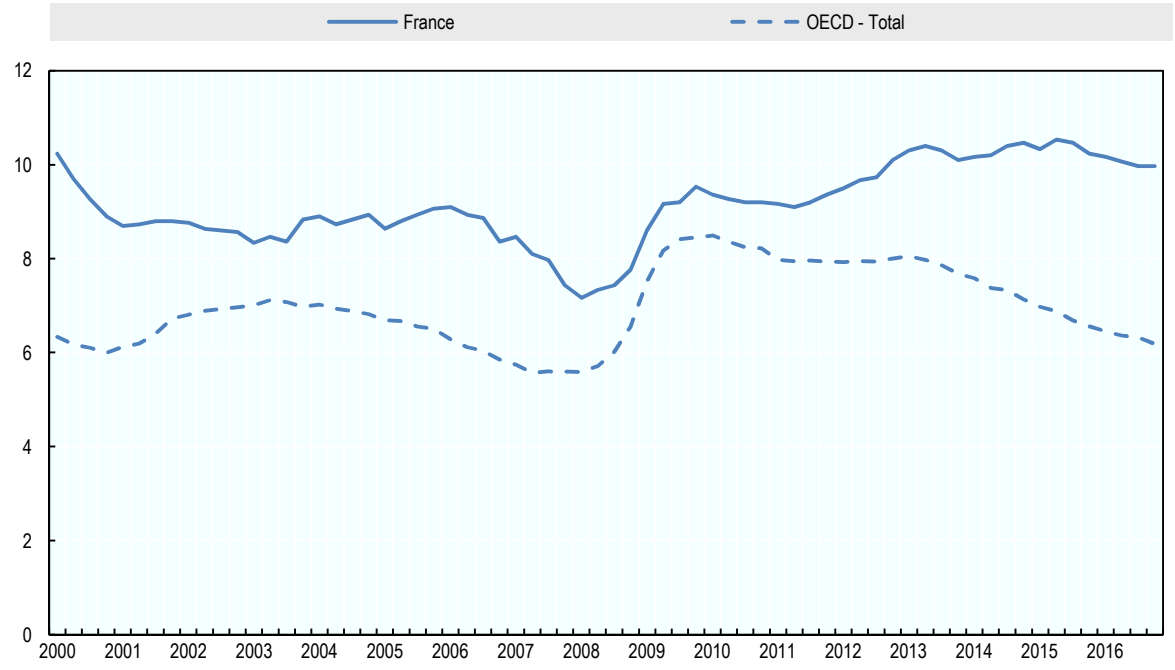
Source: OECD (2014), *OECD Science, Technology and Industry Outlook 2014*, OECD Publishing, Paris, http://dx.doi.org/10.1787/sti_outlook-2014-en.

Key labour market trends and facts

Labour market trends reflect both the demand for and supply of skills in the economy. At the end of 2016 the French unemployment rate stood at 10%, which is significantly higher than the OECD average of 6.2% and represents a large reservoir of unused skills. Following the steep rise in the context of the Great Recession, the unemployment rate only stabilised in 2015, and it declined modestly in 2016. Further reductions are projected for 2017 (OECD, 2016a). As a result of this sluggish recovery, the gap between France and the OECD is projected to keep growing and is estimated to reach 3.6 percentage points by the end of 2017. Similarly, the incidence of long-term unemployment is much higher in France than the OECD average (44% compared to 33.5% in the final quarter of 2015), highlighting the risk of skills obsolescence and depreciation among a large share of the unemployed.

Figure 1.3. Unemployment rate, France and OECD, 2000-16

Quarterly unemployment rate, seasonally adjusted (%)



Source: OECD Employment Database.

Education is an important driver of labour market outcomes, with the unemployment rate of French individuals with upper secondary or post-secondary non-tertiary education being 6 percentage points lower than that of individuals without upper secondary education, and the unemployment rate of tertiary educated individuals being an additional 3 percentage points lower.

As in most countries, young people in France have a higher probability of being unemployed. In 2016, 24.6% of persons aged 15-24 were unemployed in France, compared to an OECD average of 13%. The unemployment rate of youth is 2.8 times as high as the unemployment rate of prime age individuals (25-54). Whereas the OECD average youth unemployment rate has been declining since 2013, France did not experience a similar decline. The poor labour market situation of youth in France is also reflected in its relatively high share of youth not in employment, education or training (NEET). The share of youth that are NEET in France reached 17.1% in France in 2015, which is substantially higher than the OECD average of 14.6%. Moreover, while the NEET rate has returned to pre-crisis levels in many OECD countries, it is still 4.2 points higher than in 2007 in France. While the largest share of NEETs in France have low (34.6%) or medium (47%) education levels, the share of highly educated NEETs is higher in France than the EU-28 average (18.4% compared to 15.2%) (OECD, 2016a). Moreover, OECD (2016b) shows that tertiary education graduates in France (both bachelor and master graduates) have a higher probability of being NEET three years after graduation than in the average analysed country.[1] This shows that not only low-educated individuals face barriers to labour market entry.

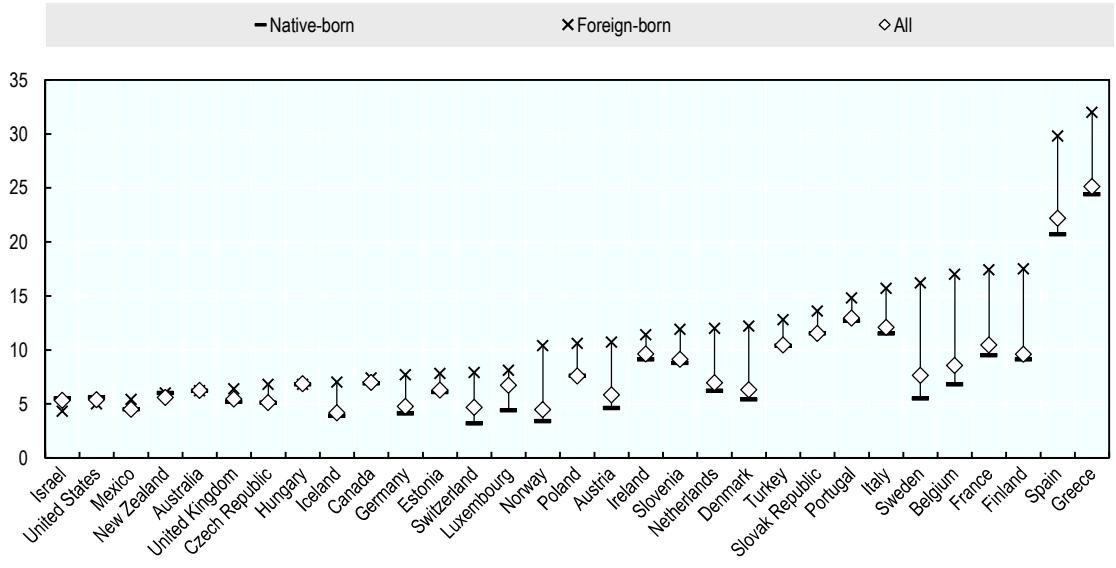
Not only are many young people unemployed, but a large share work in jobs that give them little access to training and further learning. At a staggering 59.6% in 2015, France has one of the highest incidences of temporary employment among youth in OECD countries for which the average stands at just 25%. Moreover, temporary employment grew stronger in recent years in France than the OECD average. This increase is reflected in the low share of permanent contracts among new hires (16% in 2013) (OECD, 2015). In most OECD countries temporary workers have a lower probability of accessing employer-sponsored training than permanent workers, and this difference is relatively big in France (-27.4% in 2012). French temporary workers also have a lower probability of transitioning to permanent employment compared to many other OECD countries (OECD, 2014b). Compared to workers with permanent contracts, French temporary workers have a higher probability of becoming unemployment (a 3.8 percentage points higher probability for men on temporary contracts than for men on permanent contracts, and a 5.1 percentage point difference for women). Both these facts contribute to an increased likelihood of skills obsolescence and depreciation.

Migrants represent another potential skill reservoir in the presence of skill shortages. In 2014, about 12% of the total French population were foreign born (compared to an OECD average of 13%). This share increased by 1.6 percentage points in the period 2000-13, which is slower than the growth observed in other countries with similar migrant shares. The share of non-EU foreign-borns is larger in France than in most EU countries: about three quarters of French foreign-born individuals were born outside the European Union, with the largest share being born in Algeria and Morocco. Non-EU foreign-born in France have a slightly lower educational attainment level than EU foreign-born. As France has a relatively high number of regulated professions, it might be difficult for individuals with foreign qualifications to access jobs that match their skills. The process of credential recognition is known for being complex and bureaucratic in France, and only a small share of migrants access the recognition process (Safi, 2014). These factors are likely to contribute to the overall higher level of overqualification observed in France among foreign-born that are trained abroad (41% compared to 19% of native-born) (OECD/EU, 2015).

The skills of foreign-born individuals in France are highly underutilised as their labour market outcomes are far worse than those of native-born. While the unemployment rate of native-born French equalled 9.5% in 2015, it was as high as 17.4% for foreign-born. The gap in unemployment rates is larger in France than in the majority of OECD countries (Figure 1.4). Similarly, the employment rate of foreign-born in France is 9.8 percentage points lower than that of native-born individuals, and the gap is especially big for women. Even more worrying in terms of skills utilisation, the employment rate gap for 25-64 year-olds is larger for middle (12.8 percentage points) and high skilled individuals (13.9 percentage points) than for low-skilled (5.6 percentage points), pointing to difficulties in the recognition of the skills acquired outside France. The gap between foreign- and native-born is biggest for recent migrants, as the labour market situation of migrants improves with the time spent in the country (Simon and Steichen, 2014).

Figure 1.4. Unemployment rate of foreign-born and native-born, 2015, available OECD countries

Unemployment rate, 15-64 (%)



Source: OECD Migration Statistics.

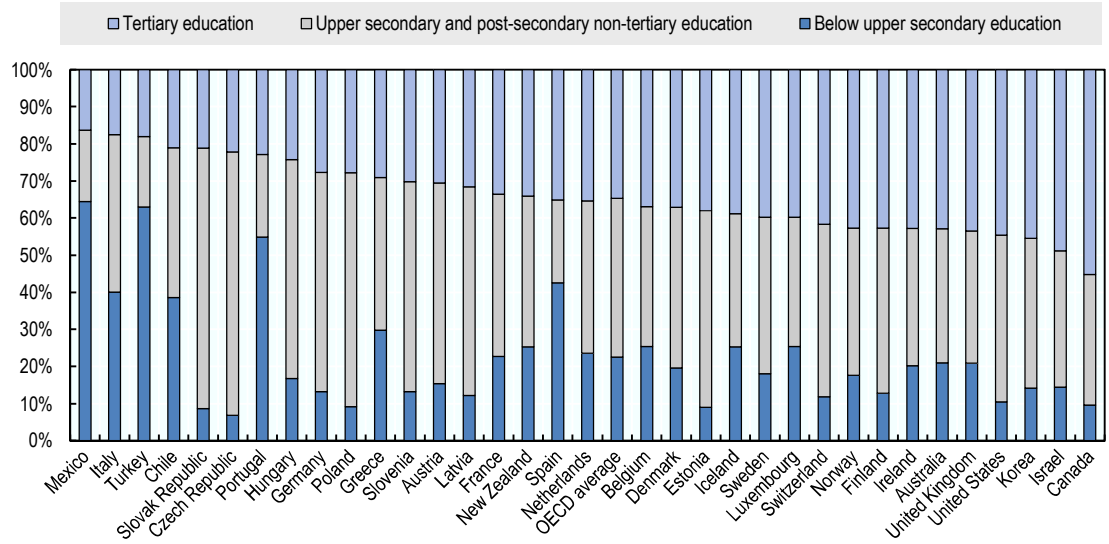
Key education, training and skills trends and facts

In addition to labour market trends, the supply of skills in the labour market also depends on the availability and quality of education and training. While educational attainment in France is close to the OECD average, tests measuring skill proficiency point to larger shares of youth and adults with low basic skills than most other OECD countries. Adult learning opportunities are also limited, particularly for the low-skilled.

The educational level of the French adult population is average compared to other OECD countries, see Figure 1.5. In 2015, 33.5% of the adults (25-64) in France had tertiary education; significantly fewer than in Canada, Israel, Korea and the United States where about 50% of adults hold a tertiary degree. In addition, in 2015, more than one in five French adults had not completed upper secondary education. The picture is rosier for the younger generation: 45% of French adults aged 25-34 had tertiary education (compared to an OECD average of 42%) while only 13% did not hold an upper secondary qualification (compared to 16% across OECD countries).

Figure 1.5. Educational attainment of the adult population, OECD countries, 2015

Percentage of the population aged 25-64

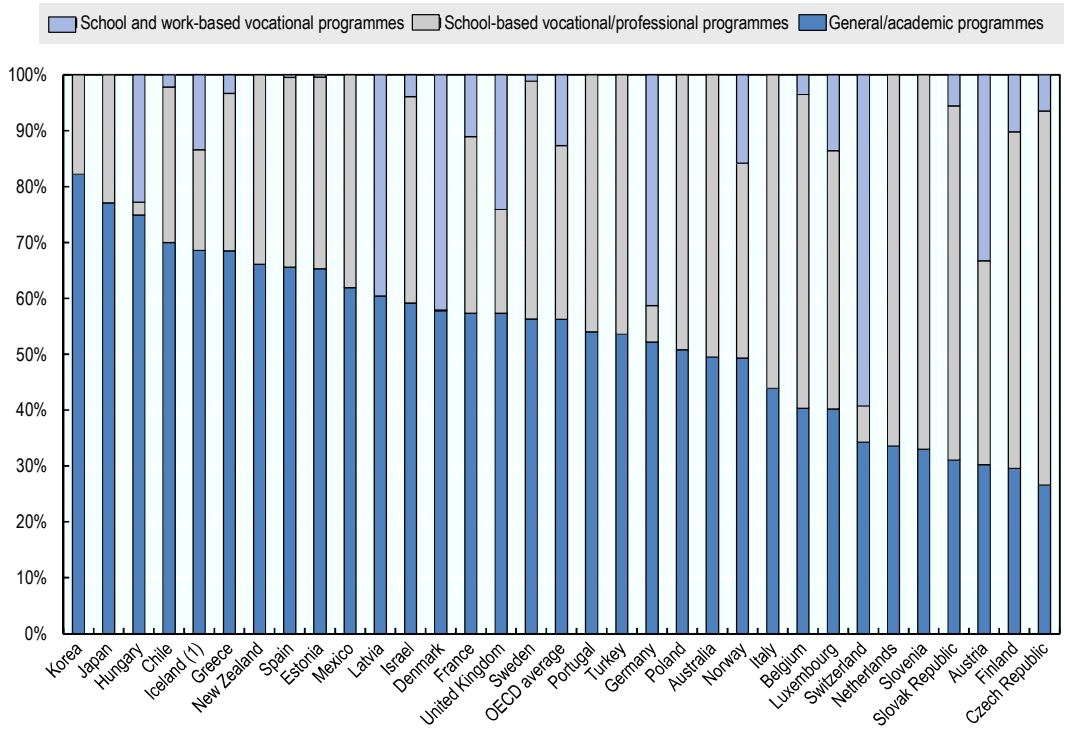


Source: OECD (2016), *Education at a Glance 2016: OECD Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eag-2016-en.

Vocational programmes in upper secondary or post-secondary non-tertiary education are often designed to prepare people for work, and on average across OECD countries, adults who have completed vocational programmes as their highest educational attainment have lower unemployment rates (7.7%) than those with general programmes (8.3%) (OECD, 2016b). French students can undertake the vocational track at age 16, upon completion of a general lower-secondary phase (12-15 years old).[2] This can take the form of a school-based vocational track or an apprenticeship-based path. The vocational track can lead to level V degrees (*Certificat d'aptitude professionnelle*, CAP)[3] and level IV degrees (*Bac professionnel* and *Brevet professionnel*).[4] In 2015, 27% of upper secondary students are enrolled in school-based vocational programmes, and this share has remained relatively stable over the past few years. Students in the vocational track differ significantly from students in the general and technological pathways in terms of social background, with 56.7% (36%) of students is public (private) school vocation track coming from a disadvantaged background, compared to only 29% (12.4%) in the general and technological track. Students in the apprenticeship system accounted for 11% of total upper-secondary students. The number of students enrolled in apprenticeships at the secondary level declined over the last few years, while apprenticeships at higher educational levels became more popular. Compared to other OECD countries, and especially the European ones, enrolment in vocational programmes in France is relatively low (Figure 1.6).

Figure 1.6. Distribution of students enrolled in upper secondary education by programme orientation, 2014

Percentage of all upper secondary students



Note: When no separate data on school and work-based vocational programmes is available, the students from this category are included in the school-based programmes category.

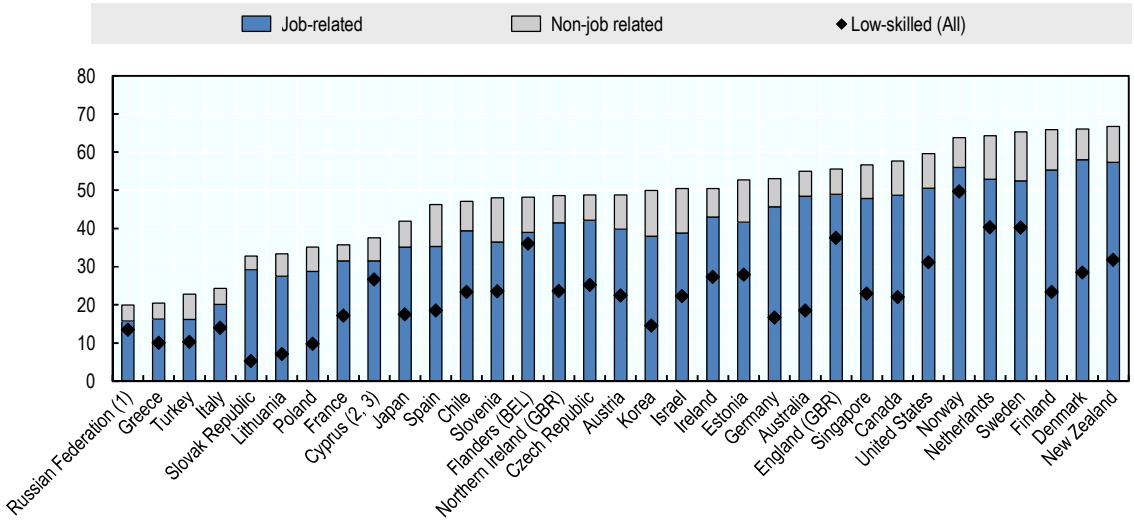
1. 2013 data used for Iceland.

Source: *OECD Education at a Glance Database.*

After leaving initial education, adults can maintain or upgrade their skills through participation in further adult training or education. Figure 1.7 shows the incidence of participation in formal and non-formal adult education and training across a number of OECD countries. Participation in France is low, both in job-related and non-job related training. Only 36% of French adults participated in adult training in the 12 months before the survey, compared to over 60% in the best performing countries (Norway, the Netherlands, Sweden, Finland, Denmark and New Zealand). As in most countries, participation in adult training in France is particularly low for low-skilled individuals (17%). Participation is also relatively low among older workers (age 45 or over, 28%). Cedefop (2015a) also highlights the big gap in participation in France between individuals employed in micro-enterprises and larger enterprises.

Figure 1.7. Participation in formal and non-formal adult education and training

Percentage of the working age population



1. The sample for the Russian Federation does not include the population of the Moscow municipal area.

2. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

3. Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Source: Author's calculation based on PIAAC.

Looking at actual skills of the adult population, rather than education levels, the picture is gloomier. According to the Survey of Adult Skills (PIAAC) data, France is among the 24 participating countries with the lowest numeracy and literacy skills. More specifically, France has an above average share of adults with literacy and/or numeracy levels in or below the lowest scale. The low skill level of the French adult population can to a large extent be attributed to low skills of the 45-65 year-olds. When excluding this group of older adults, the gap between France and the OECD average almost closes. The lower level of skills among the older population can be explained by an age effect, i.e. skills deteriorating with age (especially when participation in adult training is low), and a cohort effect, as the older population have lower educational attainment. Using data from a French national skills survey (*Information et vie quotidienne*, IVQ), Murat and Rocher (2016) show that the age effect is stronger than the generation effect. Either way, this outcome is worrying as low-skilled adults have fewer opportunities to train than their better-skilled and younger counterparts.

Both educational attainment and parental education have a stronger impact on skill levels in France than in the average OECD country. The literacy test score of French adults without upper secondary education is 11% lower than that of individuals with upper secondary education and 21% lower than the score of tertiary educated individuals (compared to 9.5% and 17% in the average country). Reasons for the gap in France to be relatively big might be related to quality of schooling, the nature of adult learning

systems, and differences in patterns of participation in education. French adults with parents without upper secondary education score about 9% lower on the literacy test than adults who have at least one parent with upper secondary education and 16% lower than adults who have at least one parent with tertiary education (compared to 8.5% and 14% in the average country) (OECD, 2013).

When focussing on skill levels of children rather than adults, the 2015 PISA survey shows that French students have mathematics and science skills similar to the average OECD level, and that their literacy skills are slightly above the average. After a substantial fall in mathematics scores in France between 2003 and 2006, the score remained table between 2006 and 2015. Literacy skills were on the decline between 2000 and 2006, but increased gradually in the following tests. Science scores have been stable since the first test in 2006. As for adults, the skill level of children is strongly influence by socio-economic background, and more so in France than in other OECD countries. Moreover, the influence of socio-economic factors on educational outcomes has increased over time, making the French current educational system more unequal than it was in 2003 (OECD, 2012). Borgonovi et al. (2017) show that these socio-economic disparities in skills at the age of 15 tend to widen in young adulthood, as disadvantaged youth are more likely to leave secondary education without a degree, less likely to participate in tertiary education, and more likely to be unemployed, inactive or employed in a low-skill job.

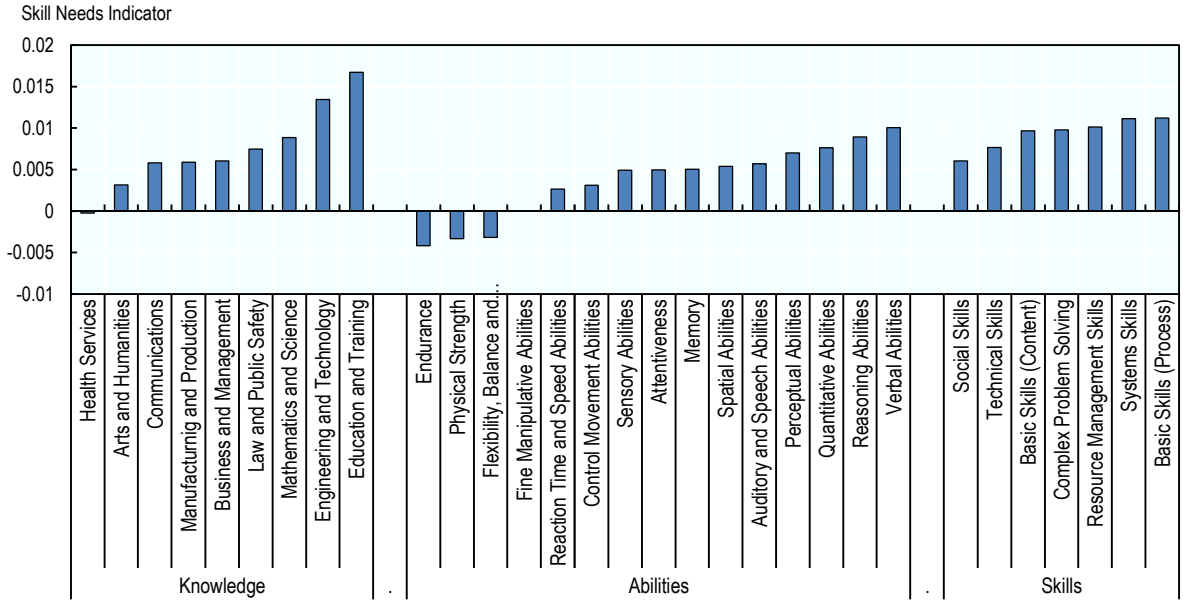
France also has a large education and skills gap between native- and foreign-born individuals. While only 24% of the native-born French have low levels of education, this share reaches 43% for foreign-born (OECD/European Union, 2015). This gap between foreign- and native-borns is much larger than the gap observed in the average OECD country (19 percentage points versus 1 percentage point), and only Germany, the United States and Switzerland have similar sized gaps. Moreover, in many OECD countries the gap is negative. Similarly, foreign-born in France are less likely to be tertiary educated than native-born (-4 percentage points difference), while in the average OECD country the opposite holds (+5 percentage point difference). In all countries participating in the Survey of Adult Skills (PIAAC), foreign-born have lower literacy test scores than native-borns (OECD, 2016c). This skills gap is larger in France (47 points) than in the average OECD country (30.5 points). The PISA results confirm this pattern for high-school students, as the gap between the share of low-performers among foreign-born and native-born students is larger in France than on average across the OECD (OECD/European Union, 2015).

In 2015, spending on education in France reached 6.8% of the GDP. Spending is for 84% financed by public institutions, with households and employers only accounting for 7.8% and 8.5% of spending respectively. The largest share of funds is spent on secondary education (39.4%), followed by early-childhood and primary education (28.8%) and higher education (20.3%). The remaining 11.5% are spent on extra-scholarly and continuous training. Spending per student is highest in tertiary education and in the upper-secondary education. However, spending per student increased strongest in early-childhood and primary education during the last years (DEPP, 2016).

Skills shortage, surplus and mismatch

When the demand and supply of skills are not in balance, skills shortages and surpluses arise. The OECD Skills for Jobs Database contains information on shortage and surplus for a broad set of skills. Figure 1.8 shows that the majority of skills in France have some degree of shortage, and that only a few physical abilities (e.g. endurance, physical strength, flexibility) and knowledge of health services are in surplus. The biggest shortages exist in education, engineering and technology, but also in more transversal skills such as verbal abilities, complex problem solving, and management.

Figure 1.8. Skill shortage and surplus, France



Note: Positive values point to shortages, negative to surplus. Data refer to the latest available year (2013).

Source: OECD Skills for Jobs Database.

Zooming in on the more detailed skill needs underlying Figure 1.8, it is clear that the biggest shortages in France can be found in technical knowledge and higher level cognitive skills and abilities (Table 1.1). Surpluses, on the other hand, only occur for physical abilities mainly related to manual tasks, and in sales and marketing knowledge, as well as therapy and counselling knowledge.

Table 1.1. Skills most in shortage and surplus

Top 5 of knowledge, abilities and skills

Knowledge	Abilities	Skills
Top 5 shortage		
Education and training	Deductive reasoning	Management of personnel resources
Mechanical	Written expression	Learning strategies
Computers and electronics	Problem sensitivity	Instructing
Engineering, mechanics & technology	Oral expression	Systems evaluation
Administration and management	Written comprehension	Systems analysis
Top 5 surplus		
Sales and marketing	Extent flexibility	
Therapy and counselling	Trunk strength	
	Static strength	
	Stamina	
	Dynamic strength	

Source: OECD Skills for Jobs Database.

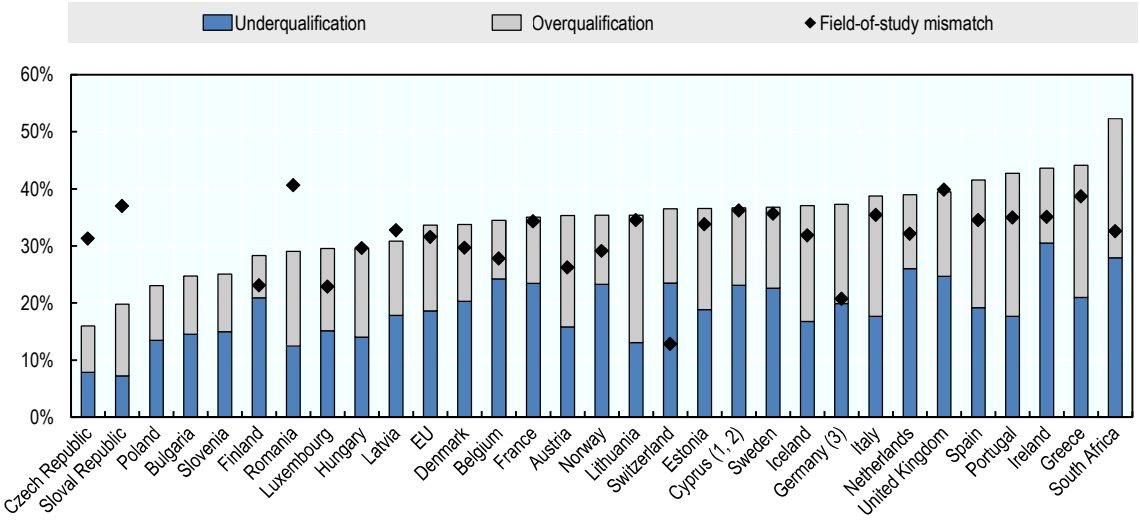
The evidence from the OECD Skills for Jobs Database relies on quantitative information on employment, wage and talent pressure. Other assessments of skills shortages generally rely on survey evidence on perceived hiring difficulties of employers. Results from different surveys tend to be inconsistent, as they generally differ in the formulation of the question(s) related to shortages (European Commission – DG Employment, 2015), and are by definition based on subjective information. For instance, according to the results of the 2015 Manpower Global Talent Shortage Survey, 29% of French employers report having difficulties filling jobs. This share is below the global average (38%), which suggests that skills shortages are not as problematic in France as in many other countries. The biggest difficulties are reported for jobs in skilled trades, drivers, and administrative jobs (secretaries, personal assistants, receptionists, administrative assistants and office support staff). On the other hand, the latest European Company Survey (2013) shows that about 50% of surveyed employers have difficulties finding staff with the required skills, which is above the EU average of 39% (Cedefop, 2015b). The shortage sectors also differ from those highlighted by the Manpower survey, pointing at skill pressures in industry and in wholesale, retail, food and accommodation. Even nationally, surveys provide contradictory evidence. At the national level, a large scale survey (*Besoins en main-d'oeuvre*) shows that 32.4% of French employers project to have hiring difficulties in 2016, concentrated in "Engineering and research", "Domestic helpers and cleaners", and "Cooks". A smaller survey, however, showed that in the first quarter of 2016 only 11% of employers faced recruitment difficulties (MEDEF, 2016).

The *OECD Skills for Jobs Database* does not only provide information on skills and occupational shortage and surplus, but also on the degree of mismatch. Mismatch is measured both in terms of qualifications, i.e. the highest educational attainment level, and field of study. The evidence shows that in 2015, 35.1% of French employees were employed in an occupation for which they did not have the correct qualification (Figure 1.9). About 23.4% of employees work in occupations for which a higher level of qualification would be required, i.e. they are under-qualified for their occupation. A further 11.7% is employed in occupations that normally require a lower level of

qualification (over-qualification). The incidence of qualification mismatch in France is close to the EU average, although France displays one of the highest shares of under-qualification. Mismatch in terms of field of study, whereby workers are employed in a field that is different from their area of specialisation in school, is slightly higher in France (35.1%) than across the EU member states (33.6%). Field-of-study mismatch is not necessarily a problem if it originates from the fact that workers are able to use their skills in a number of different domains – i.e. if their skills are transferable. However, for many adults, field-of-study mismatch is accompanied by over-qualification, suggesting that job seekers downgrade to jobs below their educational level, possibly as a result of a skill surplus in their area of study. OECD (2017) shows that in France 26% of individuals that are mismatched in terms of field of study are also mismatched in terms of qualification, the majority being overqualified (20%).

Figure 1.9. Qualification and field-of-study mismatch, Europe and South Africa, 2015

Share of employed, 15-64 (%)



Note: Field-of-study mismatch not available for Poland, Bulgaria and Slovenia.

1. Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

2. Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

3. 2013 for qualification and field-of-study mismatch in Germany.

Source: OECD Skills for Jobs Database.

Additional information on mismatch, referring more specifically to skills, can be drawn from the Survey of Adult Skills (PIAAC), which shows that only 10.3% of French adults are mismatched to their job in terms of literacy skills, compared to an OECD average of 14.6%. As in most other surveyed countries, overskilling (6.7%) is more common in France than underskilling (3.6%). The likelihood of being overskilled in literacy falls with age, with individuals aged 45-54 having a 9.5 percentage point lower

degree of overskilling than 25-44 year-olds. Similarly, foreign-born individuals in France are found to have a lower degree of overskilling than native-borns (5.4 percentage points). Finally, men have a slightly higher degree of overskilling than women (OECD, 2016b).

Notes

1. Countries included in the analysis are Austria, Canada, Estonia, Finland, France, Iceland, Israel, New Zealand, Norway, Sweden, Turkey and United Kingdom. For bachelor degree graduates the share of NEETS is only higher in Turkey, for master degree graduates the share is higher in Turkey, Austria and Estonia.
2. The non-vocational upper-secondary track consists of a general pathway (*le bac general*) and a technological pathway (*le bac technologique*).
3. Until 2011 it was also possible to obtain a level V vocational education degree through the *Brevet d'études professionnelles* (BEP).
4. Other programmes exist to obtain a level V or IV vocational upper-secondary degree, but they represent only a very small share of students.

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Chapter 2

Skills assessment and anticipation system in France

In order to design policies that effectively tackle existing or anticipated skills imbalances, countries must thoroughly analyse their demand for and supply of skills. The findings from these skills needs assessment exercises can feed into a range of policies, such education and training, employment and migration policies, to make them more responsive to labour market needs. This chapter documents the different skill needs assessment exercises put in place in France, the support measures for carrying out these types of exercises, and the main uses of skill needs information.

When countries want to develop policies that address skills imbalances, it is imperative that they have a good understanding of the supply and demand of skills. Therefore, it is important that countries develop relevant skills assessment and anticipation exercises. Countries differ widely in term of methods used to identify their skill needs, but also in terms of the level at which these exercises are conducted and the stakeholder involvement (OECD, 2016). In France, a range of skill needs assessment exercises have been developed over the years by different stakeholders at the national, regional and sectoral level. Many of these are being used to inform policy in areas such as education, training, employment and migration. Incentives and support are also put in place to encourage and facilitate assessment exercises at the firm level.

National, regional and sectoral skills assessment exercises

In 2015, France Stratégie and Dares published the report "*Métiers en 2022*", which discusses the results of an employment forecasting exercise (France Stratégie/Dares, 2015). Similar exercises were already done before, in 2002 (*Avenir des Métiers*) and in 2007 (*Les Métiers en 2015*). The "*Métiers en 2022*" report is an update of the in 2012 released "*Métiers en 2020*" report, taking into account the economic upturn in 2011. The forecasting exercise looks at net job creation, as well as replacement demand. While replacement demand can be estimated with relative certainty, the estimation of job creation is much more difficult. To take this uncertainty of job creation into account, the report estimates three growth scenarios with different productivity growth assumptions. This exercise generates for each occupation the number of projected job openings, and hence allows seeing which occupation will experience the strongest demand. The report notes that strong demand does not necessarily lead to shortages, as it is possible that supply will be sufficiently high to keep up with demand.

In parallel, Dares publishes a quarterly indication of skill pressures for each detailed occupation, reflecting shortages and surpluses in the labour market. The indicator uses data on job seekers and job openings from the French PES (*Pôle Emploi*). It is calculated as the number of job openings received by the PES during the quarter, divided by the number of newly registered job seekers at the PES in the same quarter. Dares notes that it is better to look at the trend in this indicator, rather than at its level, as occupations differ in their use of the PES for recruitment.

As mentioned above, several studies of hiring difficulties reported by employers also exist. Each year, the French PES sends out a questionnaire to employers to understand their hiring needs (*Besoins en main-d'œuvre*). Employers are asked whether they anticipate hiring in the coming year, and to specify the sectors and occupations the vacancies will be in, as well as the contract type that will be offered. They are also asked about the reasons for hiring, and about whether they expect to experience difficulties in filling the vacancies. A subsample of the responding firms also participates in a complimentary survey. In this survey more detailed questions are asked on expected hiring, such as the type of hiring difficulties, the envisaged solutions and the use of PES services. Non-hiring firms are asked about the reasons why they do not expect to have hiring needs. All employers participating in the complementary survey are also asked about hiring difficulties in the last years, as well as changing skills needs.

On a smaller scale, the *Observatoire Tendance Emploi Compétence* (Observatoire TEC), a project launched by an association of employer organisations (MEDEF), conducts a survey each quarter, asking employers about recruitments (on contracts of at least six months). The survey covers about 40 000 private sector employers. The survey

focusses on recruitments that happened during the previous quarter, as well as expected recruitments in the next three months. Information on vacancies and hirings per occupation is collected, as well as information about the extent and type of hiring difficulties. Employers with hiring difficulties are also asked to indicate which occupation-related skills and which personal skills were lacking.

Finally, specific exercises have been conducted at the regional and sectoral level. At the regional level, the different CARIF-OREFs *(Centre Animation Ressources d'Information sur la Formation / Observatoire Régional Emploi Formation)* also collect information on skills needs. These regional bodies were established over 25 years ago, and their main role is to provide information on training and occupations at the regional level. The CARIF-OREF of the Alsace region (*OREF-Alsace*), for example, published the results of an employer survey, the employment-training barometer, for a range of occupations. The CARIF-OREF of Ile de France (*Défi Métiers*) has developed employment projections per sector up until 2030. Also at the regional level, the Direcctes (*Directions Régionales des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi*) have published some skill needs analysis exercises. The Normandie Direccte, for example, developed a methodology to identify occupations that are likely to experience recruitment difficulties, based on a set of indicators on vacancies, job seekers and hirings.

At the sectoral level, some *Observatoires Prospectives des Métiers, qualifications et des compétences* (OPMQCs) have done skills needs assessment exercises.[1] The *Observatoire de la Plasturgie*, for example, collected information on recruitment difficulties for different jobs in the sector through an employer survey. They also undertook a forecasting exercise providing employment projections for the sector until 2020.

In order to reinforce the collective skills needs assessment capacity in France, the *Réseau Emploi Compétences* (REC) was established in 2014, bringing together different providers of skill needs exercise and decision makers from related fields. The objective of the REC is to create a dialogue between the different players at the national, regional and sectoral level, to strengthen the diffusion of knowledge between the players, and to reinforce co-operation through joint projects. The REC is divided into five working groups: i) sectoral and regional employment projections, ii) transversal and transferable skills, iii) pathways for occupations, iv) seasonal employment, and v) ICT jobs in the industry sector.

Incentives and support for skills assessment exercises

Big firms (employing at least 300 employees) are required to do an analysis of their skill needs at least once every three years, and negotiate on the required actions with the social partners (*Gestion Prévisionnelle des Emplois et Compétences*, GPEC). The analysis generally involves a stock taking exercise of available skills, and a forecast of future skills needs based on medium- and long-term strategies. Based on this analysis, the firm can decide on possible tools to overcome anticipated shortages, such as training investment and professional mobility, after consultation with the social partners. This requirement does not hold for smaller firms, but until recently government funded financial aid was available for small firms wanting to do a skill needs exercise. An enterprise survey focussed on SMEs showed that 16% of the surveyed firms used the GPEC and 36% used similar tools to assess their skill needs (Ministère de l'Économie, des Finances et de l'Industrie, 2005). In 2016 this financial aid was replaced by a more

general initiative to help small and medium-sized enterprises with human resources matters (*Conseil en Ressources Humaines TPE-PME*). The support covers at most 50% of the costs, but co-financing options are available through sector organisations. The financial support is available for all firms employing less than 300 employees, but priority is given to the smallest firms.

To help sectors and regions in identifying skill needs, the French Government introduced a contract for prospective exercise (*Contrat d'Études Prospectives*), as part of a range of support measures for structural changes. This contract is signed between the government and employer organisations, and can be co-signed by labour organisations and regional organisations. In many cases, the relevant OPMQs are involved. The main goals of the contract are i) to develop a better understanding of employment, occupations and qualifications, and their evolution, ii) to develop medium-term forecasts, and iii) to propose actions to address the current and upcoming changes. Under this contract the government provides a subsidy to help finance the analysis, which should be done by an external party. When the scale of the project is too small to be eligible for a contract for prospective exercise, it is possible to get technical support (*appui technique*) for sectoral or regional diagnoses of skills needs.

The use of skills assessment exercises in policy making

The information gathered from skill needs assessment exercises can feed into a wide range of policies. OECD (2016d) shows that governments in OECD countries use the information to update occupational standards; to design or revise training policies for workers or the unemployed; to design, revise or decide on the allocation of courses to provide in formal education, with this information being used in many countries to inform the development of vocational education and training programmes or apprenticeships. In addition, some governments use this information to guide migration policy as well as their transition to a digital or green economy. Social partners also use this information to lobby governments on education and employment policy, develop training programmes, or provide advice to their members on skill development. Both social partners and governments use this information for broad dissemination purposes to inform workers and students about trends in current or future skill demand and supply.

In France the PES (*Pôle Emploi*) estimates training needs based on information on expected recruitments from the BMO survey. These estimated training needs are used to decide on the amount and type of training to procure. The procurement decision is, however, not entirely based on BMO data, but the quantitative information is complemented with bottom-up information from employers and other relevant stakeholders. The BMO information is also used by several regions for providing career guidance information, and some regions provide further information on longer-term prospects using the *Métiers en 2022* forecast results. The Dares' skills pressure indicator is used to determine the list of occupations for which labour migration is more flexible. These training, career guidance and migration policies are further discussed in the next section.

Note

1. The OPMQCs produce these exercises under the authority of the National Joint Commission for Employment and Professional Training (*Commission Paritaire Nationale pour l'Emploi et la Formation Professionnelle*, CNPEFP), which evaluates the exercises and decides on their diffusion.

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Chapter 3

Policies addressing skills imbalances in France

As skills imbalances can be costly for individuals and societies, countries try to reduce them by implementing policies that steer the demand for and supply of skills. The demand for skills can, for example, be influenced by industrial policy, while education and training policies, as well as migration policies, can alter the supply of skills. This chapter documents the policies that have been implemented in France to tackle skills imbalances.

Stimulating skills demand and skill use

France has a large and growing pool of highly-qualified individuals. A substantial share, however, is employed in jobs that require a lower level of qualification (Figure 1.9). Lemistre (2013) shows that the share of highly-qualified recent graduates (at least Bac+5) who are overqualified for their job increased significantly in the last decades. In addition, many highly-skilled youth are employed in temporary jobs that provide limited opportunities to maintain and upgrade skills in line with changing skill requirements. As a result, many skills are not used optimally, reducing the returns on investment in education. Policies stimulating demand for high-skilled workers can address the issue of overqualification, while at the same time contributing to stronger economic development in France.

In view of the big current and future challenges for the French economy, the government launched an ambitious investment plan in 2010. The *Investissements d'Avenir* is targeted at higher and professional education, research, industry and SMEs, as well as all sectors of the future, including sustainable development, biotechnology, IT and nuclear energy. The pillars of the plans are excellence, innovation and co-operation. To select projects to invest in, the government launched calls for projects, to which any institution could respond. After a first wave of investments in 2010, a second call for projects was launched in 2013 and a third in 2016. During the first two waves EUR 47 billion was invested, and the third wave announced a budget of EUR 10 billion. An evaluation of the first two waves of the investment plan showed that, overall, the plan has been able to generate positive effects through original initiatives (France Stratégie, 2016).

In order to stimulate and facilitate the re-industrialisation of France, the New Industrial France project (*Nouvelle France Industrielle*, NFI) was launched in 2013. The project builds on nine industrial solutions: data economy, intelligent objects, digital trust, smart food production, new resources, sustainable cities, ecological mobility, transportation of the future, and medicine of the future. Underpinning the project is the Industry of the Future plan (*Industrie du Futur*), which was launched in 2015 with the objective of modernising the production system in France and supporting industrial employers in dealing with the impact of digitalisation on their business models, their organisation, and their design and marketing practices. A first pillar of the plan is the development of new technologies, and the diffusion of these technologies in French enterprises. Private and public investment in R&D is at the heart of the development of these new technologies. The second pillar concerns the support for firms to better understand the available technologies, identify obstacles in accessing these innovations, integrate the new concepts and reinvent their economic models. Training of employees constitutes the third pillar, focussing on equipping the next generation of students with the skills needed in new occupations and sectors. The fourth pillar of the plan concerns the visibility and promotion of French technological solutions to an international audience. Finally, the plan builds on a stronger co-operation at the European and international level.

To foster entrepreneurship, and hence job creation and innovation, a new student-entrepreneur status was introduced in France in 2014. This new status is available for all students and recent graduates younger than 28 years old with at least a Bac degree (or equivalent). The Ministry of Education decides on the allocation of the status after examination of the candidate's application file by the Student Desk for Innovation, Transfer and Entrepreneurship (*Pôle Étudiant pour l'Innovation, le Transfert et*

l'Entrepreneurial, PEPITE). The student entrepreneurs receive support from two mentors (someone from the academic world and someone with business experience), have access to co-working space, and can sign a Support for Entrepreneurial Projects Contract to test their business idea without having to create a legal structure. The student-entrepreneur status also allows students to gain credits for their qualification, and to substitute the entrepreneurial activity for an internship and/or the graduation project. Student entrepreneurs have the option to enrol in a training programme to obtain a specific student-entrepreneur degree (D2E).[1] In the first two years after its introduction, only about 1 900 students or recent graduates adopted the student-entrepreneur status and there are some indications to suggest that this is because of only limited demand by students. A 2016 student survey (CSA, 2016) showed that the status was not very well-know, with four out of ten students never having heard of it. Nonetheless, the large majority (76%) of students who had been granted the status were satisfied with it.

General education and training

In France, the large majority of students in secondary education are in academic programmes, which are meant to prepare students for participation in higher education. The academic programmes are designed to provide students with solid basic skills, as well as strong non-cognitive skills. Moreover, the development of these skills is meant to be in line with the expectations and requirements of employers, and therefore needs to be responsive to the emergence of new needs. A large fraction of these academic high-school students progress into academic higher education, where more specific skills are developed, but basic skills and soft skills are also further improved. As for secondary education, strong co-ordination between the labour market and higher education institutions is essential to guarantee that the right skills are developed. Several reforms have been put in place to strengthen links between the education system and employers' needs, both at the secondary and tertiary level.

In 2016 a reform of the French secondary education system, *Collège 2016*, was introduced with the goal to have "Better learning for better outcomes" (*Mieux Apprendre pour Mieux Réussir*). This reform addressed the lower secondary school curricula, teaching practices, as well as educational organisation. The new system should lead to better fundamental skills development, the development of a larger set of skills, and a more flexible functioning of schools in order to be more adaptable to the diversity of needs among students. One of the main features of the reform is the objective to develop skills that corresponds to the needs of today's economy. In this respect, the new system put more emphasis on foreign language training, by introducing language training earlier on in the curricula and by increasing the number of hours spent in foreign language courses. By introducing more practical and team-work projects, the new system aims to develop soft skills, such as working with others and oral expression among students. Finally, the reform favours the development of digital skills, both in terms of using digital technologies, but also in terms of understanding the advantages and disadvantages of a new digital culture.

The stronger focus on digital skills in lower secondary schools fits in a broader policy initiative concerning digitalisation in education, *Plan Numérique pour l'Éducation*. This initiative is being rolled out gradually over the period 2015-19 and is built on four pillars: training, resources, equipment and innovation. Teachers receive training on how to integrate digital tools in their teaching practices, and they learn how to use digital tools, how to apply digital tools in different disciplines in order to develop

new teaching methods, and to understand the current digital culture, including social media. Digital resources will be made available to schools and these should be used in all fundamental courses. To assist schools in their choice of digital tools, a platform is set up providing information on all available resources. Investments are made to provide teachers and students with personal mobile digital equipment. Finally, the plan provides support for local experimentation on innovative use of digital tools for teaching.

At the tertiary level, with the introduction of the Law on freedom and responsibilities of universities (*Loi relative aux libertés et responsabilités des universités, Loi LRU*), universities have been made more capable to respond to the needs of the (local) labour market. By increasing the autonomy of universities and allowing for the creation of foundations (*fondations*) in partnership with employers and individuals, universities have stronger incentives to co-operate with employers. The law also made it compulsory to have at least one CEO and at least one other player from the economic or social world in the administrative councils of universities. By 2012 all French universities acquired the autonomous status. Multiple universities have used their autonomy to create foundations, with the number of these foundations reaching almost 60 by the end of 2016. To respond to the high demand of digital skills and to take advantage of the digital opportunities, the 2013 Law on Higher Education and Research *(Loi relative à l'enseignement supérieure et à la recherche, Loi ESR)* put forward initiatives aimed at more and better use of digital tools in universities.

Participation in internships at the tertiary level has grown strongly over the last years, as students want to acquire professional skills during their education. While official data are not available, Prévost (2012) estimates that the number of internships in France increased from around 600 000 in 2006 to 1.6 million in 2012. Giret and Issehnane (2012) showed that, among students who graduated from higher education in 2004, large differences existed in the quality of the internships, and that graduates who participated in high-quality internships had better labour market outcomes than graduates from the same field who participated in lower-quality internships. In 2014 a new law[2] was introduced to better regulate and harmonise internship, with a focus on improving the quality of internships, preventing internships to be substitutes for sustainable employment, better protecting interns, and improving the internship conditions.

Professional education and training

Professional education and training prepares individuals for employment in specific occupations or sectors. Therefore, the content of the education and training programmes should correspond closely with the skill needs in those occupations or sectors. Professional education and training does not only include professional tracks at the secondary and higher education level, but also lifelong learning options for individuals who want to upskill or re-skill. In France, 1.5% of GDP is spent on lifelong learning and apprenticeships, of which the largest share is financed by employers.

Professionals qualifications and certificates

In France, professional certificates can take three forms: i) certificates delivered on behalf of the state and designed or validated by tripartite advisory bodies (*Commissions Professionnelles Consultatives*, CPC), ii) certificates delivered by public and private organisations (e.g. chambers of commerce, universities) or on behalf of the state without CPC involvement and iii) sector-specific certificates delivered by social partners (*Certificats de Qualification Professionnelle*, CQP).[3] Ministries, sectors and private

training providers wishing to create or renew a certificate, have to justify its creation or renewal by means of an opportunity study. When the creation or renewal is confirmed, the certificate can be constructed on the basis of repositories (*référentiels*) that describe i) the activities that are carried out in the occupation, ii) the skills needed to perform the tasks from the activities repository, and iii) the modes of evaluation. At the ministerial level, these repositories are verified by the relevant CPC, which brings together social partners, government representatives and experts. Similar advisory bodies, *Commissions Paritaires Nationales de l'Emploi et de la Formation Professionnelle* (CPNEFP), are responsible for this task at the sector level. The creation and revision process of certificates delivered by the Ministry of Employment is described in Box 3.1. While social partners have been participating in the design of certificates since many years through their participation in advisory bodies, they have been calling in recent years for stronger involvement, especially of employer representatives, in standard setting.

Box 3.1. Development and revision of professional certificates: The example of AFPA

The national agency for adult professional training *(Agence Nationale pour la Formation Professionnelle des Adultes*, AFPA) is in charge of development and the revision of professional certificates delivered by the Ministry of Employment. AFPA employs around 200 "engineers" to develop and maintain the 250 certificates from the Ministry of Employment. New certificates are designed at the request of the Ministry, and existing ones are reviewed every five years (or sooner when needed).

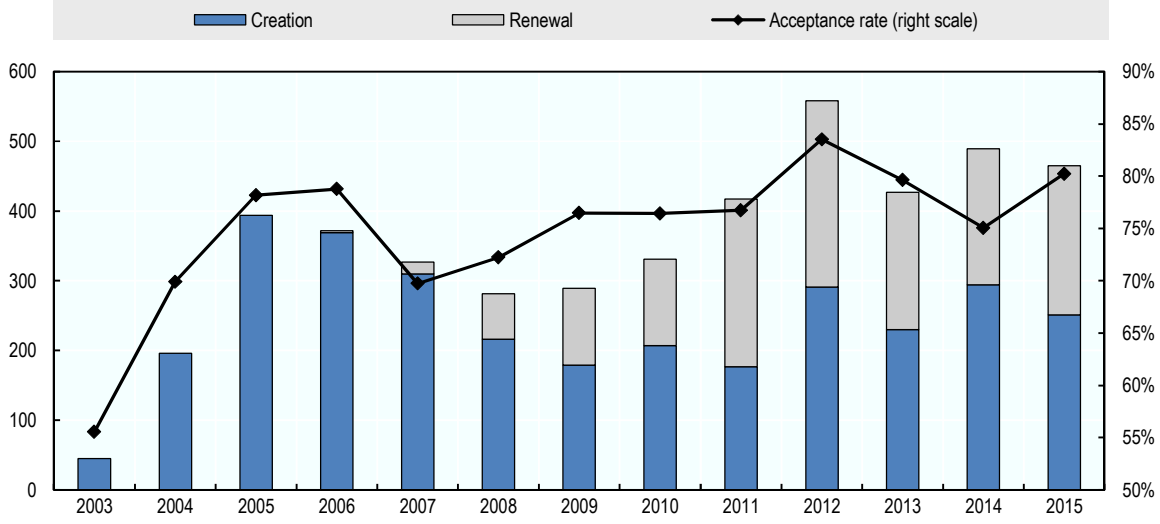
To ensure the quality of certificates and to facilitate the five-year reviewing process, AFPA engages in continuous monitoring of the economic system, firm dynamics, the labour market and skill requirements through quantitative and qualitative analysis. The possible impact of social, organisational, technological, environmental and regulatory evolutions is assessed in order to better respond to current and future skill needs in specific jobs. The information collected through continuous monitoring feeds into the opportunity studies that are developed when the Ministry of Employment proposes the creation or renewal of certificates, as well as the repositories of new and revised certificates.

The revision process of certificates takes 18 months, starting with a synthesis of the earlier monitoring work and in-depth further analysis (six months). In the next stage, the repositories are drafted and verified by the corresponding CPC (six months). In the final six months before the entry into force of the revised certificate, the repositories are made ready for publication and several technical files are prepared (e.g. the technical file related to the evaluation of candidates).

In 2002 the national directory of professional certificates (*Répertoire National de la Certification Professionnelle*, RNCP) was created, with the goal to provide up-to-date information on professional certificates for firms and individuals. Certificates are classified by sector and by level, and for each certificate information is available on how to access the training, on the occupations and sectors using the certificate and on the skills and task related to the certificate. Certificates delivered by the state and created through CPCs are automatically registered in the RNCP. Other certificates are only registered upon demand. The National commission for professional certificates (*Commission Nationale de la Certification Professionnelle*, CNCP) decides on whether or not a certificate can be registered on the RNCP based on a set of criteria. One of the criteria relates to the labour market outcomes of the certificate holders, with applicants having to provide data on the labour market situation of the certificate holders in the last three years. In a way, this criterion goes a fair way in encouraging the registration of certificates for job in which there is a healthy labour market demand. The registration of certificates is valid for a period of one to five years, after which a renewal can be requested. Demands for renewal need to follow the same procedure as demands for

initial registration. Over the years, the RNCP has become a valuable tool, serving as a quality label for certificates. The demands for registration and renewal have increased gradually over the years, see Figure 3.1. On average, 77% of the requests have been accepted, with a larger acceptance rate for renewals (87%) than for first applications (72%). At the end of 2016, the directory contained just over 10 000 active certificates, of which only one quarter were certificates that were registered on demand (CNCP, 2016). In addition to the RNCP, an inventory was created in 2009 for certificates of transversal skills, which generally require shorter training than the certificates from the RNCP. This *inventaire CNCP* co-exists with the RNCP, and contains three types of certificates: i) certificates corresponding to a regulatory obligation to work in a specific job or occupation (e.g. special drivers licence), ii) certificates corresponding to market standards that are required in certain jobs (e.g. specific computer programmes), and iii) certificates corresponding to a set of skills that can be used in one or more professional activities and allows reinforcing labour market outcomes (i.e. having social or economic purpose). A set of quality criteria is used to determine whether a certificate can be registered in the *inventaire CNCP*.

Figure 3.1. Requests for registration in the *Répertoire national des certifications professionnelles* (RNCP), 2003-15



Source: CNCP (2016), *Rapport d'activité 2016*.

In 2014 the law on professional training, employment and social democracy introduced the notion of skills blocs (*blocs de compétences*) in professional certificates. All professional certificates need to be divided into skill blocs, which should be homogeneous and coherent groups of skills. As such, professional certificates can be obtained as multiple part certificates. For many certificates the translation into blocs is still ongoing, and some certificates lend themselves more to this conversion than others. The transformation of professional training into skill blocs has been easier for certificates that have a strong employability focus, such as the sectoral CQP, than for the more traditional certificates, like the ones issued by the Ministry of Education which generally provide general skills rather than skills related to a professional context (Céreq, 2017). Each organisation or institution is responsible for the translation of its own certificates, and is free to decide on how to deliver the part certificates. For the certificates granted by

the Ministry of Employment, the part certificates for blocs take the form of certificates of professional skills, *Certificat de Compétences Professionnelle* (CCP).

Box 3.2. Short-term professional training to respond to skill needs

Local skill needs

In order to address specific local skill needs, the Complementary training at local initiative (*Formation Complémentaire d'Initiative Locale*, FCIL) was introduced. It allows individuals who already have an initial professional qualification to obtain a specialisation that responds to local needs. The specialisation can be added to the initial degree or an additional attestation can be delivered. The creation of a FCIL is co-decided by education and training institutions and local employers or employer organisations. Generally training lasts 3 to 11 months, and an important part – not exceeding two thirds – should be workplace-based.

IT skill needs

Because the education system in France has not been able to fully respond to the strong and increasing demand for a wide range of IT skills, the French Government introduced the *Grande École du Numérique* label in 2015. The initiative grants labels of excellence to short-term (3 to 24 months) IT training courses which respond to specific labour market needs. The needs should be identified in co-operation with regional and professional stakeholders, and training should involve soft skills that are valued by employers. Subsidies are available for training providers that get their training labelled. The *Grande École du Numérique* courses are free, and open to everyone irrespective of academic background. While open to everyone, the training focusses on low-skilled youth, setting a target of 50% low-skilled NEETs among participants. Efforts will also be done to attract female students (with a target of 30%) and students from disadvantaged areas. In a first wave, 171 trainings received the *Grande École du Numérique* label. The goals is to have 10 000 graduates in the period 2016-17.

Vocational education and apprenticeships

Over the years several initiatives have been put in place to make the choice for vocational education and training more attractive, to improve the quality of training and to make the training offer more in line with current and future labour market needs. Initiatives have been implemented to make the entry into vocational high-school education easier (Box 3.3). In co-operation with the regions, 500 additional professional training programmes at the high-school level were created in line with current labour market needs and future jobs. Over the period 2017-22 10 000 additional places in higher level vocational training (*Brevet de Technicien Supérieur*, BTS) will be created, and experiments have been set up to improve the progression from initial vocational education into higher vocational education. Throughout the country, internship contact points have been set-up to help students find workplace training places. To create synergies between different players in the vocational education and training field Occupation and Qualification Campuses (*Campus des Métiers et des Qualifications*) were created around specific sectors that play an important role for French competitiveness (Box 3.3).

Box 3.3. Making vocational education and training more attractive and relevant

Encouraging entry into vocational education

Particular attention must be given to students transitioning from lower secondary school to the vocational high-school track to prepare them for the specificities of vocational high school. To facilitate this transition a range of new measures have been implemented since the start of the new school year in 2016.

- *Welcome*: At the beginning of the school year a welcoming and integration period is organised so that the students can get accustomed to the new environment. This includes a week of occupation discovery, which should allow students to explore the occupations linked to their chosen training, through for example firm visits and presentations from relevant external individuals or organisations.
- *Re-orientate*: Students are given a re-orientation period during which it is possible to switch from the vocational track to the general or technological track or to switch between fields within the vocational track. The switch can be made at the request of the pedagogical team in agreement with the student and his or her family.
- *Prepare for the workplace*: Before the start of the first workplace training, students participate in a preparatory week in order to facilitate the integration of the student in the organisation and work team. This involves the understanding of the expectations from the professional world and the key internal rules (e.g. safety). This preparation is provided by the school in co-operation with the host employer.

Occupation and qualification campuses

To contribute to economic and social development in France, and especially to increased productivity and better transitions into work for youth, the *Campus des métiers et des qualifications* were created. The campuses bring together different vocational education players, such as secondary education institutions, higher education institutions, apprenticeship training centers, research centers and employers, and therefore strengthen co-operation between the education system and the economic world. Each campus is focused on a specific field or sector that poses a particular challenge or opportunity for France (e.g. highly competitive sectors, the development of new industrial areas), having strong current or future demand. By offering high-quality training, the campuses contribute to a greater availability of necessary skills for employers, a smoother transition from school to work for youth and overall regional economic development. Workplace-based training is facilitated through the strong relationships with employers in the campuses.

The *Campus des Métiers et des Qualifications* is operationalised through labels that are attributed to all vocational training players that form part of a campus. The label is granted for a period of four years and is renewable. By early 2017, 77 *Campus des métiers et des qualifications* were allocated across the country in 11 sectors:

- Food and agri-food
- Chemistry and biotechnology
- Creation, design and audiovisual sector
- Infrastructure, construction and eco-construction
- Materials and innovative materials
- Mobility, aerospace, land and water transport
- ICT
- Business services and logistics
- Innovative systems and mechatronics
- Tourism, wellbeing and gastronomy
- Energy transition and eco-industry

Professional training can take the form of apprenticeships, in which apprentices combine workplace and school-based learning. In France two types of contracts for apprenticeship exist. The first, the apprenticeship contract (*contrat d'apprentissage*), is targeted at youth (16 to 25) and is restricted to *diplômes* and *titres* (i.e. excluding the sectoral CQP) registered on the RNCP. Training under this type of contract must represent at least 400 hours on average per year. The apprenticeship wage is between 55 and 85% of the national minimum wage, depending on the age of the apprentice. In 2015 just over 280 000 new apprenticeship contracts were registered, of which 96% in the private sector, and 42% preparing for a level V degree (CAP, BEP). The second type of contract is the professionalisation contract (*contrat de professionnalisation*), which has a broader target audience consisting of youth (16 to 25), job seekers and individuals receiving specific government benefits.[4] This type of contract can also be used for training to obtain CQP or for other types of sector-recognised training. A lower number of training hours is required (minimum 70 per year) and wages are higher (between 65 and 85% of the minimum wage). In 2015 almost 190 000 new professionalisation contracts were started, of which 76% for youth. The biggest groups of participants are unemployed (31%) and students (31%).

French employers contribute to the financing of the class-based component of apprenticeships through an apprenticeship tax. This tax amounts to 0.68% of the firm's wage bill.[5] The tax revenues are split between the regions (51%), the apprenticeship training centres (quota part, 26%), and a part for the financing of initial non-apprenticeship professional and technical training (hors quota, 23%). Firms decide which training centres or schools receive their quota and non-quota tax. Firms with more than 250 employees that employ less than 5% of their employees on an apprenticeship or *professionnalisation* contract, have to pay an additional tax (*contribution supplémentaire à l'apprentissage*).[6] The level of this additional tax depends on the share of employees on apprenticeship or *professionnalisation* contracts and on the size of the firms, ranging from 0.05% to 0.6% of the wage bill. The tax is paid to a Joint Organisation for the Collection of the Apprenticeship Tax (*Organismes Collecteurs de la Taxe d'Apprentissage*, OCTA), which distributes it to the National Treasury (for the regional part) and to the training centers and schools. The professionalisation contract is funded through the training levy (see below).

To promote the apprenticeship contract among employers, multiple financial incentives have been put in place. Employers benefit from full or partial relief of social security contributions on apprentices. When hiring a low-skilled apprentice, i.e. with at most a BAC+2 level of qualification, a tax credit is granted to employers. Additionally, firms employing less than 250 employees get a hiring subsidy for every new apprentice, and employers employing at most 10 employees get an extra subsidy every year the apprentice is employed. In 2015 another subsidy (*TPE Jeunes Apprentis*) became available for firms during the first year of employing an apprentice who is younger than 18 years old. For the professionalisation contracts the financial incentives are limited to specific groups, such as social security relief for apprentices aged 45 or more and subsidies for hiring unemployed individuals.[7]

Lifelong learning

Individuals participate in lifelong learning to keep the skills they acquired in initial education and through work experience up-to-date, or the reskill or upskill. The latter has become more and more important, as the nature of skills demanded in the labour market has been undergoing important changes. In France, several lifelong learning policies

have been put in place to help individuals update and acquire new skills. Employers are given important responsibilities for lifelong learning, not only in terms of financing but also by providing sufficient training opportunities to their employees.

The individual training account

An individual training account (*Compte Personnel de Formation*, CPF) was introduced in France at the start of 2015.[8] The CPF replaces the earlier training account (*Droit Individuel à la Formation*), making the system more flexible and broader in scope. At the end of each year individuals get training credits on their individual account based on the time spent in employment and working time during the year. An individual that worked full-time during the entire year gets 24 hours of training added to his account, until the account reaches 120 hours. After having reached 120 hours, the account is further credited at a rate of 12 hours per year (for full-time full-year employment) until reaching the ceiling of 150 hours. Part-time workers and individuals having only worked part of the year get credits proportional to their working time. Since 2017, the CPF hours received by low-qualified individuals get 48 hours per year on their CPF account, capped at a maximum of 400 hours. Additional hours can be added to the account by the employer, the individual, social partner organisations (*Organisation Paritaire Collecteur Agréé*, OPCA, and Opacif), the regional or national government and the PES. Youth (aged 16 to 25) leaving the education system without qualification, for example, receive additional credits that can be used for CPF professional training but also for returning to initial education. The training hours accumulated on the CPF can only be used at the initiative of the individual. Contrary to the previous system, the accumulated training credit is personal and remains valid even when changing employer or when becoming unemployed. Employees wishing to use their training hours during working time first have to ask permission from their employer. Training is funded by the OPCA or by the employer, and when training is undertaken during working hours employers are obliged to continue paying the full salary.

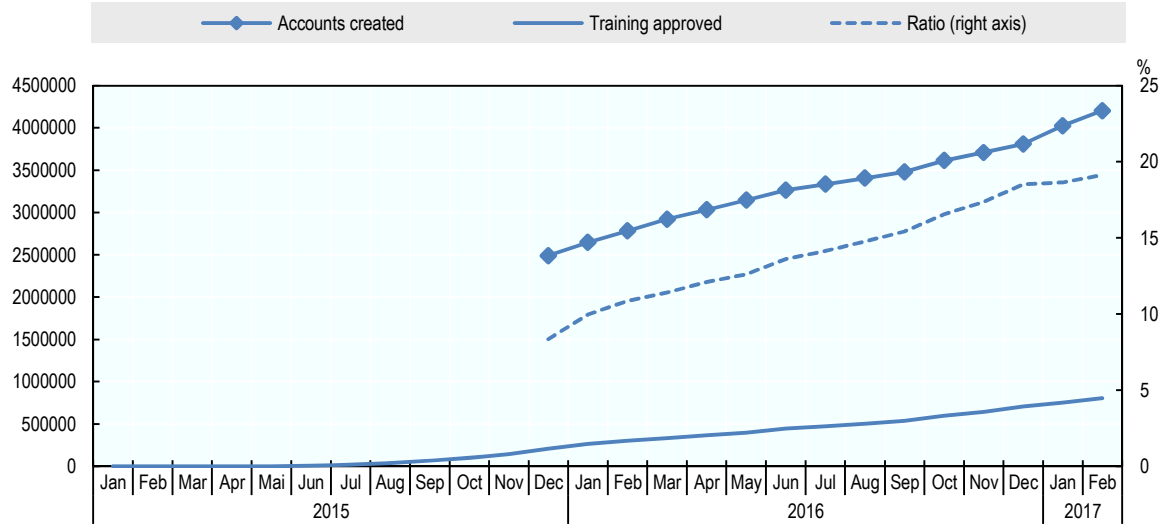
The CPF hours can only be used for training options that feature on one of the national, regional or sectoral lists. These lists are developed by social partners, and are based on the associated labour market needs. The social partners use their knowledge of the local or sectoral labour markets, as well as their relationships with employers to assess training needs. Training options on the national and regional lists are open for employed and unemployed individuals, whereas the sectoral lists are limited to employees from the relevant sectors. The CPF can only be used to obtain accredited training, i.e. leading to a certificate, qualification or diploma, but it is not restricted to RNCP certificates.[9] In addition to professional training, training to obtain a range of basic skills (*socle de connaissances et compétences)* is also eligible for the CPF. By October 2016, almost 11 000 training options were made eligible for the CPF by social partners (République Française, 2017), featuring on around 200 lists. By definition, the CPF is focussed on short-term training. However, through the introduction of the skill blocs in professional training, it is possible to obtain part-qualifications that can be combined into full qualifications using the CPF.

One year after its introduction, almost 2.5 million CPF accounts were created. This number increased to just over 4.2 million by the second month of 2017 (Figure 3.2). While the increase in the number of CPF accounts opened has been strong, the numbers also suggest that by 2017, i.e. two years after its introduction, only about one out of seven active French adults had created a CPF account. The number of approved training spells also increased significantly, from just over 200 000 training spells in the first year,

to more than 800 000 at the end of February 2017. The ratio of approved training spells to created accounts improved gradually, and reached almost 20% at the start of 2017. While this signals that the number of individuals actually using their CPF account for training has been on the rise, it also shows that many accounts have not been used so far. The most popular training options among CPF users in 2017 are English language, recognition of skills (VAE and CléA, see below), artisan enterprise start-up,[10] and forklift operation. A stock-taking exercise in October 2016 showed that 40% of CPF training was taken by the unemployed, and that 36% of all CPF training participants had educational attainment below the Bac level.

Figure 3.2. Use of the personal training account (CPF), 2015-17

Accumulated number of accounts created and training spells approved



1. Because of missing information on the number of accounts in August 2016, the value is replaced by the average of the previous and next month.

Source: Compte personnel de formation (CPF).

Training leave

In additional to training under the CPF, French employees have the right to take training leave (*Congé Individuel de Formation*, CIF).[11] This leave is meant to be used for up-skilling or re-skilling, and the training does not have to be related to the job of the employee. The employee has to request approval for the training leave from the employer, but the employer cannot refuse.[12] The training leave is focuses on long-term training, with a maximum duration of one year for full-time training and 1 200 hours for part-time training. Additional training leave might be granted by the sector or employer. During the training leave individuals receive between 80 and 100% of their salary, depending on the level of their gross salary. The wage and training costs are covered through social partner organisations (FONGECIF or OPCA), using funds collected from employers.

In 2014 just under 25 000 CIF request were approved for individuals on permanent contracts, and an additional 9 000 for individuals on fixed-term contracts. Many CIF requests where denied, with an acceptance rate of 49% for permanent employees and 70% for employees on fixed term contracts. On average, CIF participants spent

750 hours in training, and about 40% of them aim at level IV training. CIF participants are relatively young, with 74% of them being between 25 and 44 years old. While firms of less than 20 employees do not contribute to the financing of CIF, 28% of CIF participants were employed in this type of firm.[13] The CIF costs amounted to EUR 949.1 million in 2014 (FPSPP, 2014).

Recognition of skills

Almost one in four French workers are employed in jobs that require a higher qualification than the one they hold, generating what is known as under-qualification. Most of these workers would possess the skills required by their jobs because they have acquired them through experience or uncertified training but do not have a qualification to prove this. While this may not be a problem as long as they stay with their existing employer, it may make job moves more difficult and lengthen unemployment or job search as prospective employers cannot observe skills that are not certified. This is particularly relevant for individuals who do not hold any formal qualification.

To help individuals in this situation, France also has a tool for recognition of prior learning (*Validation des Acquis de l'Expérience*, VAE), going beyond basic skills. Introduced in 2001, VAE allows individuals to obtain qualifications that are registered in the RNCP, by showing they have acquired the necessary skills through work experience. The VAE can lead to a full or partial recognition. In the latter case, additional training or work experience is needed to obtain the full qualification. Individuals can receive help in preparing their file and in preparing for the jury evaluation. The VAE procedure can be done within the framework of existing training policies, such as the CPF. Additionally, employees can request specific VAE leave (*congé de VAE*). In 2015 about 42 000 individuals participated in a VAE process to acquire a public qualification, of which almost 60% obtained a full qualification.[14] Among certifying ministries, the Ministry of Education had the highest number of VAE applicants (53% of all applicants), followed by the Ministry of Health and Social Affairs (20%) (République Française, 2017).

In addition to VAE, the French social partners at the inter-professional level (Copanef) developed the CléA certificate in 2016. This certificate should help unemployed individuals who do not have any formal qualification, but possess relevant basic skills, in finding a job, and should assist employed individuals in their career progress. To obtain the certificate candidates (employed or unemployed individuals) can get in touch with a CléA contact point, which assesses the candidate's skills in seven domains. These domains are expression, calculation and/or discussion, the use of a computer, following rules and teamwork, working independently and taking initiatives, willingness to learn, and mastering basic rules (safety, environment, hygiene). If the candidate lacks the necessary skills in one or more of these domains, a personalised training plan is made, such that these skills can be brought up to speed. Training is generally provided through short-term and practical programmes. As for VAE, the CléA training can be taken within the framework of existing training policies, such as the CPF. Once a candidate obtains the necessary skill level in all domains, the certificate can be granted by a jury.

Box 3.4. Towards formalisation of on-the-job training

The approach to professional training in France has been focused on training that takes place separately from work activities. However, a lot of training also happens on the job. This type of training is especially relevant for SMEs, which might not have the capacity to send employees to outside training, and for low-skilled workers, who might have low willingness to participate in formal training. However, it might not be straightforward to identify which activities can be considered as on-the-job training.

In order to formalise on-the-job training (*Formation en Situation de Travail*, FEST), the French Ministry of Employment and Professional Training launched a call for social partner organisations (OPCAs) to develop FEST experiments. In total 24 projects from 13 organisations have been selected. The selected projects will be able to implement their FEST experiments with support of the Ministry of Employment and Professional Training. The experiments have a few common characteristics:

- Only applied in firms with less than 300 employees
- Priority is given to low-skilled individuals
- The profile of participants is diverse, including new hires, experienced workers and unemployed
- Training includes normal work activities and "learning elements" (e.g. moments of reflection)

Based on these experiments a practical guide will be developed, which will assist employers in implementing FEST so that it can be recognised as formal learning.

Professionalisation periods

In order to maintain their employability, permanent and temporary employees can participate in periods of professionalisation (*périodes de professionnalisation*), which entail apprenticeship-type training that combines theoretical and work-based training. The training should give participants access to formal qualifications or to the acquisition of basic skills (*socle de connaissances et compétences*). Individuals can take part in a period of professionalisation at the initiative of the employer within their training plan (*Plan de formation*) or at the individual's initiative within the framework of the CPF. When participation takes place during working hours, workers continue receiving their normal salary. When training takes place outside of working hours, participants receive a training allowance. In 2014, 1.9% of employees participated in professionalisation periods, with an average duration of 80 hours (République Française, 2017).

Sector-specific lifelong learning

To assist firms and workers in sectors that are adversely impacted by structural economic, social and demographic change, the French Government has developed the Actions for the Development of Employment and Skills (*Actions de Développement de l'Emploi et des Compétences*, ADEC). The ADEC involves a subsidy for employers in a particular sector to train their employees. The focus of the training should be on preventing skills obsolescence, keeping skills up-to-date, developing new skills, promoting professional advancement and mobility, and access to recognised and transversal qualifications. In order for a sector to benefit from ADEC, an agreement needs to be signed between the national or regional government and the relevant stakeholders (e.g. employer organisations, labour organisation, regional councils, etc.). A managing organisation is put in charge of paying the subsidy to firms that are implementing eligible initiatives. This is often the relevant OPCA (*Organisme Paritaire Collecteur Agrée*), an organisation managed by social partners. Costs related to the

development and implementation of initiatives are also covered. As an example, an ADEC agreement was signed in the capital area Ile de France covering employers in the automobile sector and employers hiring employees formally employed in that sector. The agreement, signed between the relevant OPCA and Direccte, involved the reconversion of skills towards other sectors or occupations, training to enhance skills or acquire new skills, training for employees to facilitate international mobility, and training to promote intergenerational transmission of skills.

Employer responsibilities for lifelong learning

French employers have four main responsibilities in terms of professional training. First, employers have the obligation to guarantee that employees can adapt to changes in their job. This implies that employers must provide training opportunities to their employees so that they can remained employed in their job when the content or organisation of the job changes. Second, every two years a professional meeting (*entretien professionnel*) needs to be set up, in which employers discuss with their employees the career progression opportunities, and the training that can advance these opportunities. Every six years, the meeting needs to include an overview of the professional pathway of the employee, to show whether the employee has benefitted from the professional meetings in the last six years.[15] When the six-year review shows that an employer did not organise the required bi-annual meetings, or when no sufficient career progression options were provided to the employee, medium-sized and large firms can get sanctioned. Work councils (*Comité d'entreprise*), individual employees and labour inspectors all play a role in detecting infringements. Sufficient career progression options are defined as having benefited from at least two out of three career progression actions: i) participation in at least one training course, ii) acquisition of at least one professional certificate, either through training or through VAE, and iii) salary or professional progression. Sanctions take the form of additional hours on the employee's CPF that need to be paid by the employer to the relevant OPCA.[16] Third, employers need to inform and consult with the work council on an annual basis on the direction of professional training in the firm. Finally, employers need to contribute to the financing of professional training.

Employers in France contribute to the financing of professional training through the annual payment of a training levy (*Contribution à la Formation Professionnelle Continue*). The levy amounts to 1% of the annual wage bill for firms with ten or more employees, and 0.55% for smaller firms. Firms pay the levy to their respective OPCA. The levy is used to fund the CPF, the CIF, the *contract* and *périodes de professionnalisation* and two other training opportunities. The first, the *Plan de formation,* concerns the training opportunities provided to employees at the initiative of the employer. During training that is part of the *Plan de Formation*, the employee continues receiving his or her salary. The second type, the *Fonds Paritaire de Sécurisation des Parcours Professionnels* (FPSPP)*,* is reserved for upskilling or retraining within specific projects, with a strong focus on the most vulnerable labour market participants. The share of the levy going to each of the components is fixed, and differs by firm size (Table 3.1). The OPCAs group the received funds by component, in principle, creating the possibility of redistributing funds between different sizes of firms. However, the grouping of funds for the *Plan de formation* is done by firm size, as such limiting this redistribution.[17] Employers can decide to directly spend their 0.2% on the CPF instead of first paying it to the OPCA, which avoids the funds getting grouped and possibly redistributed.

Table 3.1. Employer financing of professional training

Percentage of the annual wage bill

	<10 employees	10-49 employees	50-299 employees	≥300 employees
CIF		0.15%	0.20%	0.20%
CPF		0.20%	0.20%	0.20%
Plan de Formation	0.40%	0.20%	0.10%	
Professionnalisation	0.15%	0.30%	0.30%	0.40%
FPSPP		0.15%	0.20%	0.20%

Policies targeted at the unemployed

Unemployed individuals represent a pool of unused skills, at risk of deterioration or becoming obsolete. Equipping the unemployed with the skills necessary in the labour market will not only facilitate their transition into the labour market, it will also help employers in closing their skill gaps. In addition to having access to training under the CPF, multiple policies have been put in place in France for training the unemployed. Many of the training initiatives have a focus on developing skills that are in demand. While the share of unemployed individuals participating in lifelong learning is above the EU average in France (14.4% compared to 9.5% in 2016), there is a big gap with vanguard countries like Sweden (43%) and Denmark (33%).[18] Among unemployed individuals starting education or training in France in the third quarter of 2016, about 20% were long-term unemployed and just over 20% had below upper secondary education (Pôle Emploi, 2017).

Training of job seekers in France is mainly the responsibility of the regions (*Conseils Régionaux*) and the PES (*Pôle Emploi*). In 2013, the regions financed 54% of training spells for job seekers, compared to 23% financed by *Pôle Emploi* (Dares, 2015).[19] The regions offer training options to the unemployed within the framework of their regional training programme. These training programmes take the needs of the regional labour market into account, which are identified in co-operation with a range of stakeholders (e.g. employer organisations, *Pôle Emploi*). Training financed by the regions is more strongly targeted towards youth, and has an above average duration (Dares, 2015). Multiple regions have established partnerships with the PES aiming to accelerate and simplify access to training for job seekers. In the region of Ile-de-France, for example, the partnership entails that the regions are in charge of financing collective training while *Pôle Emploi* finances individual training.

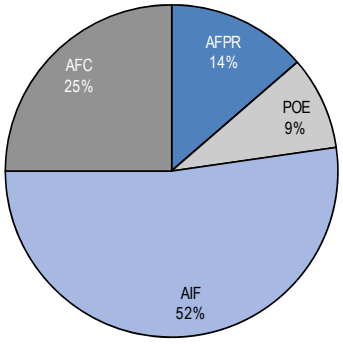
In order to improve the labour market situation of the unemployed, the French PES (*Pôle Emploi*) provides training options to unemployed individuals corresponding to local and sectoral needs through the *Action de Formation Conventionnée* (AFC). The PES uses survey information on future recruitment needs, such as the *Besoins en Main-d'Oeuvre* survey, as well as input from local stakeholders to identify needs. Unemployed individuals lacking the necessary skills for jobs in their labour market can participate in these types of training after referral by *Pôle Emploi*. The target group is the low-skilled unemployed, as well as unemployed individuals wanting to re-skill. Training can focus on the development of specific skills, such as languages or driving skills, but also on the acquisition of certain degrees (e.g. childcare worker). Training can take place on an individual or collective basis, and in the former case it can be included in a VAE procedure.

To help firms that have difficulties recruiting a suitable candidate, the French PES (*Pôle Emploi*) introduced the *Préparation Opérationnelle à l'Emploi* (POE). Under this initiative, firms get access to subsidies for internal or external training when they hire someone who lacks some of the skills required for the job. The subsidy convers a maximum of 400 hours to close the gap between the skills possessed by the new hire and the skills required by the job. While the POE is limited to permanent contracts and fixed-term contracts of at least 12 months, a similar subsidy, *Action de Formation préalable au recrutement* (AFPR), exists for shorter-term contracts. When the subsidy falls short of funding the entire training cost, the relevant OPCA can provide additional funding. The POE cannot only be used by individual firms, but also by entire sectors or branches (POE collective). In this case, the sector or branch identifies the training needs in its firms, and the respective OPCA provides the necessary training options (in collaboration with *Pôle Emploi*).

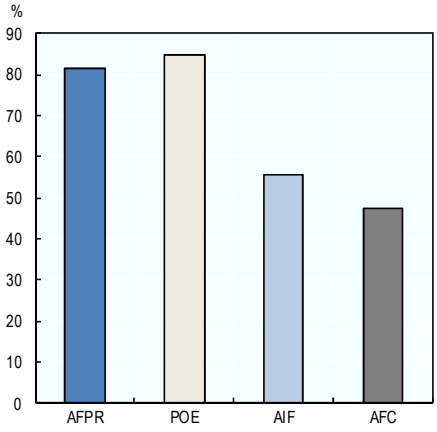
Unemployed individuals who are in need of training to return to work or to set up their own business can still benefit from PES financing even when the training is not part of the AFC or POE/AFPR. This individual training support (*Aide Individuelle à la Formation*, AIF) needs to be identified as an important step in the improvement of the labour market situation of the unemployed by a PES adviser before being approved. In 2015, just over half of training financed by *Pôle Emploi* was under the AIF scheme (52.2%). Figure 3.3 shows that the AFC accounted for a further 25% of training, whereas the remaining 22.7% of PES financed training took the form of POE or AFPR. The outcome of the training activities, measured as access to employment within six months following the end of the training activity, varies significantly between types of training, with the best labour market outcomes observed for AFPR and POE participants (81.6% and 84.8% having accessed employment).

Figure 3.3. *Pôle Emploi* financed training: Composition and outcome, 2015

Panel A. Composition of training (%)



Panel B. Rate of access to employment within six months after finishing training



AFC : Action de formation conventionnée ; AFPR : Action de formation préalable au recrutement ; AIF : Aide individuelle à la formation ; POE : Préparation opérationnelle à l'emploi.

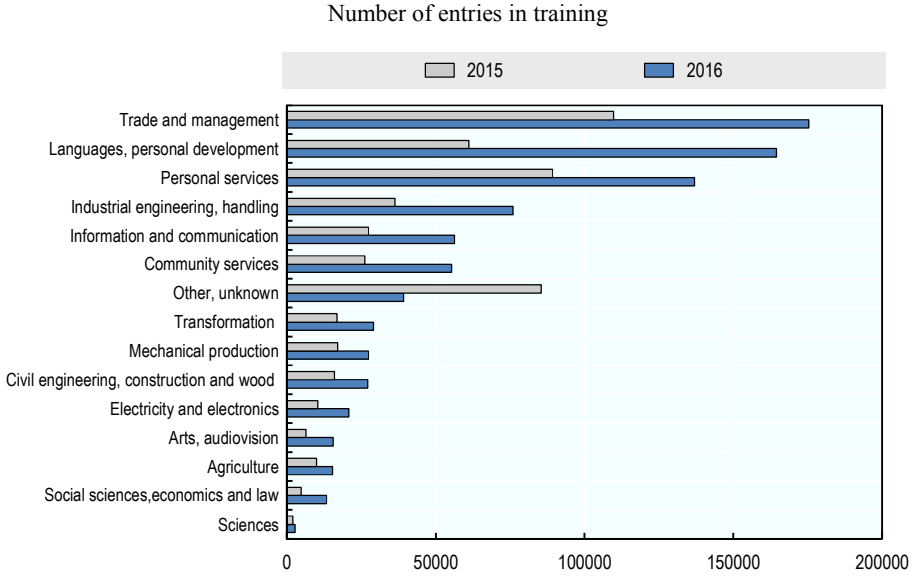
Note: POE only includes individual POE, as collective POE is not financed by *Pôle Emploi*.

Access to employment is measured as having been in employment at least one month during the six months following the end of the *Pôle Emploi* financed training activity.

Source: Pôle Emploi (2016), « Formation et Retour à l'emploi », *Éclairages et synthèses*, No. 26.

In recognition of the importance of training for the (re-) entry of unemployed in the labour market, the French Government announced in January 2016 the plan to create 500 000 additional training opportunities (*Plan 500 000 Formations Supplémentaires*) for unemployed individuals, as such increasing the number of training opportunities in 2016 to 1 million. For these 500 000 additional training places, the government allocated a EUR 1 billion budget with contributions from the social partners. The focus of the plan is on low-skilled and long-term unemployed, but training opportunities are also open to other unemployed individuals. The plan covers a wide range of training opportunities, such as training leading to a formal qualification or certificate, business establishment support or support for recognition of prior learning. Training should respond to the skill needs of the labour market, and therefore the plan is implemented by the regions. A stock-taking exercise in December 2016 showed that 945 000 opportunities were used or planned. Moreover, as of September 2016 the weekly entry rate into training was twice as high as the rate registered the year before. An evaluation also showed that training was aligned with regional needs, and that over 40% of training opportunities were taken by low-skilled unemployed and long-term unemployed. About 26% of participants were under 26 years old, and 24% were 45 or older. Figure 3.4 shows that training participation increased in all domains in 2016 compared to 2015. Over half of all training activities of job seekers were in "trade and management", "languages and personal development" and "personal services". The policy was renewed at the end of 2016 for the first half of 2017, and in July 2017 again for the second half of the year.

Figure 3.4. Participation of job seekers in training, 2015-16



Note: The 2016 data are provisional.

Source: *Pôle Emploi*, training entry database.

In order to improve the match between job seekers and available jobs, the French PES (*Pôle Emploi*) has been shifting its focus from qualifications to skills. The ROME (*Répertoire Opérationnel des Métiers*) occupational classification was extended to include for each occupation the basic and specific skills needed when working in the occupation. In addition, while the match between vacancies and job seekers was

primarily based on occupations in the past, the PES has been moving to the use of the specific skill requirements stated by employers. To help employers identify skill requirements, a labour market reference framework was set up, and skill suggestions are given based on skill demands in similar job postings. Employers can indicate which skills are essential and which would be an additional asset, and they are free to add any skills beyond the ROME framework. In addition to basic and specific skills, employers can also add soft skills (*qualités professionnelles*). Similarly, it is made easier for jobseekers to identify their relevant skills, and jobseekers are encouraged to regularly update their skills profile. Based on the skill requirements of vacancies and the skills profile of jobseekers, matching can go beyond occupations. The PES is not the only recruitment agency that has been improving its matching method, and many private sector players have emerged providing sophisticated matching tools to their users.

In 2012 the Future Jobs initiative (*Emplois d'Avenir*) was launched, with the aim to create sustainable work opportunities for low-skilled unemployed youth. The initiative entails a wage subsidy for employers hiring an unemployed low-skilled individual aged 16-25 for a period of one to three years. The subsidy is set at 75% of the minimum wage for jobs in the non-market services sector, and at 35% for other sectors. The initiative is mainly targeted at non-market services jobs that have a proven social utility or contribute to environmental protection, and are likely to provide sustainable work opportunities. Private sector employers can use the *Emplois d'Avenir* for certain regionally targeted activities with innovative projects. Two years after its introduction, the initiative already created 150 000 opportunities. As intended, the initiative was mainly taken up by low-skilled individuals, with 83% of participants not having a *baccalauréat* (and 42% having not qualification at all). More than half of the contacts are long-term (permanent or temporary for three years), and 90% of jobs are full-time. A large share of jobs (77%) also involves a training component. Because of the success of the programme, it was further renewed in 2015. Part of the new *Emplois d'Avenir* is reserved for jobs in education, and part for the overseas regions.

Career guidance

Policies addressing skills imbalances should not only try to make the offer and content of training correspond to labour market needs, but individuals should also be encouraged to undertake education and training options that can respond to skill demands. Accurate and timely career advice can help students in their education and career choice. Similarly, adults wanting to upskill or re-skill should be able to easily access information on labour market outcomes of different training options.

To better assist students in their education and career choices, the *Parcours Avenir* was introduced in 2013, providing secondary students with individual pathways of information, guidance and introduction to the world of work. These pathways are meant to allow all students in secondary education to understand the professional world, to get to know the diversity of occupations and training, and to develop their sense of engagement and initiative. This should allow students to progressively identify their own career or education pathways. Multiple personal career guidance meetings are organised between teachers and students (and possibly their family) in order to provide personalised support. Partnerships between schools and employers have been setup to allow students to discover the world of work, to promote professional education, and to better understand the needs of employers. One of the goals of the introduction of students to the world of work is for them

to be able to analyse demand and supply in the labour market, and as such identify occupations in shortage or surplus.

In co-operation with employers, schools can organise a range of activities that allow students to discover and understand the world of work. Throughout their years in secondary education, students must at least have i) participated in one organised firm visit, ii) met one professional from the world of work (e.g. attended a presentation from an employee or self-employed on his or her job or sector), iii) participated in one supported project (e.g. setting up a student business), and iv) finished the compulsory internship. Box 3.5 provides example of further activities. An application, Folios, has been developed to track students' activities related to the world of work. To facilitate the creation of partnerships between schools and employers, and as such the organisation of activities for students, heads of schools have to participate in a compulsory internship in the world of work.

Box 3.5. Discovering the world of work: Activities for students in secondary education

Classe en Entreprise

In 2009 the federation of electric, electronic and communication industries launched the *Classe en entreprise* initiative, which the goal to have students discover their sector and occupation, as such making the jobs more attractive. Within this initiative a class of students follow their usual courses at the premises of a firm during a few days. Time is allocated to the discovery of the workplace, with small groups of students being able to explore the different jobs and work life under the supervision of an employee.

Industry Week

Since 2011, an Industry week (*Semaine de l'industrie*) is organised on an annual basis to promote careers in the manufacturing sector among the general public, and in particular among youth. A wide range of events is organised for people to discover the manufacturing sector, and it innovative, modern and environment-friendly features. The events can take many forms, including firm visits, conferences, presentations by professionals from the manufacturing sector, and job fairs. In 2016 the Industry Week attracted about 300 000 participants in more than 2 500 events.

Internships

All students in *classe de troisième* have to participate in a five-day compulsory internship during the course of the year. The internship can be done on five consecutive days, or can be split up in multiple parts. The goal of the internship is for students to observe how the firm operates on daily basis. Students usually find internship opportunities through informal channels, but regional and school-based platforms posting internship opportunities exist to help students who have difficulties finding a suitable opportunity. In addition to these compulsory internships, students can participate on a voluntary basis in similar short-term internships (one to five days) during school holidays. These mini-internships are an initiative of the Chambers of Commerce and Industry (CCI).

The 2007 *Loi LRU* explicitly mentions that one of the objectives of universities is to facilitate the school-to-work transition of their students. To this end, the law made the establishment of School-to-Work Transition Help Desks (*Bureau d'Aide à l'Insertion Professionnelle*, BAIP) compulsory in each university, and the *Loi ESR* further specifies the role of the BAIPs. The main role of BAIPs is to provide students with a varied offer of internship and employment opportunities that fit with the training offered at the university. Additionally, the BAIPs provide advice for students having difficulties in their transition to work, help students prepare for job interviews and review the firms that submit job or internship offers. Another important task of the BAIPs is to collect data on

transitions of their students into the labour markets. Employment rates of students one and two years after graduation should be made public. This information can in turn help prospective and current students in their education and career choices.

Not only students are in need of high-quality career advice, also individuals who left the education system can benefit from career information and support when they consider changing professional careers. In this respect, the Advice for Professional Evolution (*Conseil en Évolution Professionnelle*, CEP) was launched in 2014, offering free and personalised career advice to assist individuals in their professional evolution. Individuals who decide to pursue their envisaged career change are offered support to develop their career project. More specifically, individuals can benefit from an individual meeting to analyse their professional situation, they can get advice on the definition of their professional project, and they receive support on implementing their project. The CEP is available for all employed and unemployed individuals. Five organisations are in charge of delivering the CEP, including the PES and the social partner organisation Opacif. Employers need to inform their employees of the existence of the CEP, and all employees can participate at their own initiative in CEP without having to inform their employer. In 2015 over 700 000 individuals participated in CEP, two-thirds of them being unemployed.

Box 3.6. Career advice websites: Best practices from French regions

Provence-Alpes-Côte d'Azur

In addition to providing the detailed occupational description of Onisep, the career advice portal of the *Provence-Alpes-Côte d'Azur* region also provides for each occupation some key data, links to job offers from Pôle Emploi and links to the relevant education and training options in the region. The key data is presented as an interactive tool that allows getting a better understanding of the occupation in the region. A map is provided showing in which parts of the region employment in the specific occupation is highest. Information is also provided on which sectors use the occupation most, including links to the details of employers in the specific sectors (through the *pages jaunes*). The tool also shows an age and gender profile of the occupation in the region. To allow individuals to better understand the demand for the occupation, information is provided on employment growth in the last two years, recruitment projects from *Pôle Emploi*, the share of recruitments on permanent contracts, and whether or not the occupation is mainly a seasonal activity. This information is shown in a user-friendly basis, using three types of smiley faces (good, neutral and bad). The average wage in the occupation is also displayed. Finally, a list of related occupations is provided. All of the data can be displayed for the total region and for specific parts of the region.

Auvergne-Rhône-Alpes

The career advice portal from the *Auvergne-Rhône-Alpes* region contains detailed labour market information for all occupations in the form of weather forecasts. Using typical weather forecast symbols (e.g. rainy, cloudy, sunny), the website visualises the situation in the region and its departments in terms of employment and job opportunities. The occupational profile also presents information on educational attainment, gender, employment type and working hours in a visually attractive way, as well as the most important sectors for the occupation. A short description provides information on short-term and long-term recruitment trends, based on BMO and *Metiers en 2022* results. The typical information on tasks, skills, education and training requirements is also provided, together with links to training options and job offers in the region. The portal also contains a separate option to look at the occupations that are recruiting in the region. For each regional department three interactive lists are available: i) occupations with a high number of recruitments, ii) occupations with a strong growth in the number of recruitments, iii) occupations that have a shortage of available candidates.

To assist individuals in their career choice, the Ministry of Education provides information on occupations through the website of Onisep, the national office of information on education and occupations. For each occupation, an overview, fiche métier, is given of the tasks, the required skills, job characteristics, career and salary indications, education and training pathways, testimonies and useful links. In addition to the general website, many other players have created career advice websites. First, professional branches have their own websites that describe in detail the occupations in their sector. Second, regions also have career advice websites that describe occupations. Box 3.6 gives some best practice examples from a few regions. Third, Pôle Emploi provides online regional profiles describing which sectors and occupations are in highest demand based on their own vacancy information. Detailed information on the occupations is available, similar to the *fiches métiers* from Onisep, but also including detailed skills requirement information based on the ROME framework. The website also directly links to the vacancies in the occupations and sectors in the region. In an attempt to gather all the information from government, regions and sectors, the website "*Orientation Pour Tous*" was set up in 2011.

Migration

Education and training are not the only channels to increase the supply of skills in demand. Attracting skilled workers from abroad is another possibility which can be particularly interesting when the need for skills is urgent, when training programmes are long, or when the necessary training programmes are not yet in place. Less stringent rules and lower administrative burden for migrants with skills in high demand could facilitate the use of this channel of skill supply.

French employers who want to recruit a non-EU individual to fill their vacancies, first have to prove that they were not able to recruit someone on the local market despite significant search efforts. This implies that employers have to provide evidence that they looked for suitable candidates through *Pôle Emploi* or other recruitment agencies. For all applications received, the employer needs to indicate why the local applicant did not fulfil the requirements for the job. The employer also needs to provide details on the professional qualifications of the selected non-EU candidate, and show that the candidate's skills and experience match the requirements of the job. This information, together with regional and occupational statistics on the number of job seekers and job offers, is used by the Foreign Labour Force Department (*Service de la Main-d'oeuvre Étrangère*) to decide whether the specificities of the job or the required skills indeed allow for the recruitment of the selected non-EU candidate. Additionally, the employer has to show that the working conditions and salary for the non-EU worker will be the same as for other employees in the sector, that the non-EU worker will receive at least the official French minimum wage, and that the right to work and the right to social protection will be guaranteed (REM, 2015).

To make it easier for employers to hire non-EU workers for occupations in shortage in the French labour market, the requirement to prove that efforts to recruit a suitable candidate on the local market was removed for certain occupations.[20] The list of occupations for which this exception holds was introduced in 2008, based on information on labour market pressure. Starting from a temporary list of 150 occupations that were open to individuals from new EU member states, occupations with a high degree of labour market pressure were retained. To favour the inclusion of high-skilled over low-skilled occupations, the threshold for the pressure indicator was set at a lower level for

occupations that require a higher education degree. This methodology led to a national list of 30 occupations. Based on this list, regional list were created that only keep the occupations from the national list that have a sufficiently high degree of pressure in the regional labour market. After stakeholder consultation, the national list was slimmed down to 15 occupations in 2011. However, this updated list was revoked in 2012 for reasons of irregular procedures, and the 2008 list was reintroduced. Bilateral agreements with specific countries can contain additional occupations for which the same rules apply (REM, 2015).

Notes

1. Enrolment in this D2E programme is compulsory for recent graduates that want the student-entrepreneur status.
2. The *Loi sur l'encadrement des stages du 10 juillet 2014*.
3. In addition to sector-specific qualifications (CQP), the social partners also deliver inter-sector qualifications (*Certificats de Qualification Professionnelle Inter-branches*, CQPI). These qualifications are designed by two or more sectors, when the qualification covers skills and activities that are common or highly similar across sectors.
4. Individuals receiving a *prime d'activité*, an *allocation spécifique de solidarité*, an *allocation aux adultes handicapés*, and individuals employed on a *contrat unique d'insertion* can be hired on a professionalisation contract.
5. In the Alsace-Moselle region the tax is limited to 0.44% of the wage bill, and only consists of the regional and the quota part.
6. *Contracts of Volontariat International en Entreprise* (VIE) and contracts benefiting from the *Convention Industrielle de Formation par la Recherche* (CIFRE) also count towards the 5%. The threshold is reduced to 3% for firms who increased their share of qualifying employees (i.e. apprentices, VIE, etc.) by 10% compared to the previous year or for firms who are covered by an agreement that envisages a annual growth in the number of employees under these contracts of at least 10%.
7. Additional subsidies are available for hiring people with disability on an apprenticeship or *professionalisation* contract.
8. In 2017 the CPF was integrated in the Personal Activity Account (*Compte Personnel d'Activité*), bringing together multiple existing accounts.
9. CPF training is restricted to i) certificates featuring in the RNCP, ii) certificates featuring in the *inventaire CNCP*, iii) CQP(I)s, and iv) certified training for jobseekers selected by the regions, the French PES (*Pôle Emploi*) or Agefiph.
10. All individuals that want to start an artisan enterprise need to follow a compulsory 4-day training course (*Stage Préalable d'Installation*) to help them set-up and manage an enterprise.
11. The only restrictions on participation are related to work tenure. A minimum period of time is also required between two periods of training leave.
12. The employer has the right to postpone the leave with a maximum of nine months under specific conditions.
13. Since 2016 only firms with less than ten employees do not contribute to the financing of the CIF, see Table 3.1.
14. Participation in VAE for non-public qualifications is not registered.

15. The six-year overview was only introduced in 2014 by the law on professional training, employment and social democracy (*Loi n° 2014-288 relative à la formation professionnelle, à l'emploi et à la démocratie sociale*), and will therefore not be implemented in practice until 2020.

16. In practice, employers pay a flat rate sanction to finance 100 (130) CPF hours for full (part)-time workers, corresponding to EUR 3000 (3 900).

17. This limitation on the redistribution of funds for the Plan de Formation was imposed as a result of the fact that redistribution of this type of funds was modest and mainly from small firms towards bigger firms (Dares, 2014). Under the new rules, OPCAs are allowed to redistribute funds for the Plan de Formation from firms with 50 employees or more to firms with less than 50 employees.

18. These Eurostat data refer to participation of 25-64 year-olds in education and training in the last four weeks.

19. The remainder of training cost were financed by the OPCAs (8%), the State (7%), the learners (4%) and by other financers such as Agefiph and ministries (4%).

20. Some specific groups of highly-skilled non-EU workers, such as renowned artists, scientists, Blue Card owners, highly-skilled entrepreneurs, investors, and Master-level graduates looking for a first work opportunity, do not need to have a work authorisation from the Foreign Labour Force Department.

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Chapter 4

Challenges and recommendations for France

In spite of the extensive range of policy initiatives to tackle skills imbalances in France, some challenges remain. This chapter zooms in on the most important challenges, and provides recommendations that can be used by public and private stakeholders to improve the skills outcomes of the country. Best practice examples from other countries are provided to illustrate how policies can effectively address skills imbalances. These recommendations and examples can guide French policy makers in the (re-)design of new and existing policies to reduce skills shortages, surpluses and mismatch.

Co-ordination in skill needs assessment exercises

The success of policies to tackle skills imbalances depends crucially on the available information on skills shortages, surpluses and mismatch. The importance of the skill needs assessment exercises is acknowledged in France, as many different analyses have been carried out to identify skills imbalances. Forecast exercises, employer surveys and labour market pressure indicators based on vacancy data are all useful tools to understand which sectors and occupations are facing imbalances and how big these imbalances are. Despite all these well-established skill needs assessment exercises, a key challenge remains of reconciling differences between the evidence emerging from different sources to draw an overall picture of skill imbalances in the country.

Notably, there has been a lack of co-ordination between the stakeholders involved. As a result, the information from different sources has not been brought together into a single analysis. The plethora of skill needs assessment results, at the national, regional and sectoral level, reduces the usefulness of these exercises, as it creates confusion for users. Users would benefit from an initiative that would bring together all information, and would allow them to easily understand imbalances at the national, regional and sectoral level. In Austria, the Skills Barometer combines different information sources, such as vacancy data, labour market statistics and forecasts, to provide users with valid, comprehensible and well-structured information on current and short term skill needs.

Better co-ordination between different stakeholders could also benefit the quality of the individual exercises, as best practices could be shared among stakeholders. Best practices could be shared in terms of the methodology of the skill needs assessment exercises, but also in terms of the presentation of the results. The in 2014 established REC, which brings together different stakeholders, could be strengthened further to take up this role of platform for information sharing and co-operation.

Box 4.1. Recommendations: Skill needs assessment exercises

- Facilitate knowledge sharing among stakeholders involved in skill needs assessment exercises at the national, regional and local level by providing a co-ordination platform. The REC could be further developed to take on this role.
- Bring together the information from different exercises (forecasts, surveys, vacancy data) into an overall assessment of skills imbalances.
- Present the information from the overall assessment in a user-friendly way, such that it can reach a wide audience.
- Promote the use of the different skill needs exercises and the overall assessment among policy makers, such that the exercises can have a useful impact on policies.

Equity in education and training participation

Basic skill levels of adults in France are low compared to many other OECD countries, with 31% of adults scoring low in literacy or numeracy in the PIAAC survey (compared to an OECD average of 26%). While educational attainment has been on the rise in France, a significant share of students still leave education without upper secondary degree. While the share of early leavers from education and training in France declined from 12.7% in 2010 to 8.9% in 2016, it remains high compared to many other European countries. The family background of students is a strong determinant for the probability of early school leaving (Dardier et al., 2013). In general, education outcomes in France are strongly influenced by the socio-economic background of the individual.

The latest PISA results show that in France 40% of students from disadvantaged backgrounds are low performers, while only 2% of students from disadvantaged backgrounds are among the top performers.

In order to reduce the impact of socio-economic background on educational outcomes, students need to receive personalised support. The allocation of sufficient funds to schools with large shares of disadvantaged students should ensure that these students have access to the necessary support. Teachers, especially in these schools, should be better trained (e.g. pedagogy, child psychology and neurosciences) to identify possible problems at an early stage, and to provide support. Reforms introduced in priority education, i.e. schools in disadvantaged areas, have allocated additional training and tools to help teachers deal with the needs of disadvantaged students, and have made a teaching career in priority education more attractive. In addition, it should be made easier for students who did not finish secondary education to return to school. Since 2015, the right to return to school was opened up to all early school leavers aged 16 to 25, and investments has been made to make school leavers aware of this possibility, to provide bursaries for individuals returning to school, and to provide enough places.

Inequalities do not only exist in initial education, but also manifests in participation in lifelong learning. As in most countries, low-skilled adults in France have a lower probability of participating in training activities. This is true both for employed and unemployed individuals. Employers should be further encouraged to provide their low-skilled employees with training opportunities. In other countries, social partners have set up training funds that mainly target low-skilled workers (Box 4.2). Existing training rights and available support should be more actively promoted among low-skilled workers, both by public bodies and by employers. The PES should put more effort on getting the low-skilled unemployed into training. The focus of the Plan 500 000 Formations on the low-skilled has been a step in the right direction, as the share of low-skilled among unemployed training entries increased in 2016. Low-skilled adults could benefit from adjusted modes of training, as many of them might be reluctant to return to a standard classroom setting, and from more flexible arrangements.

Box 4.2. Recommendations: Equity in education and training

- In order to minimise the impact of socio-economic background on education outcomes of students, sufficient personal support should be provided in schools. Teachers should receive specialised pedagogical training to be able to provide the necessary personal support, and additional training is needed in schools in priority education
- Youth who left education without upper-secondary degree should have sufficient opportunities to return to school. The barriers faced by the individuals to participation in education and training should be analysed, and support targeted at overcoming these barriers should be provided.
- The available lifelong learning possibilities and available support measures should be actively promoted among low-skilled workers and unemployed. This should be the joint responsibility of government, employers and the PES.
- More resources should be made available for training of individuals who are most in need of training, such as the low-skilled or older workers.
- Remove non-financial barriers to participation in lifelong learning, by introducing flexible and innovative adult learning programmes. Non-standard training options, such as modular approaches and online courses, could help individuals who face scheduling barriers, but also individuals who feel apprehensive about returning to standard classroom training.

Box 4.3. Social partner training funds: Best practice examples

Great Britain: Union Learning Fund

In Great Britain, the *Union Learning Fund* receives public funding to subsidise learning initiatives that trade unions identify as important for their members, in consultation with employers, employees and learning providers. Learning offer generally reflects government skills policy, with a current focus on basic skills. The 2016 Union Learning Evaluation learner survey revealed that learners are somewhat more likely to acquire soft skills (self-confidence, professional development and planning skills), than hard skills (vocational, literacy, numeracy, language and IT skills), and that most believed that the skills they developed could be transferrable to a new job. Union learning representatives perform an advocacy role in promoting learning to their colleagues, both union members and not. These representatives engage with low-skilled workers, who are less likely to participate in training. Indeed, union learners are disproportionately older workers and those with no formal prior qualification. Low-skilled learners achieve the most significant outcomes, with over two-thirds of learners with no previous qualification moving to a higher qualification level (Stuart et al., 2016).

Belgium: Training fund for "service vouchers" sector workers

In Belgium the social partners set up a fund (*Fonds de Formation Sectoriel Titres-services)* for training of workers employed in jobs that use "service vouchers". Workers in these mainly low-skilled jobs generally have low access to training opportunities. The aim of the fund is to increase participating in training by 10%. The fund subsidises part of the cost to employers for training their employees, and training has to be related to the job tasks of the employee. The fund works closely with the Belgian PES and other training institutions that provide certified training. Participation in training in the sector increased significantly since the introduction of the funds, with 38.2% of employees have received training in 2011 compared to 14.1% in 2006 (SPF Emploi, Travail et Concertation sociale, 2013).

Source: Stuart, M. et al. (2016), *Evaluation of the Union Learning Fund Rounds 15-16 and Support Role of Unionlearn: Final Report*, Centre for Employment Relations Innovation and Change, University of Leeds; Marchmont Observatory, University of Exeter; SPF Emploi, Travail et Concertation sociale (2013), *Fonds de formation titres-services – Rapport d'évaluation 2011-2012*, Secrétariat de la Commission fonds de formation titres-services, Brussels.

Participation in vocational education

The popularity of the vocational track in secondary education is on the decline in France. The number of students in vocational education at the upper secondary level decreased by 9% in the period 1995-2015, and upper-secondary level apprenticeship participation declined by about 2.5% (DEPP, 2016). The largest number of vocational education students are found in "Sales", "Electricity and electronics", "Multi-service specialties", "Multi-purpose health and social specialties", and "Agri-food, food and cooking". Upper-secondary level apprenticeships are mainly found in "transformation industry", "personal services" and "civil engineering, construction and wood". Overall, many students in vocational education specialise in sectors and occupations that are declining, and limited options are available for entering into emerging fields. Other countries have been expanding their apprenticeships to high-growth sectors and new and emerging areas of skill needs (Box 4.4).

Box 4.4. Expanding apprenticeships to high-growth sectors: Best practice examples

United States

In the past few years, the United States Office for Apprenticeships has intensified efforts to expand and modernise the Registered Apprenticeships programme. Notably, since 2004, the government has pursued registration of new apprenticeship programmes in high-growth industries such as Health Care, Advanced Manufacturing, Information Technology, Maritime Transportation, Military, Geospatial Technology and Biotechnology. Most of these industries had never used the apprenticeships training model and were given seed capital to develop programmes. In all industries, significant outreach initiatives were put in place. In 2007, 46% of all new registered programmes and 30% of active apprentices were in high-growth industries OECD (2009).

Ireland

In 2014, the Irish government published an extensive review of its apprenticeship system, which led to two big policy initiatives. The first was to review and further develop the existing apprenticeships, in order to ensure continued relevance and quality. The second was to develop new apprenticeships in new and emerging areas of skills need. A new Apprenticeship Council was set up to advise on and support the development of these new apprenticeships. The Council launched a call for proposals for new apprenticeships, laying out a range of criteria, such as the minimum duration of the apprenticeship and the minimum share of on-the-job training. Proposals were received from consortia including employer networks, companies and education and training providers. After thorough evaluation a set of new apprenticeship proposals were selected and further developed. These new apprenticeship programmes are being rolled out gradually.

Source: OECD (2009), *Jobs for Youth/Des emplois pour les jeunes: United States 2009*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264075290-en.

In comparison to other OECD countries, only a small share of French secondary vocational students transition towards higher education (OECD, 2015b). In 2014, 34.4% of students graduating from *Bac professionnel* continued to higher education, compared to 79.2% of *Bac technologique* students and 99.4% of *Bac général* students. Only 8.4% of *Bac professionnel* students continue to university, with a very small share (0.6%) participating in technological university degree (DUT) preparation (DEPP, 2016).[1] With many academic graduates entering vocational higher education, not enough places might be available for vocational graduates. The success rate of vocational graduates in vocational higher education is considerably lower than that of *Bac général* and *Bac technologique* graduates (Ministère de l'Enseignement Supérieure et de la Recherche, 2012), suggesting that better support measures might be needed.

The labour market outcomes of upper secondary vocational education graduates compare poorly to graduates from higher education. Among students who left the education system in 2010 at secondary level V (i.e. CAP or BEP degrees), 31% were unemployed three years later (in 2013) (Céreq, 2015). The share is significantly lower for *Bac professionnel* and *Bac technologique* graduates (20%), and tertiary education graduates (10%). Job quality of the employed vocational graduates is also much lower, with a larger share of temporary contracts and a significantly lower average wage. The short-term labour market outcomes of vocational education graduates differs strongly between education field, with very low levels of unemployment for health graduates, but above average unemployment for "business and sales" and clerical graduates. The short-term labour market outcomes of apprenticeship students are better than the outcomes of vocational students. The difference in terms of unemployment rate three years after graduation equals 10 percentage points for level V graduates and 7 percentage points for *Bac professionnel* graduates (Céreq, 2016). European data on labour market outcomes of

recent graduates show that France is one of the few EU countries where the employment rate of vocational non-tertiary graduates is worse than that of general non-tertiary graduates (Eurostat Education and Training Database, 2015). A comprehensive set of reforms should be implemented to improve quality of vocational education, including, for example, better workplace knowledge of vocational teachers. In France, few teachers combine teaching and work in an enterprise, and workplace opportunities are limited for teachers (OECD, 2015a).

Box 4.5. Recommendations: Vocational education

- Improve quality of vocational education, by making the content of the vocational programmes more in line with the needs of employers. Make sure the skills of teachers in vocational programmes are up-to-date with current workplace practices. A larger share of secondary vocational students should be in apprenticeships.
- Improve the image of vocational education among employers, students and parents. While improving the quality of the programmes should contribute to a better image, further campaigns should be set up to provide information about the career pathways of vocational education.
- Extend vocational education to other sectors, especially emerging sectors. Provide sufficient places in higher professional education for graduates from secondary vocational education programmes, and offer sufficient support to facilitate the transition from secondary to higher professional education. Ensure that students understand the possible education pathways in vocational education.

Quality of lifelong learning

With the introduction of the CPF, France has made an important step towards the promotion of lifelong learning among employed and unemployed adults. It is not only important to guarantee access to lifelong learning options for all, but also to ensure high quality training options. The CPF allows individuals to choose among 11 000 different training options, corresponding to national, regional or sectoral needs. In order to contribute to skills development, high quality standards should be set for training provision. In the 2013, 66 362 officially recognised training providers were active in France, of which 97% were private sector organisations. These private sector training providers accounted for 79% of turnover and 86% of learners. The large number of training providers shows that the market is scattered. Nonetheless, 1% of training providers accounted for 44% of total turnover and 30% of learners. These large training providers have high turnover (at least EUR 3 million), and differ strongly from the 83% of providers that have low turnover (at most EUR 150 000) and account for only 24% of learners (République Française, 2017).

Quality controls for providers are relatively weak, and an effective certification process is lacking (OECD, 2015a). As a first step in tackling the deficiency in information on the quality of training options and training providers, France Stratégie set up a work group to analyse the problem and possible solutions (France Stratégie, 2015). In order to improve training quality, a new decree was introduced in 2015, and entered into force in 2017, setting quality criteria for training providers. Following this decree, training providers have to provide proof of quality either through a CNEFOP label or quality certificate, or by adhering to the internal evaluation frameworks of the training financers (e.g. Regions, Pôle Emploi).

Box 4.6. Recommendations: Quality of lifelong learning

- The quality of training programmes should be regularly re-evaluated, making sure that the content is relevant and responsive to the needs of the users. Participants should be able to provide feedback that can be consulted by other potential users.
- The CNCP should thoroughly analyse the applications for RNCP registration, in order for the RNCP to serve as a quality label. The evidence on which the decision on registration is based, e.g. the labour market outcomes of certificate holders, should be made public. Similar evaluations should be applied to certificates that are currently registered by default.
- To guarantee the successfulness of CPF, the eligible training options should be restricted to programmes that underwent thorough quality assurance (preferably registered in the RNCP or *inventaire CNCP*) and are provided by quality assured providers. In addition, the CPF eligible training options should be focused more strongly on training that is related to real labour market needs.

Provision of career guidance

Providing students as well as employed and unemployed adults with high quality and relevant career advice will help them make informed education and training and career choices. Individuals should have access to information on expected labour market outcomes of their choices, including up-to-date information on current and anticipated skills imbalances. In France, many different players provided career guidance information, at varying levels of quality, relevance and user-friendliness. The large diversity of sources makes it difficult for users to navigate through the information. Users would benefit from the creation of a single website that gathers the existing information, presenting it in an attractive and easy-to-understand way (based on existing best practice examples).

With the introduction of CEP, an important step has been taken in providing professional career advice to assist individuals in their professional evolution. However, for the CEP to be a helpful tool for individuals, it should be ensured that the provided assistance is of high quality. Therefore, the counsellors providing CEP assistance need to be trained to design career pathways, and engage in regular training to keep their knowledge of the labour market and skill needs up to date.

Box 4.7. Recommendations: Career guidance

- A single website should be created collecting career guidance information from the different players (e.g. Regions, sectors, PES). The information should be presented in a user-friendly way, following existing best practice examples.
- Career guidance should be clearly linked to the outcomes of skill need assessment exercises, and this information should again be presented in a user-friendly way.
- The providers of CEP should be sufficiently trained to provide high quality career advice and design career pathways. The CEP professionals should receive continuous training for them to keep their knowledge of the labour market and skill needs up to date. This would also strengthen their ability to steer individuals towards careers in occupations in high demand or emerging occupations.

Barriers to career progress or change

As the demand for skills and the task content of jobs is changing faster than ever before, it is important for individuals to have strong basic skills. These basic skills are important in all types of jobs, but also for participation in and the success of lifelong learning. Evidence from the OECD's PIAAC survey shows that France has an above average share of the adult population at the lowest level of literacy and numeracy skills. Low levels of basic skills reduce the probability of participating in adult learning activities, as such limiting the options for career progress or career change. These basic skills should be developed in initial education, but should also be kept up-to-date through participation in lifelong learning activities.

Basic skills are part of a set of transversal skills, which are crucial for individuals to be able to move between jobs. Transversal skills also consist of soft skills, such as flexibility and learnability. When education programmes are very specific, i.e. targeted to a narrow set of jobs, they usually do not provide the necessary transversal skills for graduates to work in other jobs than the ones targeted by their specialisation. In France, a wide range of programmes are available in professional education, although participation is strongly concentrated in a relatively small set of programmes (IGEN and IGAENR, 2016). In 2014, 136 CAP programmes were available, but 80% of students were enrolled in 20% of these CAP options.

Even when individuals have the right skills to move into another job, they might be restricted by entry regulations. In France many occupations are regulated, implying that they require individuals to hold a specific qualification in order to be able to work in the occupation. A European comparison showed that France is among the countries with the highest number of regulated professions (European Commission, 2016). While this type of regulation is necessary for some occupations (e.g. occupations in the health sector), it might also be a barrier to entry in some occupations where the qualification requirements are too stringent or not necessary. Recognition of Prior Learning is a good tool for individuals that have the right skills but lack the required qualification to enter these regulated professions, but the process can be cumbersome and might discourage individuals from making the career change. In an attempt to stimulate member states to reduce overregulation, the European Commission asked member states to list their regulated professions, and to check whether restriction where non-discriminatory, justified and proportionate. Several deregulation initiatives have been implemented in France in the last years under the *Loi Macron*.

Box 4.8. Recommendations: Facilitating career progress and change

- Improve transversal skills acquisition, including basic skills, at all stages of compulsory and higher education. Make sure that transversal skills training forms an integral part of upper secondary vocational education.
- To ensure that basic skills remain at satisfactory levels, encourage workers, especially those with low qualification levels, to participate in regular basic skills training courses. Employers should play an important role in providing these training opportunities and incentives.
- Thoroughly analyse and evaluate the existing professional regulations. Regulations that are not justified or too strict should be relaxed or removed.

Usefulness of policies for target audience: Awareness and use-friendliness

As the previous section showed, many policies and initiatives have been put in place in France that directly or indirectly help address skills imbalances in the labour market. Nevertheless, some of these policies have not been able to reach their full potential, as take-up has remained relatively low. A first factor contributing to low take-up is the complexity of policies and initiatives. Take-up under the CPF, for example, has been limited mainly to training of high-skilled workers, compulsory training, and training of the unemployed. The latter are often encouraged and assisted in CPF use through the PES. While the basic functioning of the CPF is easy, the eligible training is much more complex, with individuals having access to training that features on national, regional and sectoral lists. The complexity of the system can potentially further exacerbate the existing inequalities in access to training, as the low-skilled will have more difficulties navigating the CPF system. A second factor limiting policy take-up is the lack of active awareness creation among potential users. Many potential users might not be aware of existing policies, or might not understand how policies can benefit them. Again, this could be more problematic for low-skilled individuals. Many other barriers might prevent larger numbers of participants, like for example low levels of funding in the case of training leave.

In order to increase take-up of existing and new policies and initiatives, information on these policies and initiatives should be presented in a user-friendly way such that it is accessible to a wide audience. Rather than just describing the policies and their details and exceptions, interactive websites should be constructed, that allow users to access the information that is relevant for them. These interactive websites should make it easier for individuals to understand whether they are eligible for certain policies, and which steps they have to take. Existing bodies, such as the PES, trade unions and CEP counsellors, as well as employers should actively provide information on existing policies and initiatives, and refer interested individuals to these interactive websites.

Take-up of lifelong learning, mainly through the CPF, could be increased by providing better assistance for finding training programmes that could be useful for each individual. As the CPF works with an individual-specific account that can be accessed online, it would be possible to provided targeted advice on training options through the same website. Individuals could for example be asked to provide information on their skills, their job tasks, their interests and their ambitions, and as such be directed towards training options that are most relevant. This will make it much easier for individuals to navigate the very long lists of eligible training. This tool could also be used for steering individuals towards the development of skills that are needed in the labour market.

Box 4.9. Recommendations: Awareness and user-friendliness of policies

- Actively promote existing and new policy initiatives, especially to lower-skilled target audiences. Existing bodies, such as CEP providers and trade unions, as well as employers have an important role in the promotion of policies.
- Present information on policies and initiatives in a user-friendly and interactive way, making it possible for readers to only get the information that is relevant for them. Explain the different steps that individuals have to take to benefit from the policies.
- For policies that give users a wide range of options, provide support for users to navigate the different alternatives. In case of the CPF, for example, users could be asked to reply to some initial question to narrow down the list of relevant training options.

Coherence of skills policies

France has put in place a broad set of policies to tackle skills imbalances and improve the skill level of the French population. While all these policies contribute to tackling the problem, the sheer number of policies, bringing complexity for users and policy makers, makes the system less effective. Many actors play a role in French skills policies, and, while ensuring that policies are relevant, this further adds to the complexity of the system, especially when the roles of the different actors are not clearly identified.

In this context and in view of fast changing skills demand, a coherent system-wide approach to skills-related policies should be developed, starting with the identification of the key objectives for the French skills system. In addition, this approach should involve i) taking stock of existing policies and analysing their effectiveness, ii) describing the observed and anticipated changing skills needs, and iii) setting out priority actions for optimal skills development. As skills policies have an important impact on a wide range of sectors and players, policy coherence can only be attained by involving a wide range of stakeholders (government departments, regions, social partners, training providers). A system-wide approach to skill-related policies should facilitate the introduction of new policies, as well as the improvement of existing ones. Importantly, all stakeholders should work towards coherence when designing and implementing policies or initiatives.

Other countries have embarked on improving skills policy coherence, some of which through the introduction (or update) of a national skills strategy. England introduced a new skills strategy "Skills for Sustainable Growth" in 2010, with a strong focus on extending and improving the apprenticeship system. The strategy acknowledges the importance of skills in order to "[…] return the economy to sustainable growth, extend social inclusion and social mobility and build the Big Society". The strategy sets out the direction for skills policy and the shared responsibility of government, employers and individuals "[...] to create a system for skills in which all parties can invest with confidence and benefit with consistency". Similarly, Ireland launched its "Skills Strategy 2025" in 2016, identifying six objectives to make "Ireland renowned at home and abroad as a place where the talent of our people thrives". The Irish strategy puts forward actions and measures to deliver each of the objectives, and identifies the key stakeholders for the implementation of the measures. While France does not have a skills strategy, the idea has been put forward by several actors. France Stratégie (2017), for example, calls for the introduction of a French national skills strategy, which should either focus on specific skills development or transversal skills development.

Box 4.10. Recommendations: Policy coherence

- A coherent system-wide approach to skills-related policies should be developed. This should involve: identifying the key objectives for the French skills system for the coming years; taking stock of existing policies; identify existing and anticipated challenges; and setting out priority actions for the improvement of the skills system.
- To ensure coherence, as skills play an important role in many areas, the initiatives by different stakeholders should be better co-ordinated. The first step in the development of a coherent set of policies should therefore be a consultation of the relevant stakeholders and their involvement in diagnosing the challenges, setting objectives and identifying coherent policy actions.

Note

1. Even among *Bac technologique* graduates, only 11.5% participated in DUT preparation in 2015. The largest share of *Bac technologique* graduates (41.5%) continue to higher level vocational training (BTS).

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Getting Skills Right

France

Skills have the potential to transform lives and drive economies. However, in many countries, imbalances between the supply and demand for skills lead to significant skill mismatches and shortages, with as many as three in five workers in the OECD employed in jobs that do not make the best use of their skills. At the same time, a large number of employers report hiring problems due to skill shortages. This series examines how countries measure changing skill needs and how they develop skills that respond to labour market needs and how they ensure that these skills are fully utilised by individuals and employers. Presenting both thematic reports on specific policies and issues and in-depth country reviews, this series offers countries the information and analysis they need to get skills right.

This report identifies effective strategies to tackle skills imbalances in France. It provides an assessment of practices and policies in the following areas: the collection and use of information on skill needs to foster a better alignment of skills acquisitions with labour market needs; policies stimulating skills demand and skills use; policies related to general and professional education and training; policies to help the unemployed develop the right skills and better match them to jobs; career guidance initiatives; and policies facilitating the entry of migrants with skills that are in demand. The assessment is based on country visits, desk research and data analysis conducted by the OECD secretariat.

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