



## ANALYTICAL HIGHLIGHT

PROSPECTS FOR  
**France**

- France's employment rate was 69.5% in 2013 – lower than the national and the EU-28 2020 target of 75%.<sup>1</sup>
- An additional 1.8 million jobs will be created during the period 2012-2022 primarily in the service sector.
- Employment growth is anticipated in highly qualified occupations.
- An important growth in employment is projected in the field of healthcare.
- Certain vacancies remain hard to fill but not all are due to skills mismatch.
- France is taking further measures to improve its already comprehensive skills projection system.

### A stable employment rate – that hides difference between age groups – and an increasing qualified workforce

While the French employment rate increased in the late 1990s and early 2000s, reaching 69.7% in 2003, it has remained relatively stable since then (displaying only minor variations over the past decade). In 2013, the French employment rate was 69.5%, effectively behind the EU2020 target and ranking 16<sup>th</sup> among the EU-28.<sup>2</sup> In October 2014, France's unemployment rate was 10.2%, while youth unemployment stood at 25.2%.<sup>3</sup> However, positive growth may not be enough for the French economy to create jobs again; it is considered that the economy needs to increase by more than 1.5% in order to lead to a job creation. However, the OECD estimated that GDP growth in France was 0.4% in 2014, will reach 0.8% in 2015 and 1.5% only in 2016.<sup>4</sup>

While the total employment rate among persons aged 15-64 years increased by 0.2 percentage points between late 2011 and late 2012, this small progression hides stark variations between different age groups. The employment rate of prime-aged workers (aged 25-49) fell by

0.4 percentage points, while that of young persons (aged 15-24) dropped by 0.9 percentage points; conversely the employment rate of senior workers (aged 50-64) increased by two percentage points.<sup>5</sup> The increase in the employment rate of senior workers is linked to recent reforms in the pension system and measures taken to support active ageing. The decrease in the employment rate among young people is largely attributable to the crisis, which has both pushed a certain category of youth to stay in education for longer and another, discouraged group, to drop out of the labour market and join the ranks of young people who are neither in employment, education or training.

In recent decades, sectoral employment has undergone profound changes; a sustained increase in the service sector has been offset by a parallel decrease in the agricultural, industrial and construction sectors.<sup>6</sup> Today, three-quarters of all employed persons work in the service sectors compared to half in 1975. Although less marked, these trends have continued in recent years. In 2013, 76.2% of employed persons worked in the service sector (1.3 percentage points more than in 2007), 13.5% in industry (1.7 percentage points less than in 2007),

1 Eurostat (2014), persons aged 20-64.

2 Eurostat (2014)

3 Ibid.1, date of extraction 16/12/15

4 OECD (2014), France – Economic forecast summary

5 Directorate for the Animation of Research, Education and Statistics (DARES) (2013), Employment, Unemployment, Labour Force : Overview for 2012. These are not Eurostat figures but national statistics, Insee, enquetes Emploi 2006-2012 [http://travail-emploi.gouv.fr/IMG/pdf/2013-037\\_v2.pdf](http://travail-emploi.gouv.fr/IMG/pdf/2013-037_v2.pdf)

6 DARES. (2008), Employment in France over the past 30 years [http://www.insee.fr/fr/ffc/docs\\_ffc/ref/EMPLOIRO8c.PDF](http://www.insee.fr/fr/ffc/docs_ffc/ref/EMPLOIRO8c.PDF)

6.6% in construction (0.1 percentage points less than in 2007) and 3% in agriculture (0.2 percentage points less than in 2007).<sup>7</sup>

The educational attainment of the labour force has continued to rise steadily in recent years. Classifying occupations in three categories – weakly qualified, qualified, and highly qualified<sup>8</sup> – it appears that the proportion of ‘highly qualified’ workers has increased substantially from 39% in 1982 to 50% in 2012. Since the early 1990s, the proportion of ‘weakly qualified’ jobs has remained stable (around 22%), while that of ‘qualified’ workers has continued to decrease, reaching approximately 28% in 2012.

### Employment growth will be in the service sector predominantly

The national forecast over the next decade (to 2022) provides three scenarios of economic recovery;<sup>9</sup> each scenario provides different projections in terms of GDP growth, productivity growth, job creation, and unemployment rate (see Table 1). The ‘central scenario’ remains relatively prudent and envisages a progressive exit from the crisis; job creation is estimated to reach 0.7% annually during the period 2012-2022 (compared to 0.4% during 2002-2012), supported by a sustained growth of the labour force until 2020. It is estimated that a little under 1.8 million additional jobs will be created during the period 2012-2022.

In a ‘crisis scenario’, job creation would be 0.5% annually and 1.2 million jobs would be created (620,000 less compared to the ‘central scenario’). Finally, according to the ‘target scenario’, annual job creation rate would reach 0.8% and 2.1 million additional jobs would be create (350,000 more that in the ‘central scenario’).

▼ Table 1 – Annual job creation rate and number of net jobs created from 2012 to 2022

	2002-2012	2012-2022		
		Central scenario	Target scenario	Crisis scenario
Annual job creation rate	0.4%	0.7%	0.8%	0.5%
Nets jobs created	978,000	1,774,000	2,123,000	1,155,000

Source: France Stratégie et DARES (2014), “Les Métiers en 2022”, Rapport du groupe prospective des métiers et qualifications, pp6 and pp56

Depending on the scenario, between 735,000 and 830,000 job openings will be advertised annually between 2012 and 2022. Approximately 80% of these job openings correspond to departures due to retirements as well as other reasons for leaving the labour market (such as health

reasons, pre-retirement, inactivity), while the other 20% correspond to net job creation.<sup>10</sup>

Irrespective of which scenario is considered, the projections in terms of sectoral employment trends remain unchanged. The service sector will continue to grow during 2012-2022; it is estimated that 94% of all job creation will be in this sector, a figure which equated to 1.6 million new jobs (central scenario). Similarly, this period will be characterised by a continued decline of employment in the agricultural sector and the public sector (including the army and police force) and a relative stabilisation of employment in the industrial sector.

The polarisation of employment and of qualifications will continue in 2012-22, characterised by a growth of highly qualified workers and weakly qualified workers, and a concomitant contraction of averagely qualified workers.<sup>11</sup> However, this polarisation will be less marked than in other EU countries.<sup>12</sup>

### Occupational growth of highly qualified occupations as well as healthcare professionals

Examined through the lens of France’s nomenclature of 87 professional categories, job creation will be distributed quite unevenly across occupations. Figure 1 shows the occupations with the most important projections of net job creation in 2012-2022, while Figure 2 shows the occupations with the most important projections in terms of job openings during the same period. A number of key trends are outlined below.

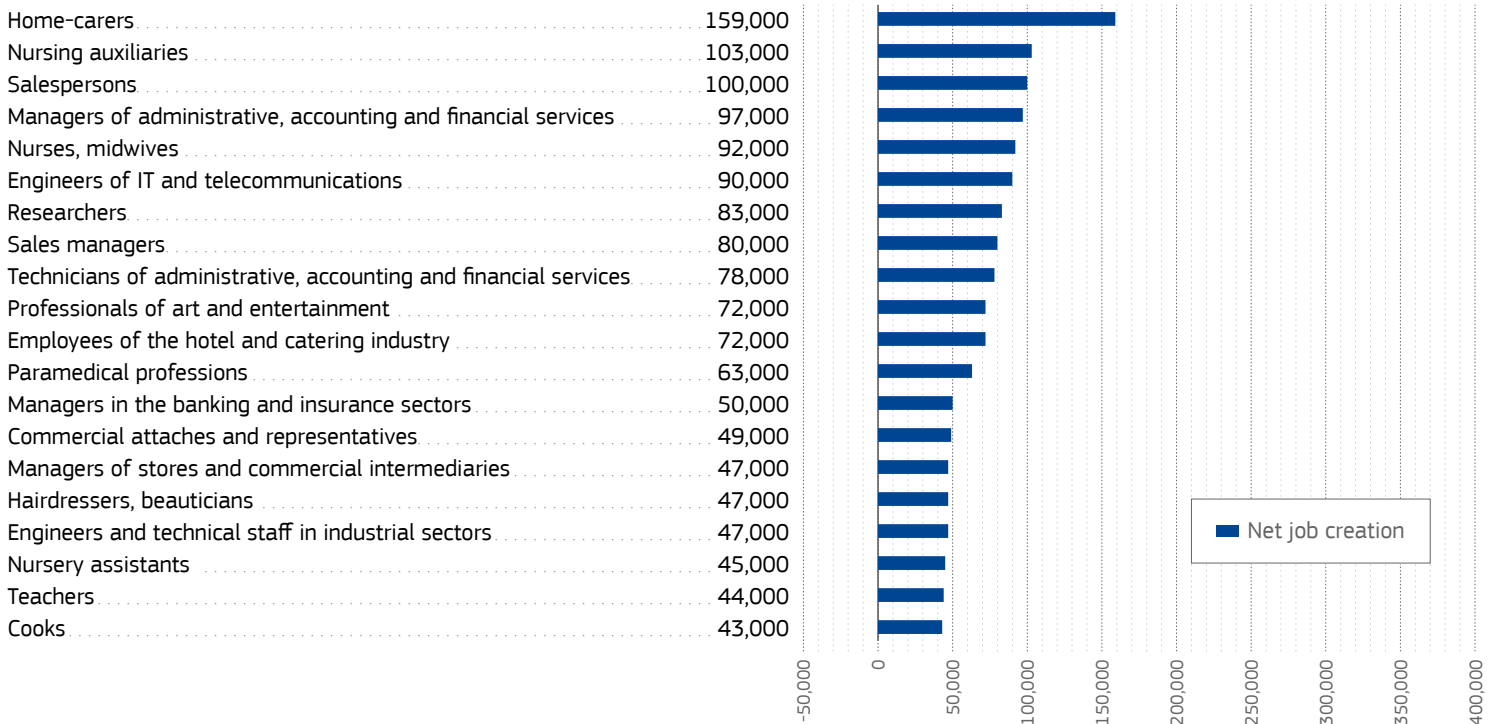
An important growth in employment is projected in the field of healthcare (except for doctors), social services, and services to the elderly, due to retirement in these fields and net job creation. Home-carers, nurses, and nursing-auxiliaries are among the professions which are projected to grow the most during the period 2012-2022, with approximately 350,000 net job creations over 10 years. The profession of home-carer, in particular, is set to create the most jobs; an estimated 160,000 new jobs by 2022. The number of jobs in the field of childcare is also set to rise. Finally, the number of social assistants working with the elderly, persons with disabilities and disadvantaged youth is expected to increase.

The number of persons in highly qualified occupations is expected to grow. Annual job creation rate among managers (‘cadres’) is estimated at 1.2% per year compared to 0.7% for all occupations. Similarly, net job creation is expected to be particularly marked in the fields of information and communication technology (ICT), sustained by the development of multimedia and audio-visual activities.

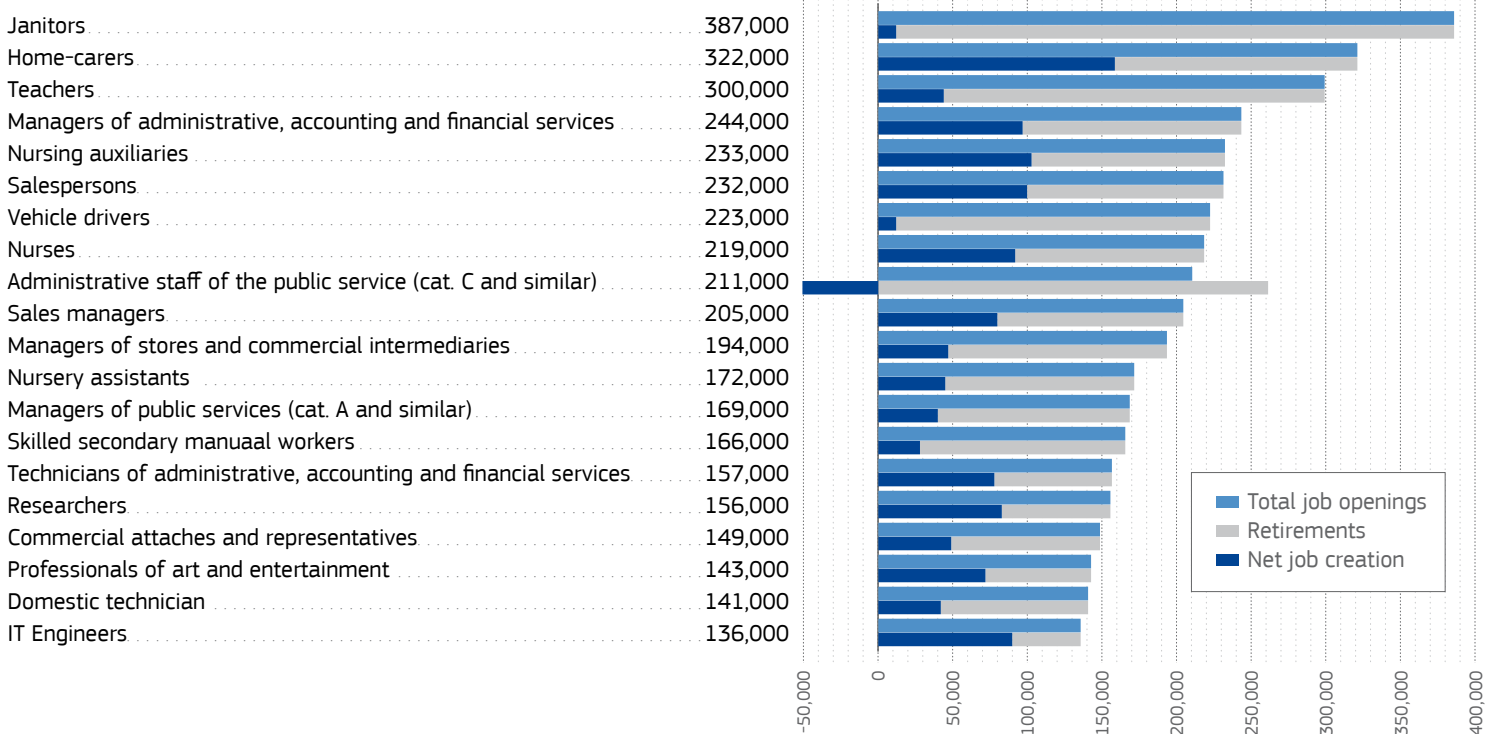
<sup>7</sup> 2013 data is taken DARES (2013), Three decades of labour market evolution [http://www.insee.fr/fr/ffc/docs\\_ffc/HISTO14\\_f\\_D5\\_travail.pdf](http://www.insee.fr/fr/ffc/docs_ffc/HISTO14_f_D5_travail.pdf) and 2007 data is taken from DARES (2008), Ibid.  
<sup>8</sup> Ibid. (DARES, 2013)  
<sup>9</sup> France Stratégie and DARES (2014), “Occupations in 2022” [http://travail-emploi.gouv.fr/IMG/pdf/CGSP\\_DARES\\_Les\\_metiers\\_en\\_2022.pdf](http://travail-emploi.gouv.fr/IMG/pdf/CGSP_DARES_Les_metiers_en_2022.pdf)

<sup>10</sup> This number of ‘job openings’ does not take into account labour market mobility, including transitions from one profession to another or job turn-over of workers in the same occupation. For information, the ACOSS (Agence Centrale des Organismes de Sécurité Sociale), which is the central agency for social security organisations, counts over 21 million declarations of recruitment each year (excluding temporary workers).  
<sup>11</sup> Ibid.9  
<sup>12</sup> Cedefop (2011), Labour-market polarisation and elementary occupations in Europe [http://www.cedefop.europa.eu/EN/Files/5509\\_en.pdf](http://www.cedefop.europa.eu/EN/Files/5509_en.pdf) and Cedefop (2012), Future skills supply and demand in Europe. New forecast [http://www.cedefop.europa.eu/EN/Files/5526\\_en.pdf](http://www.cedefop.europa.eu/EN/Files/5526_en.pdf)

▼ Figure 1 – Occupations with the most important projections of net job creation in 2012-2022<sup>13</sup>



▼ Figure 2 – Occupations with the most important projections of job openings in 2012-2022<sup>14</sup>



<sup>13</sup> Ibid.9, pp21

<sup>14</sup> Ibid.

In the construction and public works sector, demand for architects, managers, technicians and construction workers is expected to increase due to a growing number of households and the renovation of the housing stock (linked to retrofitting because of the needs of an ageing population and environmental norms). Demand for secondary manual workers (for instance plumbers, electricians, painters, carpenters) should also increase substantially during the period 2012-2022 due to workers retirement forecasts and net job creation.

Demand for salespersons, hairdressers, beauticians, and workers in the hotel and catering industry as well as that sports and cultural industry should continue to grow, due to lifestyles that continue place emphasis on hobbies and well-being. Employment growth in the field of transport and logistics is expected to remain limited by the increase in the price of energy. Finally, job losses are expected to occur among weakly qualified industrial workers, administrative workers (secretaries, employees of banks and insurance companies), in both the public sector and the agricultural sector.

### Certain vacancies remain hard-to-fill but not all are due to a skills mismatch

According to the 2012 PIAAC survey, the proportion of French adults (aged 16-65 years) with low literacy scores (21.6% – compared to the average of 15.5% among other participating countries) and low numeracy scores (28% – compared to an average of 19%) are among the highest seen in the 24 OECD countries participating in the survey. In metropolitan France, persons aged 25-34 years and those with tertiary level education obtained a higher score, on average, in the areas of both numeracy and literacy.<sup>15</sup>

In France, two statistical tools are useful in understanding current skills supply and imbalances and forecasting future skills needs. First, an indicator on ‘tensions within the labor market’ compares the number of jobseekers and the job offers registered with the Public Employment Service (PES) (i.e. Pôle Emploi), including both the flow (inflow and outflow of jobseekers, job offers newly registered and closed) and stock (number of registered jobseekers and job offers recorded at the end of each month).

A second tool is the national Public Employment Services’ (Pôle Emploi) annual “Enquête Besoins en Main-d’Œuvre” (BMO) survey (i.e. survey of manpower needs). Each year, data on recruitment needs is collected via a questionnaire addressed to 1.6 million employers and broken down by sector, profession, and geographical territory. According to this survey, a third of all employers (34.7%) stated that they experienced difficulties recruiting in 2014 (albeit in decline since 2013 when the figure was 40.4%). Indeed, the proportion of recruitments considered ‘difficult’ in France typically ranges between 1/3 and 1/4 of all vacancies across

a number of studies<sup>16</sup> including, OFER<sup>17</sup> (government study), TEC<sup>18</sup> (employers’ organisation study) and Manpower<sup>19</sup> (temporary work agency); all of which are based on employers surveys.

Both the BMO 2013 survey and the indicator on tensions within the labor market for the 4<sup>th</sup> trimester 2012, display similar findings regarding the occupations in which recruitment was considered most difficult. These include:

- engineers, IT engineers;
- services to the individual: home-carers and health aides, housekeepers, cleaning staff;
- hotel and catering: café/restaurant waiters, cooks, employees in the hotel industry;
- social and medical-social field: nurses, nursing-auxiliaries, nursery nurses;
- a number of occupations have posed persistent recruitment difficulties, including qualified workers in the industrial sector (coppersmith, sheet metal workers), and construction sector (plasterers, carpenters, masons, plumbers, heating engineers, electricians, etc.), health professionals (e.g. nurses, midwives, doctors, dentists, caregivers). For these trades, the proportion of recruitment projects considered difficult by employers has stood at 50% annually between 2002 and 2011 (BMO surveys).

A central question is how far are the hard-to-fill vacancies linked to a mismatch between the skills of the workforce and those sought after by employers.

The four employers surveys mentioned above – the BMO survey, OFER, TEC and Manpower – place the problem of ‘skills mismatch’ and shortage of candidates largely ahead of the other possible causes (geographical mobility, unattractiveness of the job). The BMO reports that in 2013, employers reported that hard-to-fill vacancies were due to the inadequate profile of candidates (lack of experience, qualifications, motivation) in 82.5% of cases and a shortage of candidates in 66.5% of the cases. It should be noted, however, that this data is based on (declarative) employers’ surveys which naturally influences the nature of the answers.

<sup>15</sup> For an overview of the results for France, see Insee, “Les capacités des adultes à maîtriser des informations écrites ou chiffrées”, N. Jonas, N1467 – Octobre 2013.

<sup>16</sup> Guidance Council for Employment (2013), Lasting job vacancies and recruitment difficulties [http://www.coe.gov.fr/IMG/pdf/COE-Rapport\\_Emplois\\_durablement\\_vacants\\_et\\_difficultes\\_de\\_recrutement.pdf](http://www.coe.gov.fr/IMG/pdf/COE-Rapport_Emplois_durablement_vacants_et_difficultes_de_recrutement.pdf)

<sup>17</sup> DARES (2005), Vacancies and Recruitment

<sup>18</sup> In April 2013, the main employers’ organisation in France, the Medef, launched an observatory on trends, employment, and competences, (‘Tendance Emploi Compétence (TEC)’), which collects information on recruitment difficulties on a trimestral basis.

<sup>19</sup> Manpower Group (2013), Survey of Talent Shortages [http://www.manpowergroup.fr/wp-content/uploads/2013/05/Penuries\\_de\\_talents\\_Results\\_2013.pdf](http://www.manpowergroup.fr/wp-content/uploads/2013/05/Penuries_de_talents_Results_2013.pdf)

## This skills mismatch will be more or less pronounced depending on the occupation

Occupations with a documented skills shortage include 'green jobs' and the 'greening' of existing jobs, where the need for (initial and life-long) training is considered 'massive' to keep up with labour market demand.<sup>20</sup> In the area of digital jobs, skills obsolescence is rapid and the need for new skills evolves at a faster pace than the training offer. Similar difficulties can be found in the area of research and development in the fields of aviation, shipbuilding and railways.

In understanding the extent of the skills mismatch in France, an important distinction<sup>21</sup> needs to be made between:

- 'professional market occupations' (métiers à 'marché professionnel') which require a specific human capital acquired in large part through education and training and are found in the sectors of health, law, ICT, and also include qualified construction workers, qualified industrial workers, hairdressers and cooks, secondary manual workers in the construction sector (carpenters, masons, plumbers).
- occupations for which the correspondence between employment and education/training specialisation is low, which are those held by the military, firefighters and police officers, non-qualified or weakly qualified blue collar workers, cashiers, agents of tourism and transport, vehicle drivers, occupations in the field of services to individuals (home-carers, child-minders, cleaners, security guards), and employees, supervisors, managers and owners of hotels and catering industry.

Among the 20 occupations declared to be 'hard-to-fill' by employers (BMO survey 2013), one-fourth are 'professional market occupations' where the link employment-education/training is particularly strong. These include engineers, R&D employees in IT, IT engineers, managers of IT projects, doctors, dentists, caregivers, nurses, nursery nurses, gardeners, horticulturist employees, and cooks.<sup>22</sup> Accordingly, relevant and high quality training to reduce skills mismatches is a key element among the solutions to recruitment difficulties within these professions.

One solution could be to invest in the French apprenticeship system which remains underdeveloped compared to other EU countries. This is one of the objectives of the 'National Pact for Growth, Competitiveness and Employment' ('Pacte national pour la croissance, la compétitivité et l'emploi') to place 500,000 young people in apprenticeships by 2017 and 550,000 by 2022, which would correspond to an increase of 25% in 10 years.

Another solution may be to improve the linkages and the transmission mechanisms between skills projection instruments and public policy, most notably to design relevant and up-to-date education and training qualifications, which remains a challenge in France. ■

<sup>20</sup> Guidance Council for Employment (2010), Green growth and employment <http://www.ladocumentationfrancaise.fr/rapports-publics/104000053/>.

<sup>21</sup> Ibid.16

<sup>22</sup> Ibid.



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