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Making the transition from higher education to work: the variable effects of vocational courses

Young people who left higher education in 2007 have found it more difficult to find employment as a result of the economic crisis, as the 2010 survey of 2007 cohort of HE leavers shows. However, although unemployment has increased, job quality has, on average, been maintained. Moreover, while vocational bachelor's degrees are proving successful, the other vocational qualifications do not all offer the same level of protection against the crisis.

Employment
Qualification
survey
transition to work
apprenticeship
Higher Education

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For young people entering the labour market for the first time during 2007, the economic situation was initially favourable but soon began to deteriorate. Furthermore, employment opportunities in the public sector were in short supply. At the same time, the universities had undergone some significant changes, including an increased emphasis on vocational courses, the roll-out of the Bologna Framework and new policies to combat student drop-outs and assist labour market entry. **Hardly surprisingly, young people who left higher education in 2007 have find it more difficult to find employment than earlier leavers.** Holders of vocational bachelor's degrees have fared particularly well.

Fewer HE leavers, employment situation somewhat worse

Fewer young people left higher education in 2007 than in 2004. In particular, the share of those leaving without obtaining any qualifications fell, as did the number of those leaving with the BTS (*brevet de technicien supérieur*) and the DUT (*diplôme universitaire de technologie*), both of which are vocational qualifications requiring two years' study (cf. the graphic on page 2). These reductions were partially offset by an increase in the number

of those leaving with vocational bachelor's degrees, with some holders of two-year vocational qualifications having continued their studies by enrolling on the rapidly expanding vocational degree programmes.

There are still more young women leaving higher education than young men, but the gap between the sexes has fallen considerably (from 59 % to 54 % of new leavers between 2004 and 2007). The distribution by social origin did not change significantly over the same period and access to higher education remains very unequal. Only 18 % (19 % in 2004) of those leaving in 2007 had a father in a manual occupation, compared with 35% for young people leaving secondary education.

HE leavers entering the labour market in 2007 encountered a worse employment situation than their counterparts who left in 2004. After three years of their working lives, the unemployment rate for those who were economically active was 11%, compared with 8% for those who had entered the labour market three years earlier. This deterioration was moderate compared with that suffered by young people leaving secondary education (27% compared with 21% for the class of 2004).

Among the various higher education qualifications, some have fared worse than others. This applies particularly to

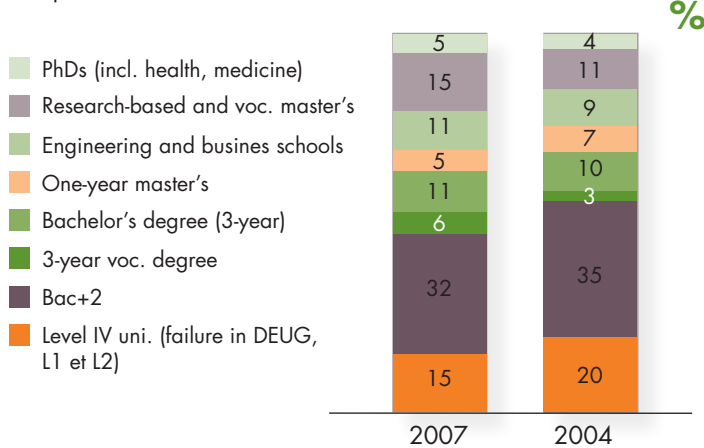
Céreq's Recommendation

'The increased emphasis on vocational courses in higher education suggests it would be desirable to redefine course contents and to analyse the factors behind the good results achieved by some vocational degrees.'



Fewer students failing to obtain degrees

Distribution of higher education leavers by level of qualification, comparison 2004/2007



Source: Génération 2004, Génération 2007, Céreq.
Field: all individuals leaving higher education in 2004 and 2007, 373,700 in 2004, 360,600 in 2007.

The job recorded is the one held on the survey date, i.e. three years after leaving the education system. For the 2007 cohort, it is the job held in the spring of 2010.

EDI • The term 'permanent job' refers to all open-ended employment contracts in the public and private sectors and to state employees ('fonctionnaires').

••• academic bachelor's degrees, DUTs and vocational master's degrees: holders of these qualifications who graduated in 2007 saw their unemployment rate after three years rise by more than five percentage points compared with their counterparts in the earlier cohort. However, the hierarchy of HE qualifications remains largely unchanged: **generally speaking, the higher the qualification, the more protection it affords against unemployment, vocational courses have an advantage over academic courses of the same level**, and those who fail to obtain a qualification at all experience by far the greatest difficulties in finding employment.

Job quality has, on average, held up very well in the crisis. The rate of employment on open-ended (i.e. permanent) contracts remained unchanged between 2007 and 2010. In terms of access to managerial positions, the 2007 cohort has a lead of 4 percentage points over that of 2004. Finally, salaries in constant euros remained unchanged.

Analysis of the labour market conditions encountered by three large groups of new entrants will reveal the diversity of destinations on leaving higher education. Those leaving without qualifications, those graduating with first (bachelor's) degrees and those obtaining master's degrees have also been particularly affected by the recent changes in higher education.

Students leaving without qualifications: fewer in number but no better off than before

In 2007, considerably fewer young people – 20,000 in all – left after failing to surmount the first hurdle of the higher education system than in 2004. This significant reduction in the number of students failing to obtain qualifications includes those failing to obtain bachelor's degrees as well as those failing two-year courses (BTS, DUT). Since employment prospects appeared to be better in

2007 than in 2004, those least well equipped to continue in higher education would have been more likely than previously to opt to go straight into the labour market. More of them had also enrolled on less standard HE courses in various private schools, with or without an integrated preparatory programme. This automatically led to a reduction in the number of those failing to obtain a first (bachelor's) degree. The pass rates for the BTS and DUT, which were somewhat better in 2007 than in 2004, also contributed to this drop in the number of students leaving without qualifications. Finally, the possibility cannot be excluded that the renewed attempts to combat failure in the universities encouraged this trend, whether through the provision of better information to secondary school pupils or improved monitoring of entrants to higher education.

At the same time, despite this reduction in failure rates, those who left higher education in 2007 without obtaining any qualifications faced greater difficulties in finding work than their older counterparts. For those who failed the BTS or DUT, the unemployment rate in 2010 was 17 % and for those who failed their degrees (DEUG, L1 and L2¹) it was 21 %. Contrary to what is observed for HE leavers as a whole, access to permanent jobs deteriorated for those who failed to obtain their degrees.

Young people failing to obtain their qualifications are the group most likely to return to education (14 %); this applies to only 5 % of those failing to obtain the BTS or DUT. This return to education seems to have been given a slight impetus by the increased difficulties the 2007 cohort has experienced in finding employment.

Advantage: vocational degrees

The expansion of vocational bachelor's degree courses has made it easier for some holders of the BTS and DUT to continue their higher education. The number of students graduating with vocational bachelor's degrees increased very significantly between 2004 and 2007, by 9,000 in absolute numbers or almost 70% in relative terms. This increase virtually matches the reduction in the number of those leaving higher education with the BTS or DUT. The number of young people holding academic bachelor's degrees rose only very modestly, with the increase by no means offsetting the decline in the number of those leaving university without having obtained any qualifications.

In 2010, of those who had completed a three-year bachelor's degree, graduates of the vocational programmes were more likely to be in employment and to be on open-ended contracts than graduates of academic courses. They were also significantly better paid, although they were no more likely

¹ DEUG = Diplôme d'études universitaires générales or General Academic Studies Degree, L1 and L2 are the first and second years of first degree courses respectively.

to hold managerial or intermediate positions. In terms of unemployment rate and access to permanent employment, vocational bachelor's degrees performed better than qualifications requiring four or five years' higher education, with the exception of the *grandes écoles*. On the other hand, the jobs held three years into their working lives by graduates of vocational bachelor's programmes were significantly less favourable, as were their pay levels, than those of master's degree holders (*diplômés de second cycle*).

The deterioration in the labour market situation for holders of academic bachelor's degrees is comparable to that recorded for those completing DUT programmes. On the other hand, the more moderate deterioration experienced by holders of vocational bachelor's degrees has further widened the gap between the two types of degree.

The decline in the number of jobs on offer in the public service has particularly affected the labour market situation of academic bachelor's degree holders, against a background of falling employment. In 2010, after three years in the labour market, fewer than half of them were working in the public sector, compared with more than 60% in 2007. However, they are still by a long way the graduate category most likely to be in public-sector jobs. As a result of the decline in the number of posts to be filled by competitive examination, only 15% of academic

bachelor's degree holders in the 2007 cohort passed the competitive examination for entry to secondary teacher training establishments², compared with 22% in 2004.

Among holders of academic bachelor's degrees, it was those who had studied sciences who experienced the greatest deterioration in their labour market situation between 2007 and 2010 (their unemployment rate rose from 5% to 14%), followed by those who had studied arts and humanities (from 7 % to 12 %). However, the share of young people obtaining managerial positions rose for all specialities.

Thus despite the increase in the number of vocational bachelor's degrees awarded, this type of qualification has withstood the crisis better than the academic degree, having retained and even increased its advantage. These good results are probably attributable in part to the characteristics of the programmes themselves. They are also linked to the selection at entry, to the attitudes of recruiters and to the occupations and sectors for which these courses prepare students. Finally, about one fifth of all vocational bachelor's degrees are obtained by the apprenticeship route. Particularly at this level of qualification, apprenticeship contracts can be likened to a trial work period. Thus some of those graduates had already surmounted the barrier blocking access to employment when they embarked on their vocational courses.

² IUFM – Instituts Universitaires de Formation des Maîtres.

The *employment rate* denotes the share of individuals in employment as a proportion of the entire active and inactive population

The *unemployment rate* denotes the share of unemployed individuals as a share of the economically active population

Labour market situation and employment conditions in 2007 and 2010 of individuals leaving higher education, with or without qualifications

Comparison by level of qualification for the 2004 and 2007 cohorts three years after entering the labour market

	All leavers				All leavers in employment							
	Unemployment rate		Employment rate		Share of permanent jobs		Share of managerial positions		Share of intermediate occupations		Median net salary	
	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007	2010
Level IV short voc. (failure)	13	17	79	74	60	60	3	5	34	30	1 330	1 360
Level IV uni. (failure in DEUG, L1 et L2)	17	21	63	61	50	44	5	8	37	39	1 310	1 300
BTS	8	11	87	85	68	67	5	8	49	48	1 410	1 400
DUT	8	14	85	80	73	67	11	14	56	62	1 500	1 500
DEUG, DEUST (L1/L2)	12	13	72	69	59	60	20	10	42	42	1 410	1 410
Bac+2 Health, social care	1	1	97	98	73	72	0	0	99	98	1 680	1 630
3-year voc. degree	6	8	90	88	78	78	13	19	65	59	1 580	1 620
Bachelor's degree (3-year)	7	13	82	75	67	68	16	18	65	58	1 570	1 500
One-year master's, MST, MSG, maîtrise	9	11	84	81	70	69	32	42	50	44	1 610	1 620
Business schools bac+4 and bac+5	7	9	90	89	85	79	54	57	36	32	2 180	2 050
Research-based master's and DEA	9	12	84	81	68	65	59	53	31	36	1 850	1 840
Voc. master's, DESS and others	7	12	91	85	75	70	61	52	31	39	1 930	1 950
Engineering schools	4	5	94	94	90	93	87	85	10	13	2 270	2 270
PhDs (incl. health, medicine)	7	7	91	91	59	60	91	81	7	18	2 250	2 210
All H.E. leavers	8	11	84	82	69	69	26	30	47	46	1 580	1 620
All leavers except H.E.	21	27	70	63	55	50	1	3	18	18	1 260	1 260
Ensemble	14	19	77	72	61	60	15	18	35	34	1 430	1 450

Source: 2010 survey of 2007 cohort, 2007 survey of 2004 cohort. Field: all leavers from initial education.

At master's level, the vocational route is on the decline

Of the 2007 cohort of HE leavers 15 % came from the *grandes écoles* or held university degrees requiring 5 or more years' post-bac study. In 2004, this proportion was 12%. As the Bologna Framework came into widespread use, many of those holding a one-year master's degree (M1, equivalent to the old *maîtrise*) seem to have taken their studies a little further, since the M1 level had lost its relevance. Graduates of the *grandes écoles* are the group with the most favourable labour market situation and highest levels of pay.

For the 2007 cohort, unemployment rates after three years in the labour market for those holding the DESS (*Diplôme d'études supérieures spécialisées*) and vocational master's degrees were of the same order of magnitude as for holders of the DEA (*Diplôme d'études approfondies*) and research-based master's degrees. They used to be significantly lower. **Thus the employment rate for holders of master's degrees was very close to that for holders of academic bachelor's degrees.** At this level, therefore, the vocational pathway was not providing as much protection against the economic downturn as at first degree level. Nevertheless, the advantage of the vocational pathway could still be observed in the shares of open-ended contracts and pay levels. Holders of two-year vocational master's degrees (M2) are competing to some extent for the same jobs as graduates of elite engineering and business schools. For the latter group, the labour market situation has not deteriorated to any great extent: unemployment for engineering school graduates rose by 1 percentage point and by 2 percentage points for business school graduates. The gap between university graduates and those from the *grandes écoles* widened during these three years.

Holders of research-based master's degrees, many of whom used to find employment in the public service, were less warmly welcomed there than previously. Three years into their working lives, only 15% of them were in civil service positions, compared with 23% for the 2004 cohort. This decline was offset in part by a real increase in access to open-ended contracts (45% of jobs for those who graduated in 2004, 50% for the class of 2007). Thus among holders of post-graduate degrees, their situation is by far the least favourable when it comes to obtaining permanent employment. However, holders of

vocational master's degrees have also seen a very considerable deterioration in their chances of finding permanent employment (68 % of those who graduated in 2004, compared with 60 % for the 2007 cohort). On the other hand, access to civil service positions increased over the period, albeit only slightly. Faced with a relative worsening of the difficulties of finding employment, some graduates with vocational and academic degrees requiring five years' post-bac study may be paying the price for the increase in competition with other pathways. Then, for their part, 90% of engineering school graduates continue to be in permanent employment three years after entering the labour market, while the figure for business school graduates has dipped a little below 80%.

Between 2007 and 2010, holders of academic and vocational master's degrees were faced with a very sharp decline in their chances of obtaining managerial positions. Three years into their working lives, only half of these graduates with five years' higher education behind them were in managerial jobs. For engineering school graduates, access to such jobs remained very much the norm, despite the crisis. Here too, the general deterioration in the labour market situation for holders of research-based master's degrees turns out to be highly differentiated by speciality. It has had a considerable effect on arts and humanities specialists, but holders of such degrees in scientific disciplines have actually seen their situation improve. For holders of vocational master's degrees, the deterioration has affected both types of speciality, although it is more pronounced in arts and humanities.

Between 2007 and 2010, the fact of having a higher education qualification was still a major asset in the labour market. While vocational bachelor's degrees had the wind in their sails, the other vocational qualifications were suffering more from the effects of the economic situation. The expansion of vocational bachelor's degrees seems to be less effective when it is not accompanied by careful selection on entry or when such degrees have to compete with other qualifications. Thus vocational degrees do not automatically confer advantage on their holders when it comes to finding employment. ■

The 2010 survey of the 2007 cohort

In the spring of 2010, Céreq surveyed a representative sample of the 739,000 young people who had left the education system for the first time in 2007. Approximately 25,000 young people of all levels of education responded to this telephone survey, which served as a basis for examining the conditions under which they entered the labour market and their success (or otherwise) in stabilising their situations by type of course pursued and certain individual characteristics (gender, social background, country of origin).

This survey is part of a regular monitoring system, with a new cohort of leavers being surveyed every three years. It follows the Génération 2004 survey, which was conducted in 2007 among the cohort of 2004.

Further reading: <http://www.cereq.fr/index.php/sous-themes/Enquetes-Generation-Sous-Themes/Generation-2007-Enquete-2010>

Further reading

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