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Leavers from higher education: increased levels of education have not prevented a rise in unemployment

The young people who left higher education in 2010 and were surveyed as part of Céreq's education-to-work transition surveys are not immune to the effects of the deteriorating economic situation. Although they are more highly qualified as a result of the introduction of the LMD (in French: *licence, master, doctorat*) degree structure, they are more likely to be unemployed and are slightly less well paid than their predecessors who left in 2004. Non-completers are still the group most at risk, but those with vocational degrees have also suffered the effects of the recession.

2004 Cohort
2010 Cohort
higher education
unemployment
pay education to
work transition

The young people who left higher education in 2010, only engineering graduates, PhDs and graduates of health and social care programmes have not fallen victim to the increase in unemployment. For all the others, the situation after three years in the labour market deteriorated between 2007 and 2013.

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Nevertheless, the 369,000 young people who left higher education in 2010, an increase of 3% over 2004, are more highly qualified than their predecessors. After all, the introduction of the LMD degree structure has led, through the principle of communicating vessels, to an increase in the general level of education and a change in the structure of HE leavers (cf. graphic p.2). Thus the share of graduates of two-year programmes (BTS/DUT) has declined to the benefit of three-year programmes (particularly three-year vocational degrees). Those leaving with a one-year master's degree have declined in number, while two-year master's degrees are becoming the most popular HE qualification of all. In 2010, finally, almost one in three new graduates entered the labour market having completed a long degree programme (i.e. one requiring at least five years' post-secondary study).

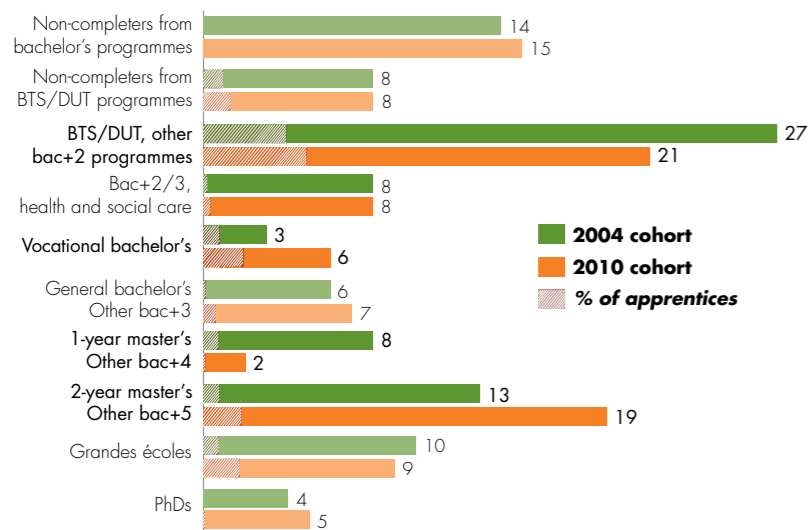
This increase in the general level of qualifications obtained has not been reflected in a smoother transition into work. In 2013, three years after

leaving higher education, 13% of the 2010 cohort were unemployed. This represents an increase of four percentage points over the 2004 cohort. It is true that the share of permanent jobs held has remained stable at 73 %, as has the share of managerial and intermediate positions (also 73%). These jobs are on average more highly skilled, with the share of jobs at managerial level alone having increased by five percentage points. Nevertheless, after three years in the labour market and the 2010 cohort has seen its purchasing power decline as a result of the recession. Net monthly pay, at 1,620 euros, is 30 euros lower than that of the 2004 cohort.

The differences in unemployment rates and pay are linked to the level of qualification obtained as well as to track and specialism. Of those graduating from short degree programmes, those with qualifications in health and social care requiring 2 or 3 years' post-secondary study are still the best protected against unemployment and the most highly paid, followed by those with vocational first degrees. The salaries of graduates who have studied for 5 years or more are higher regardless of the qualification obtained and unemployment rates are lower, except for those with master's degrees obtained in the university sector.

Thus there have been shifts in the structure of HE leavers by qualification. Among the short ●●●

Evolution of leavers from higher education by highest qualification



Source: Céreq, Génération 2004 and 2020 surveys, comparable bases.
Field: Those leaving higher education in 2004 and 2010 (excl. teacher training establishments).

... degree programmes, there has been a shift from two to three-year programmes. At the higher levels, the increase in two-year master's has displaced one-year master's, which have become marginal. What are the effects of these changes on the indicators of labour market integration? Moreover, the stability of the number of those leaving without qualifications and the increasing difficulties they face are calling into question the measures put in place to combat failure in higher education.

The benefits of short vocational degrees

The share of short vocational degree programmes (two and three years' post-secondary education) in higher education has declined compared with the 2004 cohort (-3 percentage points). Nevertheless, young people are leaving these programmes with higher qualifications: the number of those leaving with vocational bachelor's degrees has

more than doubled in six years (+118%). Increasing numbers of holders of the BTS and DUT (higher vocational and technical university diplomas) are continuing their studies, mainly in order to obtain vocational bachelor's degrees. This applies particularly to those who have specialised in the most popular areas, namely engineering and management sciences.

The crisis has not spared those completing these courses. Although they are more highly qualified and are more likely to have completed apprenticeships than their elders in the 2004 cohort, they have seen their unemployment rate increase. The deterioration is clear at each level: +6 percentage points for holders of the BTS/DUT and +5 percentage points for those with vocational bachelor's degrees. Nevertheless, holders of vocational bachelor's degrees are slightly increasing their advantage over holders of the BTS/DUT, although they are facing record rates of unemployment (10% in 2013). Moreover, on average, possession of a vocational bachelor's degree gives access to more highly paid and more highly skilled jobs than a BTS or a DUT, even though the wage gap observed for the 2004 cohort (+200 euros) has narrowed for the 2010 cohort (+140 euros).

Apprenticeships now account for a higher share than ever before of short vocational programmes in higher education. Among holders of the BTS/DUT, 23% went down the apprenticeship route, while the figure for holders of vocational bachelor's degrees is 31%. Nevertheless, the recession has had an enormous impact on the unemployment rate among those who have completed an apprenticeship requiring two years' post-secondary training, who have seen a fivefold increase in unemployment between the two cohorts (from 2% to 10%). Despite the slight deterioration at the bac+2 level, those who went down the apprenticeship route have retained their relative advantage in the labour market. They are less likely to be unemployed and tend to be in more highly skilled and better paid jobs than those who did not take the apprenticeship route. In 2013, regardless of the type of qualification, their median net salary was 200 euros higher.

In this difficult economic context, young people who have taken the apprenticeship route to vocational bachelor's degrees seem to be favoured by employers: their unemployment rate is stable and lower than that of their counterparts with the BTS/DUT.

Holders of 2-year master's: greater in number but more vulnerable

In 2010, holders of degrees requiring 5 or more years' post-secondary education accounted for almost one third of leavers from higher

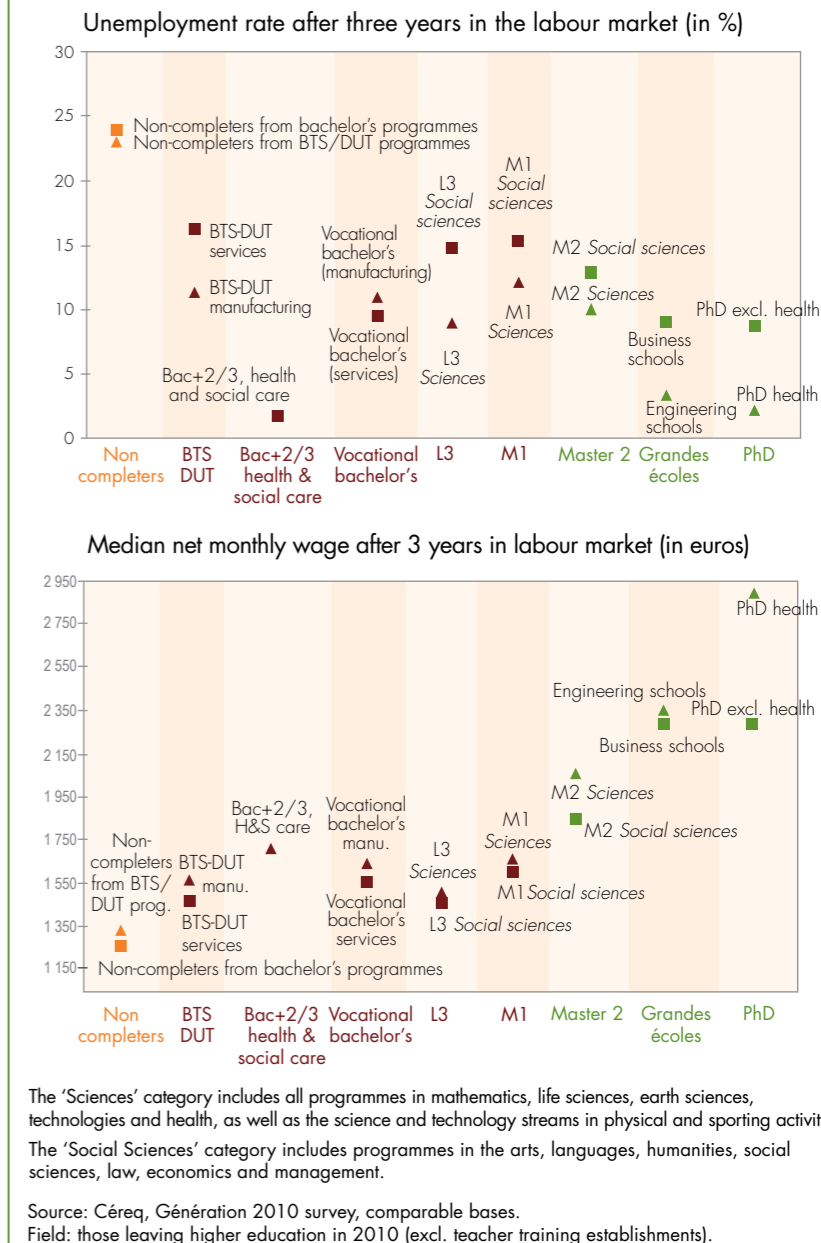
education; the share of master's degrees was 19%. This proportion, which was 13% in 2004, increases with each cohort. This growth has been stoked by the simultaneous decline in the share of 1-year master's since the transition to the LMD degree structure, but it differs considerably depending on specialism. The increase in numbers, which has been particularly spectacular in law, economics and management, has been much smaller in the scientific disciplines. In the spring of 2013, the unemployment rate for holders of master's degrees in the 2010 cohort was 12%, twice that for their elders in the 2004 cohort (6%). This deterioration is not totally new, since their unemployment rate is the same as that observed for the 2007 cohort. Their employment conditions are also less favourable, particularly in those areas in which numbers have increased most. This deterioration is also reflected in a drop in pay. Thus for holders of master's degrees as a whole, median net monthly pay at the survey date had declined by 70 euros compared with the 2004 cohort.

As with the lower-tier qualifications, there are considerable differences between specialisms. Unemployment rates for holders of master's degrees in management and in arts and languages are relatively high for this level of qualification after three years in the labour market, at 15% and 18% respectively. These rates are comparable with those observed for general first degrees in the same subjects. On the other hand, some specialisms, such as law and economics (9.5%) and engineering (8%), are on a par with the elite business schools, but are lagging behind the elite engineering schools. Graduates in these subjects also tend to be the best paid. The median difference in pay is of the order of 500 euros per month compared with the least well-paid specialisms (arts, languages and humanities).

Deteriorating situation for non-completers

Despite the measures put in place to prevent non-completion by means of the dropout prevention plan, the share of those who do not complete their degree programmes is greater than 20%. It is true that the share of those failing in the first year has fallen slightly. However, it remains very high for bachelor's (licence) programmes (76% of non-completers at this level failed in the first year) as well as for DUT courses (80%), whereas it is lower for BTS programmes (38%). Young people who obtained their baccalauréat in the technological and vocational streams, increasing numbers of whom are trying their luck in higher education, account for an increasing share of these non-completers (+7 percentage points compared with 2004) in both the general and the vocational tracks.

Indicators of education-to-work transitions by qualification level and specialism



- BTS** • Brevet de technicien supérieur
Vocational qualification requiring 2 years' post-secondary study (bac+2)
- DUT** • Diplôme universitaire de technologie
Requires 2 years' post-secondary study (bac+2)
- L3** • Bachelor's degree (bac+3 – vocational or general –)
- M1, M2** • Master 1, master 2
1-year and 2-year master's degrees (bac+4, bac+5)

The 2013 survey of the 2010 cohort: a sample with specific characteristics

As part of its 'Génération' survey, Céreq questioned a representative sample of 33,500 of the 708,000 young people who left the education system in France (metropolitan France + overseas départements) for the first time in 2010.

As far as those leaving higher education are concerned, the requirement that all candidates for the competitive examination for entry to teacher training, introduced as a provisional measure in 2010, and above all the integration of teacher training establishments into the university system, made it impossible to include those leaving after the first year of teacher training in this 'Génération' survey. Thus in order to make the fields of inquiry comparable, those leaving teacher training courses after one year were withdrawn from the previous 'Génération' surveys.

Further reading

- Face à la crise, le fossé se creuse entre niveaux de diplôme, C. Barret, F. Ryk, N. Volle, *Bref* n°319, mars 2014.
- Insertion des sortants du supérieur, les effets contrastés de la professionnalisation, J. Calmand, V. Mora, *Bref* n°294-2, 2011.
- Quand l'école est finie... Premiers pas dans la vie active de la Génération 2010, Céreq, Oct. 2014.

●●● the vocational track was approximately 70 euros higher than that of drop-outs from the general track.

Whether or not it was connected to their difficulties in finding employment on entering the labour market, almost one in two non-completers from the general track and one in three non-completers from the vocational track resumed their studies or completed a training course during the first three years of their working lives. Overall, the propensity to return to education is slightly higher among male non-completers than among their female counterparts.

The introduction of the LMD degree structure has raised the level of exit from higher education. In particular, it has been a major factor in the expansion of the vocational bachelor's degrees that were first introduced at the turn of the century. Although they have felt the effects of the recession, graduates of vocational

bachelor's degree programmes have retained a clear advantage over holders of the BTS/DUT as well as over graduates of general bachelor's degree programmes. The new degree structure has also encouraged those students who would formerly have exited at the first degree or one-year master's level to complete a two-year master's. There are still considerable differences in labour market positioning at this level. Holders of master's degrees are less well positioned than engineering school graduates (who have been spared the effects of the recession). However, holders of degrees in the best placed disciplines are as well positioned as business school graduates.

There are also some young people who have been left by the wayside in the new degree structure. They are increasing in number and are experiencing ever greater difficulties in finding employment. A return to education may be one way of mitigating these problems, but only on condition they actually obtain a qualification.

To find out more about the 'Génération' surveys, go to www.cereq.fr and click on *Accès aux données* (Access to data).



Comparative situation after three years in the labour market of young people leaving higher education in 2004 and 2010 by highest qualification

	%		Unemployment rate		Share of permanent jobs*		Part-time jobs		Share of manag. and intermediate occupations		Median net wage** (in euros)		Rate of return to education over three years	
	C2004	C2010	C2004	C2010	C2004	C2010	C2004	C2010	C2004	C2010	C2004	C2010	C2004	C2010
Non-completers from bachelor's programmes	17,4	23,6	53	49	23	25	42	38	1 300	1 250	46	48		
Non-completers from BTS/DUT programmes	12,8	23,3	64	60	11	18	38	33	1 350	1 320	29	34		
Total non-completers***	15,8	23,1	58	55	18	22	42	38	1 320	1 300	40	42		
BTS/DUT, other bac+2 programmes	8,5	14,4	72	72	8	10	58	58	1 470	1 460	20	26		
Bac + 2/3, health and social care	1,6	1,9	83	83	11	10	98	97	1 730	1 700	2	2		
Vocational bachelor's	5,1	9,9	82	77	3	5	82	77	1 670	1 600	9	17		
General bachelor's, other bac+3	11,6	13,8	65	70	22	18	74	66	1 430	1 460	24	28		
Total bac+2/+3 programmes	7,3	11,2	74	75	10	10	69	70	1 540	1 520	16	20		
1-year master's, other bac+4	11	14,2	71	73	11	10	81	82	1 650	1 620	20	22		
2-year master's, other bac+5	6,3	11,9	78	76	7	9	92	90	1 980	1 910	9	11		
Business schools	5,1	9,2	94	93	3	2	93	92	ns	2 280	4	9		
Engineering schools	3,7	3,5	91	93	2	1	98	98	2 360	2 350	7	4		
Total master's (M1 + M2, incl. schools)	6,8	10,2	81	81	6	7	91	91	2 080	2 020	11	10		
PhDs excl. health	9,7	8,8	72	67	9	8	98	98	2 200	2 280	4	3		
PhDs health	2,3	2,2	74	71	15	13	100	99	2 530	2 900	2	2		
Total PhDs	7	5,8	73	69	11	10	98	99	2 300	2 390	3	3		
Total	8,7	13	73	73	10	11	73	73	1 650	1 620	19	22		

ns • non-significant

*Permanent jobs include all individuals employed on open-ended contracts, state employees and those engaged in non-wage work.

**Median net wage • Median net monthly wage in constant euros in July 2013 (incl. bonuses, waged jobs, including part-time jobs). The median wage is the point in the wage distribution above which and below which half of the population under consideration lies.

*** Including those leaving without qualifications from other two-year programmes.

Source: Céreq, Génération 2004 and 2010 survey, comparable bases. Field: those leaving higher education in 2004 and 2010 (excl. teacher training establishments).

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