

TRAINING & EMPLOYMENT

FRENCH DIMENSIONS

A NEWSLETTER FROM CEREQ
AND ITS ASSOCIATED CENTRES

Initial Training and Labour-Market Entry among French Youth

Over the past fifteen years, the level of initial training among French youth has shown a rapid rise, with a rate of **full-time** school attendance that is one of the **highest in Europe**. Until the mid 1980s, **however**, there was also a considerable increase in the difficulties of entry into the labour market. These affect the majority of young people exiting secondary education but not higher education graduates. It is only through the creation of massive programmes to promote youth entry into the labour market that extremely high levels of unemployment have been **avoided**. Even so, the limited place left to young people in the firms' recruitment policies has resulted in a paradoxical situation of higher education levels coupled with rising unemployment.

GAINS IN SCHOOL ATTENDANCE

MORE and more students are continuing their studies beyond the compulsory age of 16. With an 80 percent rate of full-time school attendance among 18-year-olds, France is in the forefront of the major Western countries (see Graph 1). Nearly 45 percent of young people between the ages of 17 and 24 are full-time

students, as compared to 25 percent two decades ago. This sharp increase in school attendance, **while** delaying the arrival of young people on the labour market (as shown by the decline of youth labour), clearly **improves** their training capital.

I Training Levels on the Rise

The increase in the training level of young people has been greatly accelerating since the middle of the 1980s, as can be seen from the evolution of the annual rate of

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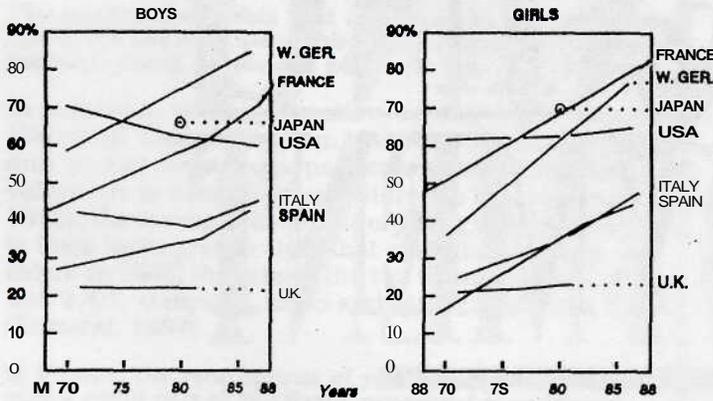
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- The Decentralised Survey
- The National Retrospective Surveys
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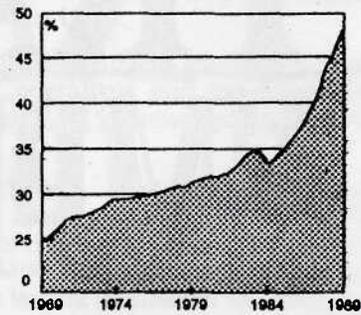
GRAPH 1
Rates of School Attendance at Age 18



Source: INSEE - *Données sociales*, 1990.

GRAPH 2

Evolution of the Annual Rate of Access to the Baccalauréat Level



Sources: Ministry of National Education, Youth and Sports (Evaluation and Perspectives Department); *INSEE Première* No 107 (October 1990).

access to the baccalauréat level (see Graph 2). In 1989-1990, half the young people of a given age group reached the baccalauréat level, as compared to 35 percent in 1985 and 30 percent in 1975.

I Improvement of Academic Capital

More than one-third of young people today leave the training system with a higher degree, in comparison with less than one-quarter fifteen years ago [See a presentation of the French educational system p. 8]. It is at these levels of training that exits are rapidly increasing, while at the baccalauréat level, the proportion of school-leavers remains more or less stable (below 20 percent). Young people coming from lower vocational education still account for the majority of the exits into the labour market (over 40 percent). More and more students are coming through these kinds of vocational training, but an increasing proportion of them are continuing their studies. However, the rising rate of school attendance does not stem academic failure: the proportion of young people exiting each year without qualification has remained stable since the beginning of the 1980s (about 12 percent) [CEREG-DEP-INSEE, 1990].

TRAINING LEVELS AND HIERARCHY OF YOUTH ENTRY INTO THE LABOUR MARKET

OVER the past fifteen years, the functioning of the youth labour market has greatly changed. In their hiring policies, firms have become more and more selective about training profiles, with the result that inequalities among young people are reinforced.

During the economic slowdown that lasted until the middle of the 1980s, the general unemployment trend and transformations of the productive system accentuated the difficulties of entry into the labour market among the least-trained young people. But the employment recovery since 1985 has not checked the rise of precariousness, i.e. alternating periods of unemployment, short-term employment, and the return to unemployment. Such a process now characterises the majority of entry patterns among young people without the baccalauréat. By contrast, those with higher degrees appear to be little affected by the crisis.

■ Negative Correlation between Training Level and Unemployment Rate

Between 1973 and 1984, the unemployment rate for young people nine months after leaving school increased regularly from 8 to 57 percent for those exiting without a diploma and from 4 to 13 percent for those with higher degrees. For young women without diplomas the rates ranged from 19 to 69 percent and for young women with higher degrees, from 9 to 20 percent (see Graph 3).

Beginning in 1985, the increase in youth unemployment came to a halt, and the trend was even reversed as government measures aimed at facilitating young people's access to employment began to take effect [J.F. Lochet, Y. Grelet, 1989].

I Contrasting Portraits of the Beginnings of Working Life:

Precariousness and Exclusion at Low Levels of Training

Although it is not systematic, an increasingly long period of precarious employment (fixed-term contracts, temporary positions, youth programmes) is the norm for young people who have not continued their studies through the baccalauréat.

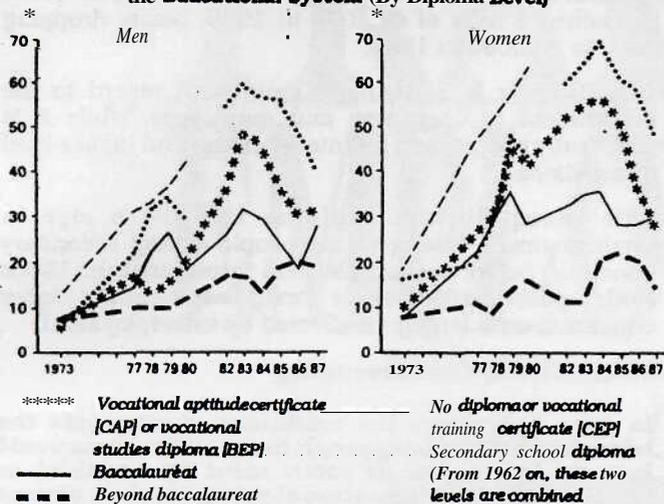
In February 1988, 80 percent of the jobs held by young people leaving school in 1987 after completing one cycle of vocational training were precarious [Y. Grelet, X. Viney, 1991].

Even more significantly, two-thirds of the young people exiting secondary education in 1986 without the baccalauréat faced exclusively precarious jobs during their first three years of working life [F. Pottier, S. Zilberman, 1990]. Today, exclusion from employment is not limited to those without diplomas: it even affects young people who have completed one cycle of vocational training, notably young women preparing the CAP [Vocational Aptitude Certificate] in the service sector, even those with diplomas.

The "Right" to Stable Employment at the Highest Levels

At the other extreme, those holding higher degrees have quick access to a stable employment situation (unlimited-term contract). For more than twenty years, the strong development of higher-level occupations (engineers and cadres), and also intermediate ones (technicians, nurses), has aided degree-holders in these areas to enter the labour market.

GRAPH 3
Evolution of the "Unemployment Rate" Nine Months after Exiting the Educational System (By Diploma Level)*



* The "unemployment rate" is the ratio of the number of those unemployed to the total working population (employed, unemployed, youth programmes). Apprentices are not included in the working population.

Source: INSEE - *Données sociales*, 1990.

This does not exclude disparities, however, according to the institutions (engineering and business schools are more highly regarded than the universities) and even more so according to the disciplines, with regard to employment conditions, job classification and remuneration [A. Chariot, F. Pottier, 1988 and 1989].

A HIERARCHY IN MANUFACTURING AND SERVICE TRAINING

YOUNG men exit in great numbers with manufacturing specialisations, while young women are concentrated in service training. Thus the advantages of manufacturing training tends to reinforce gender differentials.

I After Industrial Training: Problems of Job Quality Rather than Unemployment

In the middle of the 1980s, roughly half of those holding a higher technical diploma (BTS) or a diploma from a university institute of technology (DUT) were recruited with an unlimited-term contract, as opposed to one-third of those with a baccalauréat and less than one-third of those with a CAP or BEP. Even so, the precariousness of the jobs offered did not entail lengthy or frequent periods of unemployment [B. Guillet, F. Pottier, 1989].

By contrast, the real classifications of jobs held show significant disparities at all qualification levels.

Thus, in the beginning of the 1980s, only one-third of those holding a CAP or BEP were recruited as skilled workers; one-third went from unskilled to skilled occupations during the first five years of working life, and one-third remained unskilled operatives.

The situation is similar regarding access to technical jobs: in the mid 1980s, 28 percent of those leaving school at the level of the technological baccalauréat in manufacturing held a first job as technician; for those holding a DUT or BTS, the figure was 70 percent. Three years after the respective degrees were obtained,

42 percent of baccalauréat-holders and 90 percent of those with a DUT-BTS were technicians.

A drop in status at hiring is thus standard practice up to the baccalauréat level. Subsequent reclassifications are strongly tied to sectoral policies of manpower management the relative importance of each group of occupations (and particularly the unskilled operatives), the degree of internal mobility in the firms, and the development of continuing training [G. Podevin, X. Viney, 1991].

I After Training in the Service Sector: Frequent Periods of Unemployment

Training in the service sector is clearly less favourable to entry into the labour market than training in the manufacturing sector. The difference manifests itself not only in the speed of access to a first job, but even more in the frequency of precarious first jobs (with recurring unemployment as a corollary) and significant long-term unemployment [B. Guillet, F. Pottier, 1989].

Almost all young people with training in the service sector are employees [1], but the heterogeneity of the category is such that the lower value of this training takes on different forms according to the kinds of jobs.

Access to administrative positions (notably secretarial and accounting) increasingly takes place at the expense of those with the lowest degrees in service training. CAP-holders have slim prospects for employment on exiting the vocational high school, while baccalauréat holders and above all those with a DUT/BTS have rapid access to employment and a very high resistance to unemployment [J. L. Pigelet, 1989]. Here the diploma functions as an instrument of selectivity on the labour market; the difficulty of evaluating the classification of these administrative jobs, moreover, contributes to this competition between people with very different levels of training. Today's employers, favoring the criteria of polyvalence and adaptability, tend to recruit their administrative employees at the level of the baccalauréat or higher [M. Campinos-Dubernet, J. L. Kirsch, 1990].

Those young people with the lowest degrees are again penalised in the service and commerce sectors, but this is less because of elimination from the labour market through competition than because of a high risk of precarious employment. This risk increases with low-level technical positions such as store cashiers, self-service employees, hotel, cafe and, restaurant employees, and certain salespersons. While these may be transitional jobs for those with the highest degrees, they are often synonymous with recurring unemployment for the others.

YOUTH RECRUITMENT IN THE FIRMS

A CONTINUING rise in the training level of young people coupled with increasing difficulties in entry into the labour market may seem paradoxical. The explanations are to be found in the functioning of the labour market and employer recruitment practices.

[1] Following the classification of the Occupations and Socio-Occupational Categories.

I A Second-Class Position

The employment crisis that developed in the middle of the 1970s has not affected the unemployment hierarchy between young people and adults [T. Lacroix, 1990].

In contrast to the situation in Northern Europe (Germany, United Kingdom, Sweden), France's youth, and young women in particular, are increasingly vulnerable to unemployment. Since the beginning of the 1970s, the unemployment rate of young people under 25 is three times greater than that of adults (25 years and older). In 1985, the ratio of the two unemployment rates was 3.4:1, compared to an average of 3:1 for the EEC [Eurostat, 1987].

In France, the recruitment of young people constitutes only a small part of the firms' personnel recruitment.

At the beginning of the 1970s the labour market was very active. Between March 1973 and March 1974 firms recruited nearly 4 million people, close to 700,000 of whom came from the educational system (schools or apprenticeships) or military service. "Young beginners" thus represented 17 percent of total recruits [CEREG-DEP-INSEE, 1990].

With the emergence of the employment crisis, recruitment began a continuous decline, reaching a minimum of 2.6 million between March 1984 and March 1985; this included 300,000 young beginners (i.e., 14 percent of total recruitment).

The revival of employment at the end of the 80s was reflected in sharply increased recruitment among firms (3.4 million between March 1988 and March 1989), but this did not fully benefit youth entry into the labour market: some 430,000 "young beginners" employed in March 1989 represented only 13 percent of total recruitment.

Every year, moreover, some 650,000 to 700,000 young people leave the educational system (including apprenticeships) and present themselves on the labour market [2]

[2] This is calculated on the basis of the flow from the educational or apprenticeship systems minus direct entries into military service before March of the following year (ca. 90,000 young people).

The excess of school-leavers over youth recruits (measured the following March) totaled 23,000 in 1973; it reached a peak of 400,000 in 1986, before dropping back to 200,000 in 1989.

The disparity is particularly great with regard to the recruitment of operatives and employees, while it is practically nonexistent for intermediate- and higher-level occupations.

This disequilibrium explains the sharp rise in unemployment among young people exiting secondary education before the baccalaureat throughout the 1980s (with a peak in 1986), while young people exiting higher education were largely unaffected by unemployment.

I An Attempt at Forecasting

In order to improve the conditions of entry into the labour market for young people in the 1990s firms would have to increase their recruitment by one-third or greatly expand the proportion of young people in current recruitment.

If young people continue to constitute about 14 percent of the firms' annual recruitment, there will have to be an additional 4.5 million recruitments per year in order to absorb all of those exiting the educational system (as opposed to 3.4 million in 1989). Conversely, if it is projected that the total number of recruitments will remain stable at the level observed between March 1988 and March 1989, then the proportion of young people would have to increase by nearly 20 percent, at the expense of other categories of the working population, in order for the cohort of young people to be employed nine months after exiting school.

The first hypothesis would necessitate an exceptional and sustained dynamism in the revival of employment while the second would depend on a marked preference for the hiring of young people. Both cases imply greater transformations of the youth labour market than reason would lead to expect •

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