Finland and France share some common characteristics regarding the labour market situation and trends: a high level of unemployment (respectively 8.4% and 9.5%), a low rate of employment among the 55-65 and the 15-24 age groups (for the latter mainly due to a “full time” educational model), an ageing process with a growing level of retirements in the future (but with similar choices regarding the increasing age of retirement and level of provisions, and similar public policies regarding the decrease in early retirements), and young cohorts stable or slightly decreasing.

In this context, forecasting labour demand and supply in the long run is a common concern, with the aim of producing some guidelines for labour market actors, for employment policy as well as for education and training policies. This paper will first outline some common trends and differences in the French experience regarding the forecasting tools. Then we will put the emphasis on common results and/or differences between the two countries. In the third part we will discuss the use of the forecasts’ results mainly in the field of education and training policies.

1. The French experience in the light of the Finnish one

As in Finland, the forecasting of manpower and skill needs is a long tradition. It starts at the end of the sixties, within the framework of national planning (with the focus on education and employment). The historical economic and employment context was radically different: good economic growth mainly based on heavy industry, fear of skill shortages (technicians in the new technical processes of automation). One of the purposes was to enhance the adequacy of qualifications for skill needs (Ducray, 1971). This search for a strong relationship between the outputs of vocational education and job positions (and the hypothesis that the young newcomers to the labour market were the only one variable of adjustment) was highly debated, within both the educational and the scientific communities (Tanguy, 1986). Moreover, and due to the rapid and structural change in the economic context (the economic crisis in the mid-70s, the first waves of big industrial restructuring and the permanent high unemployment rate), a lot of criticisms had been made of the basic hypotheses and technical organisation of the models (Iribarne, 1977). Since that time, regular forecasts have been made, including, since 1988 an exercise very similar to the Finnish one, aiming to forecast, over a 10 or 15 year period, the specific skills needs for the young people (Sauvageot, 2001). And for the more recent period, new improvements have been made, in the general framework of the “PMQ” group which brings together most of the French administrations and statistical offices (Seibel, 2002).

1.1 The most recent forecasts: organisation and contents

As in Finland, the French experience is based on macro-economic models, allowing the determination of the level of total employment and of employment by industry at various time periods, and under different hypotheses and scenarios. It is not the purpose of this comments paper to discuss theses models. We must mainly focus on the relationship with jobs, occupations, skills and qualifications.
The two approaches found in France, which are closest to the Finnish one are, on the one hand the forecast by occupations, and, on the other hand the forecast focusing on young people.

The first one is done by the ministry of labour (Dares, see Topiol, 2001 for a general presentation). It translates the national and industry-level forecasts into forecasts at the level of “occupational families”. This concept of “occupational families” is slightly different from those of jobs or occupations. An occupational family groups together a range of jobs and occupations with similarities, according to the educational level, the type of job, the skills requirements, the mobility pattern: all types of jobs with closely similar characteristics will be included in the same family-cluster (for example, all the cleaners, whether they are in the private for profit cleaning firms, in health care public services and/or cleaning at home for individual households). The results are then put into a relationship with the supply side (existing employment, retirements) in order to assess the level of vacancies and the tensions in the labour market. To my knowledge, one difference with the Finnish models is that the French ones are mainly based on individual employment and do not integrate working hours (i.e the total volume of labour). This is a key question when part time work is increasing, and is unequally distributed among occupations.

The second one is done by the ministry of education (Orivel, 2004). The main purpose is to forecast the needs in skills and the gap with qualifications, according to the level of qualification (rather than to the more precisely-defined occupational fields). It is not a tools for the individuals but for the stakeholders of the vocational system. It is based on another macro-economic model which is also translated in skills needs by industry, and by broad occupational groups (unskilled blue collar workers, skilled blue collar workers, technicians…). As in the previous one, various economic scenarios are integrated. But, key differences from the Finnish exercise are, on the one hand, that the efficiency of the school system is not integrated into the model (the trend is mainly based on demographic hypotheses as well as on structural forecasts within the education system, i.e transitions from one level to another) and, on the other hand, that it includes in its scenarios, not only global macro-economic hypotheses, but also some kind of “meso” hypotheses: the way in which the firms and industries might react in the labour market by adjusting their hiring standards and/or their internal manpower policies (upgrading and training policies).

1.2 Other contributions and experiences

Apart form these two major forecasting exercises, which seem very similar to the Finnish one, we must pay attention to other experiences, which are not really quantitative forecasts, but which contribute to the national analysis of the labour market and skill trends.

At the industry level, the ministry of labour is regularly promoting “Contrats d’études prévisionnels”. Theses studies, usually made by a private consultant firm (and/or a public body) aim to analyse and forecast the employment trends in a particular industry. Usually, they are based on the one hand on the previous macro-economic forecasts, and on the other hand, on quantitative and qualitative analyses, not only of the volume of employment, but also of job quality, skills requirements, and HRM trends. One of the peculiarities is that these studies, financed from public funds, are conducted under the close supervision of the employers and union representatives. The goal is to produce a shared knowledge between the social partners in an industry. The same goal is devoted to the “industry observatories of work and employment” which are set up at the industry level, managed by the social actors, and are now compulsory. They mainly produce analyses based on past trends (not forecasting models) and/or on qualitative analysis.

At the regional level, similar institutions (the regional observatories), co-funded by the state and the regional authorities, are producing data, studies and research about the employment situation, and trends in a regional
area. These institutions are expanding, as the regional authorities are in increasingly in charge of the coordination of vocational education and further training in their areas (Bel, 2003).

But we must also mention the specific role of Cereq. This public institution, dependent on the ministry of education and the ministry of labour (a very interesting – and rare – case of collaboration between the two ministries) is, among other topics, producing school-to-work surveys. Not really included in quantitative forecasts, these surveys (using wide samples, cohorts of school-leavers, three and five year longitudinal analyses, see for example Cereq, 2001) are aiming regularly to scrutinise the position on the labour market of the young school leavers (type of job position, wages, unemployment spells…). They help to understand the school-to-work transition, the labour market characteristics of the newcomers, including very detailed analyses among some specific groups, according to the level of education, the type of vocational education, the gender and others….

2. Contrasting the Finnish and French results

In this section, we will mainly focus on the latest results of the two quantitative forecasts, assuming that the comparison is possible, and raising some common questions, both about methodology and about policy implications.

2.1 Trends in occupations

As in the Finnish papers, French recent forecasts are concentrating on the period to 2015 (Chardon et alii, 2005). Macro-economic hypotheses are more pessimistic in the French case (2% growth of the GDP, unemployment rate at 7.5%, productivity +1.6%, rate of employment 69%). But due to the higher level of retirements, the global perspective of vacancies is high: 750,000 vacancies per year, of which 600,000 are mainly due to retirements.

The common key issues are:

- A trend towards a services economy
- A high share of vacancies in the transport and tourism occupations (mainly for drivers)
- A high share of vacancies in the personal services (home care, child care) and health care (nurses, nurse assistants)
- A high share of vacancies in the field of education (teachers and trainers)
- Some other (less clear) trends for business and law related occupations

Slight differences, mainly due to the ageing trend are in the field of agricultural and forest occupations and in the administrative work (semi-skilled white collar workers). The natural wastage seems to be lower in France in these occupations, and could explain the higher number of vacancies.

Big differences are concentrated among the low skilled occupations. In contrast to the Finnish situation, the French forecasts are predicting not only vacancies, but also an increasing number of jobs in low skilled positions. Unskilled and/or semi skilled blue collar workers will represent in 2015 14% of the total employment (against 11% in 1990). This could be due to technical differences in the econometrics models underlying the two sets of forecasts. Another hypotheses is that on the one hand, due to the Finnish ‘North European’ social model, the social services are based on a higher skill equilibrium, and, on the other hand, that tourism activity (hotel, restaurants and others) which is a great consumer of low skilled work, is highly developed in France.
2.2 The forecasts for education and skills needs

This kind of forecast is conducted since 1985 by the ministry of education. It is based on a different macro-economic model than the previous one. In one of the latest editions (2003 for 2015), the results are very different to the previous one (2001). This difference is mainly due to more pessimistic macro-economic hypotheses and to the introduction of new retirement regulations. The direct consequences are, on the one hand, a lower job creation and, on the other hand, a increasing rate of activity among the 55-60 age group (but below the Finnish one). The trends are broken down by occupational categories, by level of qualifications. The scenarios include various hypotheses about the level of upgrading policies by the firms and their consequences about net vacancies. It includes also choices in the hiring process: unemployed, people coming from inactivity and/or young school-leavers. If we consider only the intermediate scenario regarding the rate of growth (2%), the total number of recruitment of young will vary from 648,000 - J+ - (age of retirement postponed to 60, high preference for young within the recruitments) to 550,000 – J- - (retirement 62, low preference) to be compared to an estimated flow of 700,000. Moving now to the level of qualification, the upgrading hypothesis is introduced: P+ or P- depending on the intensity. If we only consider the baccalaureat level (upper-secondary), J+P+ will give a 25% need at this level of qualification. Similarly, J-P- will produce a 22.7% need (to be compared to a 21% flow in 2001). The conclusion to be drawn is that the forecasts are very highly sensitive to hypotheses related to the behaviours of firms and/or individuals on the labour market (see Orivel, 2004 for more details). The new edition (2006, see Chirache and Sauvageot) is more coordinated with the ministry of labour: the economic hypotheses are the same and, for the first time, the trends are broken also into occupational families. As in the previous one, the level of net vacancies will be slightly over the flow of young coming from the education system. But if one looks at the needs by level of qualifications, high differences are highlighted between the occupational families. And the final conclusion is that the tertiary level remains underdeveloped.

3. Common questions, political uses of the forecasts

3.1 Technical and scientific questions

Looking, in a comparative perspective, at the raw materials, and assuming that the econometrics models behind them are not so different, some common questions arise.

The first one concerns, on the one hand the question of the transition between various occupations and, on the other hand the question of the HRM policies. In the Finnish papers, the transition between occupations (and or the geographical mobility between regions) remains unclear. Is it integrated? What are the measures and the hypotheses? In the French case, some data about inter-industry mobility are included. But it is also a weakness. As a matter of fact, most of the filling of job vacancies is due to, on the one hand exit from the unemployment, and, on the other hand (which is the majority) to changes from one job position to another, possibly without an intervening unemployment spell. I agree that these movements do not create ‘net’ job vacancies, but their consequences could be important for the net job vacancies available for, say, young workers and migrant workers. Here the question is whether it is justified or not to consider the young workers arriving on the labour market as a net ‘result’ in order to adjust the balance between demand and supply. The same question could be raised about the HRM policies. In some of the French forecasts, hypotheses are set up about the way by which firms could adjust to tight labour markets in some occupations, by improving their internal labour markets, upgrading some young workers which have been downgraded due to the high level of unemployment, and/or developing lifelong learning policies (a topic not in the scope of the Finnish papers). One remark in the Finnish papers seems to suggest that these factors are taken into account in a later stage: it is unclear, however, in what ways this is done.
The second one regards the expert paper. It puts a great emphasis on the macro-economic context (globalisation, € and $ policies, sustainable development). This is a real challenge for Europe, as most of the Lisbon strategy – and of the common European indicators - are built up on a classical perspective (i.e. the rate of growth, without strong considerations about the sustainability of this rate, and with few consideration about the quality of working life, and, more globally about the quality of life of European citizens). Introducing new constraints and targets in the scenario (as it is suggested in the expert report about the energy policy) could change the employment and skills prospects, for example in the field of the building industry, of the transport industry, or in the field of the health care industry.

3.2 About the political use of the forecasts

Let me focus now on the use of the quantitative forecasts.

The first question is the liability of these forecasts for political use. C Sauvageot (2001), in the case of France emphasises the fact that there are few ‘ex-post’ confrontations between the forecasts and what occurs. In the case of Finland, as we have now data for a kind of mid term ‘rendez-vous’, it would be useful to compare data, let’s say from the 2004 or 2005 Labour force Survey to the forecasts, not only to improve and adjust the models, but also to see what has been happening, both on the demand and supply side. In the case of France, and according to Sauvageot (2001), if the gap between the models and the reality is reducing from 1988 to 1996, showing an improvement of the data and models, this gap is always important (and in the same way, i.e + or -) for some occupations such as farmers, managers and intellectual occupations, services to individuals. This gap is so high that it could lead to inappropriate education and skills policies. A good example can be found in the French working time regulation. At the same time as the working time was reduced, the training policy for new nurses was dramatically cut off. The result was a severe shortage of nurses, which has not yet been overcome.

A second question, not necessarily linked with the former, is the way in which various actors are able to grasp the results, to integrate them to their action...and with what kind of results. Looking at the Finnish papers (and with high similarities with the French situation) one can, at least, underline two questions.

The first one is the relationship between national central policies and regional authorities. Introducing the regional question in the forecast process could lead to inextricable complexity (and probably to misleading conclusions), due to the important mobility, both of the work force and of the students, which seems to be encouraged in a global (national or European) society. Even within and between ‘big’ French regions (with sometimes more than 5,000,000 inhabitants), the flows of students (at the tertiary level) and of migrants (mainly young) are rather high, and the global mobility on the labour market seems more to be developed than curbed. Increased knowledge is needed more about mobility patterns and behaviours than about more regionalised forecasts.

The second one is the way by which all the actors (in the school system, on the labour market) could reinforce a co-operation based on objective and shared knowledge, based on the one hand on quantitative forecasts, and on the other hand on other quantitative and qualitative data. It is a challenge for France, where this co-operation is quite weak in the field of education and training policies.
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