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Training and the business world: The French experience

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On 30 September 1986 the results of an instructive survey were placed before some 3,000 leading industrialists at a meeting of the National Council of French Employers (CNPF) on the general theme of "Youth and the business world". To the question, "Do you consider that the French education system equips young people for working life?" a small majority (52 per cent) of the students surveyed replied in the affirmative, but the answer of fully 72 per cent of the industrialists was "No".

So it would appear that in France training, broadly defined, does not measure up to the requirements of the businesses to which most young people look for employment. Today increasing competition between countries and between firms has made the skill and motivation of workers key factors in business success. More even than natural resources, the quality of labour has become the main source of national wealth. For all countries training is a crucial factor in development.

These concerns are by no means new to the heads of French enterprises – training was the topic of the first such CNPF meeting in Lyons in 1970. It was in 1970 too that employers' and workers' organisations concluded the agreement of 9 July, which laid the foundation for national training policies and was substantially reproduced in the Act (71-575) of 16 July 1971 on the organisation of vocational training within the system of continuing education.[1] This Act established the framework for the interaction between contractual and legislative provisions on training, which remains a permanent feature of the system today.

Compared with what is done in other countries, the French approach to training is distinctive in several respects, particularly as regards the role of employers' organisations, their concern to "mutualise"[2] their efforts, and the ongoing social dialogue which they seek to sustain with the unions. Their "philosophy" is constantly subject to review in the light of economic developments and changing government policies – as has been especially

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evident at the six big Deauville meetings (named after the town in which they are usually held – although one in fact took place in Montreal) since 1973.

The aim of the present article is to appraise the training policies of French enterprises in the light of the experiences of neighbouring countries, and from two complementary points of view: the need of the enterprise for trained personnel, and its major role in providing training.

The need of the enterprise for trained personnel

Some 800,000 young people come on to the labour market in France every year. Their prospects of finding employment depend not only on economic conditions but also on their training and fitness for the jobs offered. As 83.9 per cent of the active population is made up of wage earners, it is clear that the overwhelming majority of the jobs are going to be in enterprises. Hence the need to base education and training plans on relatively long-term forecasts of the jobs that will be available to school-leavers. Unfortunately, it is virtually impossible to forecast the exact range of employment opportunities five to ten years in advance, owing to rapid changes in economic structures resulting from unpredictable technological changes and fluctuations in international trade. On the other hand, forecasts do coincide sufficiently to make it possible to discern certain trends.

A task force on education and enterprises in France, headed by Mr. Daniel Bloch and working in collaboration with the Bureau of Economic Information and Forecasts (BIPE), has carried out a study for the period 1985-2000 on behalf of the Ministry of Education, and French industrialists have also engaged in forecasting of their own: at their most recent meeting in Deauville, one of their committees discussed projections of changing patterns of occupational skills based on surveys and comments of employers' organisations. These coincide by and large with those made in other industrialised countries – such as the Bureau of Labor Statistics forecasts in the United States.

Forecasts of the prospects for major economic sectors hold few surprises. The inexorable decline in agricultural employment will continue: whereas 30 per cent of France's workforce was engaged in agriculture in the years following the Second World War, the figure had declined to 8.2 per cent by 1982 and is expected to reach 3.5 per cent by the year 2000. Similar trends have been noted in mining and in traditional industries such as iron and steel, metallurgy, and textiles. The old-established services (such as banking and insurance) will also experience falling levels of employment; the most significant gains will be in business services (data processing, project study) and personal services (health care, training, leisure).

Forecasts concerning skills are somewhat vaguer, but all studies conclude that there will be an overall rise in the standards required and a substantial drop in the demand for unskilled labour, which may be partially offset by the growth of low-skilled employment in social and leisure-related

services. The strongest demand, however, will be for engineers, and especially for technical specialists. Employment levels of unskilled production-line workers are also expected to drop substantially. As far as the economy as a whole is concerned, however, the decline in the demand for unskilled workers will only be gradual, owing to the needs of service industries.

As regards specific types of employment, the number of workers directly engaged in production will decrease, while research and development, servicing, maintenance, sales and marketing staff will expand.

In electronics and data processing, increasing numbers of staff will be needed to design, develop, manufacture and service the industry's products. However, this spectacular growth – some estimate that the number of jobs in this sector might even triple by the year 2000 – will not have any substantial impact on overall levels of employment, given the industry's relatively small share of total employment (2.7 per cent of the active population in 1982, and no more than 6.5 per cent by 2000). Nevertheless, a shortage of qualified workers in this area could seriously hamper the sector's growth prospects, which would in turn affect economic activity in general, and therefore employment.

A few specific examples will serve to illustrate the changing manpower requirements of enterprises. In 1970, 691 workers were needed on the body assembly line of a large automobile manufacturer for every 1,000 vehicles produced. By 1982 the same output required only 192 workers. Small wonder that total employment in the industry has fallen, even though some displaced workers have been transferred to other departments. More striking still is the job mix: in 1971 the firm in question had 600 unskilled workers, 52 foremen and 39 technicians: by 1982 there were 84 unskilled workers and 108 technicians.[3]

According to the forecasts of a large American automobile manufacturer for the period 1980-90, the proportion of production-line workers will fall from 25 to 15 per cent of the workforce, and that of production-support workers (tool shop, maintenance) from 22 to 15 per cent, while the proportion of technical services staff will increase from 10 to 14 per cent, that of data processing and training staff from 4 to 15 per cent, and that of managers and administrators from 4 to 10 per cent.

A CNPF survey of over 500 enterprises shows that:

- 87 per cent are greatly concerned about the problem of workers' skills; and
- 60 per cent report that technological change is accelerating, the determining factors being computerisation (74 per cent of respondents) and automation (57 per cent).

A shortage of skilled labour at a time of general unemployment is a familiar phenomenon throughout Western Europe. In the autumn of 1985 an EEC survey showed that 5 per cent of industrial concerns faced a shortage of

skilled labour, and 16 per cent a shortage of engineers and technicians. A survey conducted around the same time in the Federal Republic of Germany showed that only 8 per cent of the enterprises questioned rated their staffing levels of skilled personnel as more than adequate, while 34 per cent rated them as inadequate. The shortage of skilled workers cannot be blamed entirely on the introduction of computer-assisted production techniques, as is evidenced by the fact that difficulties have, for example, been encountered in recruiting skilled workers in certain branches of the construction industry.[4]

By the year 2000 most jobs will have undergone a major transformation, requiring the complete retraining of today's workers, and a total revision of the traditional content of training.

It is clearly impossible to predict the exact nature of the skills that will be required 20 or even ten years hence: of those currently needed by industry, a quarter were unknown ten or 20 years ago, and another half have changed substantially. This trend will continue, meaning that workers' skills will have to be constantly updated. An analysis of the needs expressed by enterprises themselves highlights the importance of versatility and adaptability. What is certain is that change is inevitable, and that its pace will continue to accelerate.

The notion of a trade or occupation as a narrowly defined specialisation which, once mastered, will provide a livelihood throughout a person's working life, is becoming obsolete; but viewed as a set of basic skills constantly adapted to match changing technological requirements, the emphasis being on a consistently high standard of performance, it continues to be as relevant as ever it was in the past.

The enterprise, for its part, can no longer view itself as a mere repository of skills: it is a system which, through collective organisation, seeks to maximise the efficiency of its operations and the quality of its product or service. During the boom years following the Second World War the emphasis was placed firmly on volume of production. Today, however, when growth has slowed and international competition is much fiercer, quality has become the key factor in competitiveness, and this demands motivation as well as competence. Thus employers are looking to their workers not only for technical expertise but also for the ability to operate as part of a team and contribute to a collective effort.

In these circumstances it is clear that the needs of enterprises cannot be expressed in merely quantitative terms. Their employees must have, first and foremost, a sound basic training. Experience has shown that working with cutting-edge technologies requires a thorough grasp of basics, some awareness of the demands of scientific rigour and a willingness to work hard – requirements which are by no means incompatible with traditional courses of study. Basic studies should also include an introduction to mathematics and computer science. It is only on this kind of firm foundation, supplemented by some knowledge of economics to ease integration into the life of the enterprise, that marketable and adaptable skills can be built up.

Does the educational system meet the requirements of enterprises?

Rightly or wrongly, industrialists – i.e. the potential employers of young people entering the labour market – do not consider that the educational system meets the needs of enterprises. Perhaps their assessment is too harsh, but it reflects a real concern, which is not confined to France: a group of eminent OECD experts recently expressed the view that "the rigidities of the education system . . . are, if anything, greater obstacles to change than the rigidities of labour markets".[5]

Vocational training has long been the poor relation of the education system, to which those who fail in its more "exalted" branches are relegated. Partly in reaction, some administrators of vocational training programmes have sought to win acceptance within the education system by emphasising the academic nature of their courses and cutting themselves off from the world of business – although it has to be said that the top-flight institutions have never lost sight of the importance of providing a practical training for working life. Indeed, the notion of educational institutions as ivory towers is outdated. Today's students look on their schools and universities as avenues to employment and not as stepping-stones from one diploma to another – in fact they sometimes even underestimate the value of a liberal education, which provides the breadth of outlook so necessary in dealing with the personal aspects of working life.

Too many young people (13 per cent) leave the education system without any formal qualification, and statistics show that they are twice as likely to suffer unemployment.

How can enterprises influence the direction in which the education system develops?

First and foremost, by defining its national objectives. In France, as elsewhere, there are several means by which enterprises can make their views known and participate in genuine social dialogue. For instance, there are prominent national bodies with wide responsibilities such as the Economic and Social Council, and decentralised bodies such as the Economic and Social Regional Committees, which are growing in importance as political structures develop and expand the role of regional authorities in training. Their efforts are supplemented by Regional Vocational Training Committees, Regional Social and Employment Promotion Committees and Regional Vocational Training and Apprenticeship Programme Co-ordinating Committees, whose respective roles need to be better defined and streamlined. There are also other channels for dialogue with the public authorities responsible for national education, employment, vocational training, etc. Of particular value are the joint bodies set up under collective agreements with a view to ensuring an ongoing dialogue between employers and workers on regional employment and employment in particular branches of industry.

While this structure for dialogue may seem somewhat complex, it does reflect the fact that the responsibility for training is not the prerogative of any

single group. What is more, it encourages employers' organisations to take a broad view in educational planning, rather than limit themselves to vocational training in the narrow sense. Such planning must be based on actual skilled staffing requirements – for setting quantitative targets – and include measures to facilitate the integration of young people into the world of work.

This approach must, if it is to be complete, have its counterpart in the enterprise itself. For example, special educational programmes at enterprises can give young people the chance to experience for themselves the realities of work and so come to realise the need for training – which will encourage them to complete their courses. (One of the major problems in vocational training is the high drop-out rate.) Many countries make systematic efforts to introduce students to the world of business, especially the Scandinavian countries. There, under the Practical Vocational Guidance Programme (PRYO), students in their final two years of compulsory schooling attend courses in enterprises for six to eight weeks as part of the standard curriculum. The programme is co-ordinated at local level by the schools, the employment offices and employers' and workers' organisations.

Under a parallel programme, trainee teachers are also seconded to enterprises to give them an opportunity to acquaint themselves with the environment in which their pupils will have to work and to give them some first-hand experience of working life. It is hoped that, as a result, they will be more successful in adapting their teaching methods and motivating their pupils.

Another way in which enterprises can contribute to the effective operation of the education system is by making some of their managerial staff available to training centres as instructors. A supplement to the 1970 interoccupational agreement, of April 1971, makes provision for this and lays down rules similar to those governing individual training leave.

Enterprises and their representative organisations can also set up, or assist in setting up, specialised training establishments. One of the features of the French higher education system is a number of *grandes écoles*, special engineering and management and business schools, which are autonomous, and not linked to universities, being in many cases private institutions funded by enterprises, chambers of commerce or employers' organisations. There are also a number of private trade schools, often set up by trades organisations themselves, particularly in the traditional trades.

To summarise, enterprises and employers' organisations cannot be content to assume a passive role in the educational process, to be mere "consumers" of training programmes; they must participate actively. It is not enough merely to co-operate in the orientation and launching of a system, only to leave it subsequently to state or local authority responsibility. An additional step is required – to ensure that the enterprise becomes an integral part of the education system.

The enterprise as a training ground and a training system

Knowledge, whether acquired from books or at school or university, is never complete without practical experience. Man learns by working: thus contact with colleagues, supervisors and clients in and around the workplace always reinforces acquired skills. In this sense, the workplace cannot but be a training ground.

Moving on from book knowledge to the practical mastery of a skill is an integral part of the training process, even if the learning is only from a more experienced colleague who makes no claim to being a trainer as such.

We must, however, go a step further, and think of the enterprise as constituting a training system. As Yvon Chotard, who did so much to get this notion accepted when Vice-President of the CNPF and Chairman of its Social Committee, wrote in 1980: "Enterprises must be regarded, equally with schools, as places that develop, use and disseminate knowledge."[6] To speak of a system is to imply that these functions are not to be left to chance but are deliberately chosen by the enterprise as essential aspects of its strategy. In other words, the enterprise must not rest content to be *de facto* educative, it must consciously systematise its educative function.[7]

It is often said that training should be viewed as an investment. If so, governments should regard the training efforts of enterprises as job-creation investments and treat them as such, e.g. for tax purposes. Likewise, industrialists should view training costs not as unavoidable expenses, but as a means to increase the enterprise's efficiency and profitability. Training is not an end in itself but a means to enhance the efficiency of the individual and the enterprise.

An enterprise's training plan, based on an assessment of individual and collective needs, cannot be reduced to a mere listing operation. It must at once be an element in the enterprise's strategy and satisfy the aspirations of its employees; it presupposes a genuine dialogue with the entire staff. The national agreement of 9 July 1970, as modified by the supplementary agreement of 21 September 1982, contains a number of detailed provisions on such consultations in respect of training, especially as regards the prerogatives of works councils, and calls for the establishment of training committees in all enterprises with 200 employees or more.

Training activities within the enterprise can draw on the firm's own resources as well as those of external specialists and institutions. Internally, together with the regular training staff, managers and supervisors can play a leading role in the transmision of know-how, which is not to say that they do not need to familiarise themselves with training techniques and the use of modern teaching aids. The need to ensure that those engaged in training are themselves properly trained also applies, therefore, to such senior staff, who must not only be competent in carrying out their own work but be capable of conveying their knowledge to their subordinates.

These principles have come to be widely accepted by the heads of enterprises in France, who readily recognise that permanent vocational training is, in the words of the 1971 Act, a "national duty".

The 1971 Act requires employers to set aside funds equivalent, since June 1987, to at least 1.2 per cent of their wage bill – over and above the apprenticeship tax – to finance training activities; unused funds, if any, must be paid over to specialised training organisations (the ASFOs mentioned below) or to the Treasury. Subsequent legislation required enterprises to allocate a further 0.3 per cent to training for the unemployed, but this contribution was later defiscalised and allocated to measures to promote youth employment; a further 0.1 per cent has been earmarked to finance individual training leave, to be paid to approved joint bodies. In practice, enterprises spend the equivalent of 2.25 per cent of their wage bill on training.

While large enterprises contribute more handsomely to training activities (3.62 per cent in the case of firms with over 2,000 employees, and as much as 10 per cent in the case of certain high-tech companies), even small businesses (with 10 to 19 employees) allocate more to training (1.14 per cent) than is required by law (1.1 per cent before June 1987). Comparable investments in training are made by enterprises in other industrialised countries, even in the absence of statutory requirements, but the French system does give some enterprises a figure to aim at and has led many firms, especially smaller ones, to enter joint training schemes.

Indeed, most enterprises do not have sufficient resources to develop training programmes on their own. For this reason, employers' organisations began in 1972 to establish a network of training associations (ASFOs), which: *(a)* provide technical advice and assistance to small and medium-sized enterprises in developing and implementing training programmes; and *(b)*, at the request of enterprises, organise and administer training programmes funded by the enterprise or by public or private donors.

ASFOs may be regional, multi-industry, or limited to a single occupation. They have the legal status of associations; and their governing bodies are composed of representatives of the enterprises belonging to the founding employers' organisation, assisted by bipartite training committees on which trade unions that have signed the relevant agreement are represented. At present there are 68 national and 134 regional ASFOs.

Individual training leave

Employees may, if they so wish, enrol in training courses outside the scheme organised and financed by their employers. Their purpose may be vocational (to upgrade their skills, or to train for a new occupation), or simply cultural or social.

Provision for individual training leave was made in the 1970 agreement and the 1971 Act. The supplementary agreement of 21 September 1982

expanded the scheme, and in keeping with French practice, the Act of 24 February 1984 (84-130), concerning reforms to continuing vocational training, codified and clarified the main provisions.

Workers must first obtain their employers' consent, which is given subject to a number of well-defined criteria (seniority, time elapsed since previous leave, and a maximum percentage of workers to be on leave at any given time).

Responsibility for the practical aspects of individual training leave is shared. Enterprises are required to pay in the equivalent of 0.1 per cent of their wage bill (as part of the 1.2 per cent continuing training contribution) to a training insurance fund (a mutual benefit society established by occupational or regional collective agreement), which meets, in whole or in part, the cost of approved training and of wage maintenance and social security contributions for the trainees. The individual training leave programmes are co-ordinated at the national level by a joint body composed of the representatives of the major employers' and workers' organisations.

Although individual training is, in a sense, independent of the enterprise, in practice it remains closely related to working life. Moreover, training institutions have close ties with the enterprises from which the trainees come and seek through their programmes to promote their skills and flexibility.

This approach to training also has the advantage of emphasising the importance of individual initiative. People are not just so much training fodder, and no system, however perfect, can replace the individual's own desire to improve and adapt.

The integration of young people into working life

While training is a permanent activity which should continue throughout the individual's working life, experience has shown that the transition from the safe and sheltered world of school to the world of work can be a time of considerable strain. Moreover, the current difficulties of the employment market have uncovered a weakness in the French system, which protects older workers at the expense of the young.

An individual's life might be thought of as falling into several distinct phases, the first of which is devoted to education and the acquisition of a skill or trade. On this view, the enterprise might reasonably expect to receive a finished product, as it were, and would have no reason to concern itself with educational matters, for which the family and the school system were exclusively responsible. This approach has never in fact prevailed in countries such as Austria, the Federal Republic of Germany and Switzerland. In France too, despite resistance in some quarters, enterprises are coming round increasingly to the view that the preparation of young people entering upon their working lives is not, and indeed cannot be, complete without a transitional phase which combines further education with the acquisition of practical experience.

The attraction of "sandwich courses" *(formation en alternance)* to enterprises is that school-leavers rarely have the skills needed to step straight into available jobs, and that this form of training can help to settle them into work, while at the same time enabling enterprises to build up the skills of their staff. It should be noted, however, that sandwich courses are costly, for the law does not allow the wages of young workers to be fixed at a level corresponding to their lack of skills; consequently, employers sometimes hesitate to assume the added cost, even though they can see that their enterprises and the employment situation in general would eventually benefit. Aggravating this problem is the fact that apprenticeship, a long-standing form of vocational training which might otherwise prove effective in meeting the needs of the young and of enterprises, is regarded in France – in contrast to neighbouring countries – as outdated and is more or less confined to a few traditional and declining trades.

To remedy this situation, employment promotion agreements concluded between 1976 and 1980 provided for the State to waive social security contributions and to provide assistance for practical training programmes in return for an undertaking on the part of enterprises to hire more young workers. The three agreements proved very successful and led to 550,000, 320,000 and 400,000 young workers, respectively, being taken on.

These arrangements were subsequently called into question after a government reshuffle, but an agreement of 26 October 1983 between the central employers' and workers' organisations re-established a coherent system, which was incorporated in the Act of 29 December 1984 (84-1209).

Currently, three options are available to young persons entering the job market:

Induction courses (stages d'initiation à la vie professionnelle) are not employment contracts; they are designed to introduce young persons to the world of work and to enable them to develop work skills under the guidance of a tutor appointed by the enterprise. Remuneration is paid primarily by the State, although the employer also pays an allowance.

Adaptation contracts (contrats d'adaptation) are employment contracts with a minimum duration of six months under which trainees receive general or specific training during working hours, either in the form of courses or on-the-job training. The trainee's wages must be at least 80 per cent of the level established by collective agreement, and social security contributions are waived by the State.

Skill acquisition contracts (contrats de qualification) are the most innovative of these approaches and offer the best combination of employment and training contracts. They combine formal instruction in a training institution with the acquisition of practical skills in a specific working capacity, and are structured on a case-by-case basis.

The ASFOs play an important role in organising these training programmes; they qualify for a subsidy of 0.1 per cent of the wage bill –

which is paid over and above the apprenticeship tax – and an additional 0.3 per cent financed out of the sandwich training contributions. These funds are administered collectively and can be drawn on by any enterprise, irrespective of size.

The following table, based on statistics provided by CNPF delegates and the Ministry for Social Affairs and Employment, gives figures by type of contract up to the end of 1986. The differences in the figures are explained by the fact that the CNPF data include all contracts registered with the authorities, while those supplied by the Ministry only concern contracts approved by the authorities. Thus there is a disparity of several months between the two sets of figures, which does not, however, affect the validity of the two complementary series.

Type of contract	Number of contracts between young people and enterprises	
	CNPF data (Mar. '85-Dec. '86)	Data from the Ministry for Social Affairs and Employment (Jan. '85-Dec. '86)
Induction courses	320 486	232 890
Skill acquisition contracts	26 622	22 167
Adaptation contracts	272 017	194 045
Total	**619 125**	**449 102**
Apprenticeship contracts		122 387

The table shows that induction courses rapidly became very popular, doubtless because they are relatively easy to set up. On the other hand, skill acquisition contracts got off to a slower start: they involve a more elaborate framework which takes time to build up: moreover, they require training staff and equipment, and must match the skill levels recognised by diplomas or official vocational training bodies. In fact, they are a novel approach designed to offer a third training option, alongside full-time instruction and apprenticehsip, with the aim of providing enterprises with a skilled and stable labour force.

These options provide new avenues for training with a view not only to promoting youth employment – although government social security contribution exemptions have had this effect – but also to meeting the staffing needs of enterprises.

There still remained the need to update apprenticeships which, in France as compared with neighbouring countries, have played a minor, although not insignificant role (122,387 contracts by the end of 1986). A government Bill tabled in early 1987 was finally adopted by both the Chambers on 23 July, following lengthy debates in which the social partners had a chance to air their views. It amounts to a charter for an updated apprenticeship system.

The Act (87-572) defines apprenticeship as a form of alternating education which provides young people with general, theoretical and practical training to help them to acquire an occupational qualification; its conception is thus in line with recent thinking and approaches to training. The aim is to extend the use of the apprenticeship system beyond traditional and modestly paid occupations. Apprenticeships will be renewable through successive contracts right up to secondary or advanced-level school diploma standard, and even beyond; this is in response to the call by enterprises in most sectors for provision of higher levels of training to meet the demands of the new technologies. Under the new legislation it will be possible to broaden the apprenticeship system to cover a wide range of economic activities, including the most advanced.

Apprenticeships are, however, to retain the specificity which makes them so effective as occupational integration programmes. They will continue to be employment contracts which specify the employer's responsibilities but also exempt him from certain non-essential formalities. Instruction is generally carried out in the enterprise's Apprenticeship Training Centre, but use may also be made, by agreement, of other vocational training facilities.

Some problems remain to be solved, especially as regards financing. Only one-fifth of the enterprise's mandatory contribution (the apprenticeship tax – which is not to be confused with the training tax), can be allocated to apprenticeships as such; which represents only 0.1 per cent of the wage bill. This remains a problem, even though the State assumes responsibility for the social costs of the scheme.

France still lags behind the Federal Republic of Germany, where two-thirds of young people (740,000 in 1986) receive what is called two-track ("dual") training. Under this type of apprenticeship contract (which is governed by labour law), training alternates between sessions at the plant, or in the apprentices' workshop, and sessions at vocational schools. The cost to enterprises that finance in-plant training sessions is several times higher than the value added by the apprentice, and there is no guarantee that the apprentice will remain with the particular enterprise. Nevertheless, employers continue to support this system, since it provides them with skilled staff who are familiar with the firm's work requirements. In March 1986 the President of the Confederation of German Employers' Associations (BDA) appealed strongly to enterprises not to relax their efforts in this key area of the Confederation's campaign to upgrade work skills.

In Great Britain, whose apprenticeship schemes are most similar to those of France, the Youth Training Scheme, set up in 1983, is likewise designed to assist school-leavers by offering programmes which provide 13 weeks of theoretical training combined with work in an enterprise over a period of 12 months (to be extended to two years).

In Italy the experiment with sandwich training has not had such a smooth passage – which points to the need to avoid certain pitfalls that can

thwart even the best of intentions. The 1977 Act on training contracts resulted in a mere 8,000 contracts being signed over a period of three years. The employers attributed this poor showing to the lack of choice on their own part, and on the part of young people. Following legislative decree No. 17 of 29 January 1983 on measures to reduce labour costs, a new Act (No. 79) adopted on 25 March 1983 introduced a number of amendments which led to more positive results – in spite of the unfavourable economic situation, 115,000 young people were taken on by private industry. The Act of 19 December 1984 (No. 863) on emergency measures to maintain and raise the level of employment, which remains in force, has left the regulations little changed, but certain administrative complications appear to have hampered its application. The fact is that the vast majority of training contracts involve small enterprises, which are easily discouraged by what they perceive as administrative constraints.

If the enterprise has a vital role to play in the occupational integration of young people, should it not also have certain responsibilities to wage earners compelled by circumstances to leave in search of other employment? The "social plan" of French enterprises, which is mandatory in the event of collective dismissals, usually includes a section on training aimed at facilitating internal mobility and redeployment. But in point of fact, wage earners should prepare themselves throughout their working lives for such a contingency, by availing themselves, for example, of individual training leave and other opportunities for personal development. Retraining within the framework of a social plan, in other words within the enterprise and under the supervision of people who know the worker concerned, is certainly desirable; but is it something that small and medium-size firms can afford? In spite of the Act (85-832) of 5 August 1985, conversion leave, which has been used experimentally in the special circumstances of certain major restructuring projects (e.g. in the dockyards), has not come into general application. On the other hand, since the multi-industry agreement of 20 October 1986 on employment and the Act (86-1320) of 30 December 1986, conversion or redeployment agreements have been an essential feature of layoffs (indeed, a compulsory one where a social plan is not required). The agreement and the Act call for an evaluation of occupational skills and an assessment of training needs, which are to be met through a training programme of up to five months' duration. Here again, the scheme is financed, at least partially, out of the enterprises' contributions to continuing training, in a way that makes it possible for small firms to play their part.

In the same vein, enterprises have recently been requested to support a campaign designed to reintegrate the long-term unemployed through a specially adapted sandwich training scheme.

Conclusions

The contributions of French enterprises to training schemes are characterised by certain features without equivalents in comparably developed neighbouring countries: in particular, mandatory investments in training, expressed as a percentage of the wage bill; the role of legislatively supplemented national multi-industry agreements; the dialogue between employers' and workers' organisations; and last but not least, a high degree of mutualisation of financing.

These methods are not easily exported, even though they seek to meet challenges that are encountered everywhere. However, some inferences can be drawn. Since the vast majority of jobs are those offered by enterprises, it is clear that training plans must be based on forecasts of their quantitative and qualitative staffing needs. But it is also important to consider the margin of error inherent in such forecasts, which is greatest in times of rapid change; thus training must aim to achieve a high degree of versatility and mobility. Moreover, it is not enough simply to affirm that training is an investment: this conviction must be reflected in the strategies of the heads of enterprises, and of politicians, who must face the fact that investments in training are as vital to the country's economic future as equipment and venture capital.

Although this article has focused on the experience of an industrialised country, namely France, there is no doubt that the issues raised here are relevant to other countries as well, and especially the developing countries. Admittedly, the particular solutions cannot be transplanted, relating as they do to a particular context and an advanced infrastructure, but the need for a systematic and voluntary effort on the part of enterprises is all the more acute where the gap between what the public educational system provides and what enterprises require can only be bridged by private initiatives; this is well illustrated by the scope of training schemes implemented by employers' organisations in many Latin American countries.

In any system, education and training are inseparable components of a process which spans the whole of working life. Regardless of the extent to which the State fulfils its pre-eminent role as guardian of the public interest and co-ordinator of national efforts, and regardless of the manner in which it assigns tasks and costs, enterprises must inevitably assume a specific responsibility, which will vary according to local conditions but will always be considerable. The enterprise's role in the educational and training field must be co-ordinated with the functions assumed by the government, local authorities, trade union organisations and families, without losing sight of the fact that the major responsibility ultimately lies with the individual, as master of his own destiny. The essential task is to heighten the individual's awareness of this responsibility and provide him with the means to discharge it.

Notes

[1] *Legislative Series* (Geneva, ILO), 1971 – Fr. 1.

[2] Although the use of the word *mutual* in relation to benevolent co-operative activities is not unknown in English – as in *mutual benefit society* – its French equivalent is in much commoner use as a result of the popularity of this form of association in France. *Mutual, mutualise*, etc., are used here to help keep in view the specifically French character of the organisations and procedures described.

[3] Quoted by C. Archambault, Director General for Social Affairs of the CNPF: "Emplois et qualifications face aux mutations", in *La revue des entreprises* (Paris, CNPF), May 1986, pp. 15-21.

[4] *Bundesvereinigung der deutschen Arbeitgeberverbände: Jahresbericht*, 1 Dec. 1985-30 Nov. 1986 (Bergisch Gladbach, Joh. Heider, 1986).

[5] Organisation for Economic Co-operation and Development: *Labour market flexibility*, Report by a high-level group of experts to the Secretary-General (Paris, 1986), para. 42.

[6] *Le Monde* (Paris), 23 May 1980. See also Y. Chotard: *Les patrons et le patronat* (Paris, Calmann-Lévy, 1986), pp. 113-139.

[7] As expressed by Yves Cannac, President of the CEGOS.