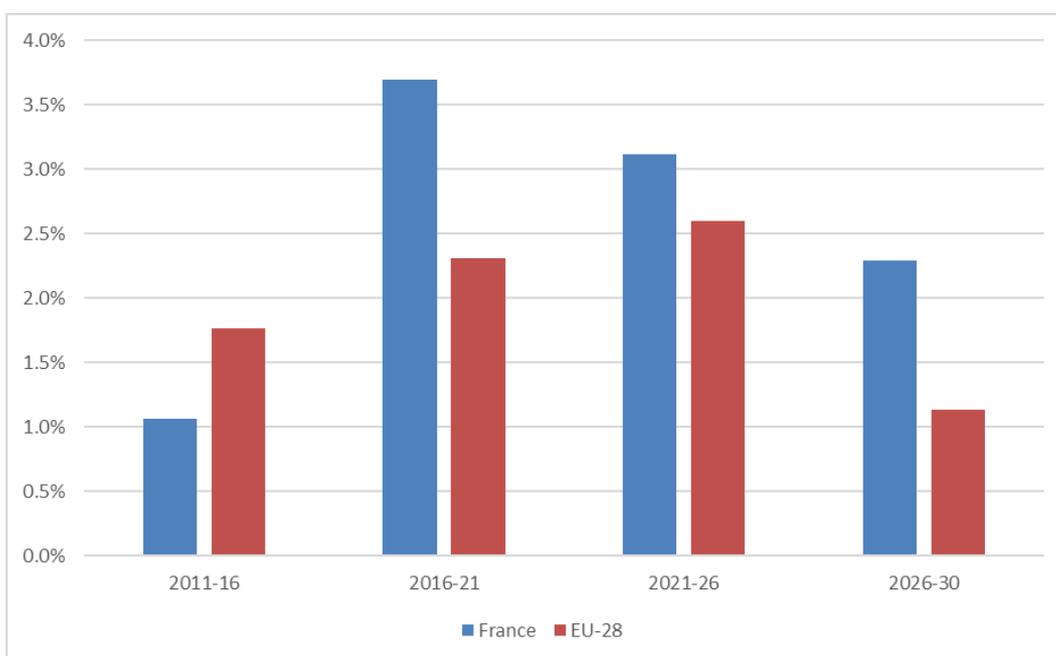


1. Employment outlook

The employment growth in France is expected to be higher in the period 2016-21 (3.7%) than it was in the period 2011-16 (1.1%), as shown in Figure 1. This trend is projected to continue up to 2026 (3.1% in the period 2021-26) and then slowly increase towards the end of the forecast period (reaching 2.3% over the period 2026-30). Over the period 2016-30, employment growth in France (9.7%) is expected to be above the EU-28 average (6%).

Figure 1 Percentage employment growth in France and the EU-28, 2011-30



Source: Cedefop (2018 Skills Forecast)

2. Labour force overview

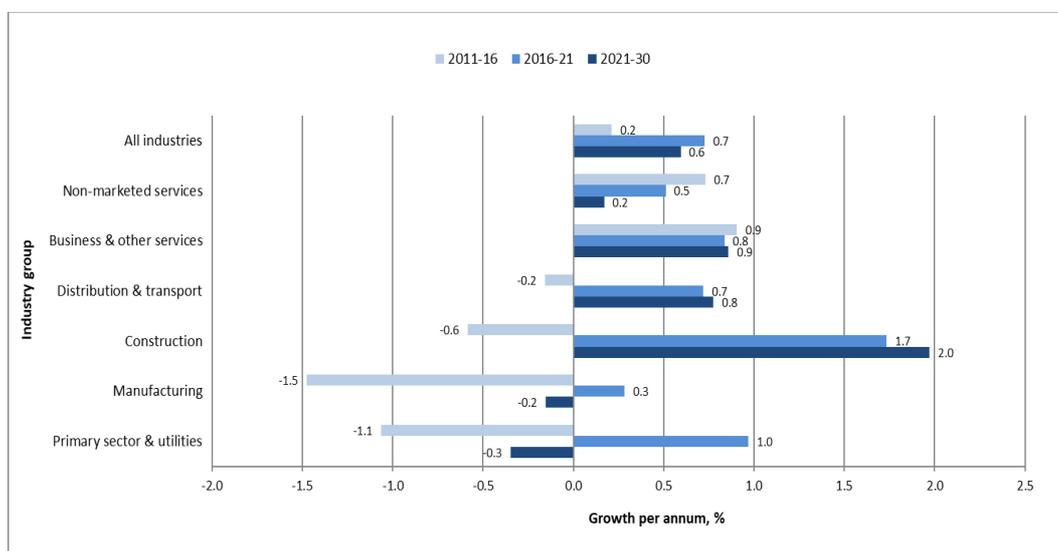
In France, the labour force is expected to increase by around 6% in the period 2016-30. This is driven by an increase in the population of 20-24 and 25-29 year-olds (of 13% and 12%, respectively), the latter age group having a participation rate of 83% on average. France is also expected to experience a 32% increase in the population of those aged 65+ between 2016-30, which due to their low participation rate will not contribute much to the labour force growth over the

period. However, the labour force aged 35-54, which has the highest participation rate, is expected to decline (by almost 3% over the period).

3. Sectoral employment trends

Overall employment is expected to grow in France by 2030, but with important differences by sector. Figure 2 shows that the employment in *construction* is expected to increase by 1.7% per annum in the period 2016-21 and continue growing by 2% per annum in the period 2021-30. Employment in the *business and other services* sector is also expected to increase throughout the forecast period, by 0.8% per annum in 2016-21 and 0.9% per annum in 2021-30, driven by the increase in the *other business services* and *miscellaneous business services* subsectors. Employment in the *primary sector and utilities* is expected to stagnate in the period 2016-2021, before shrinking by 0.3% per annum in 2021-2030. Employment in the *manufacturing* sector is expected to stagnate over the period 2016-30. However, the employment in the *engineering* subsector is expected to increase, by 1.2% and 1.6% per annum, in 2016-21 and 2021-30, respectively.

Figure 2 Employment growth by broad sector of economic activity, 2011-30



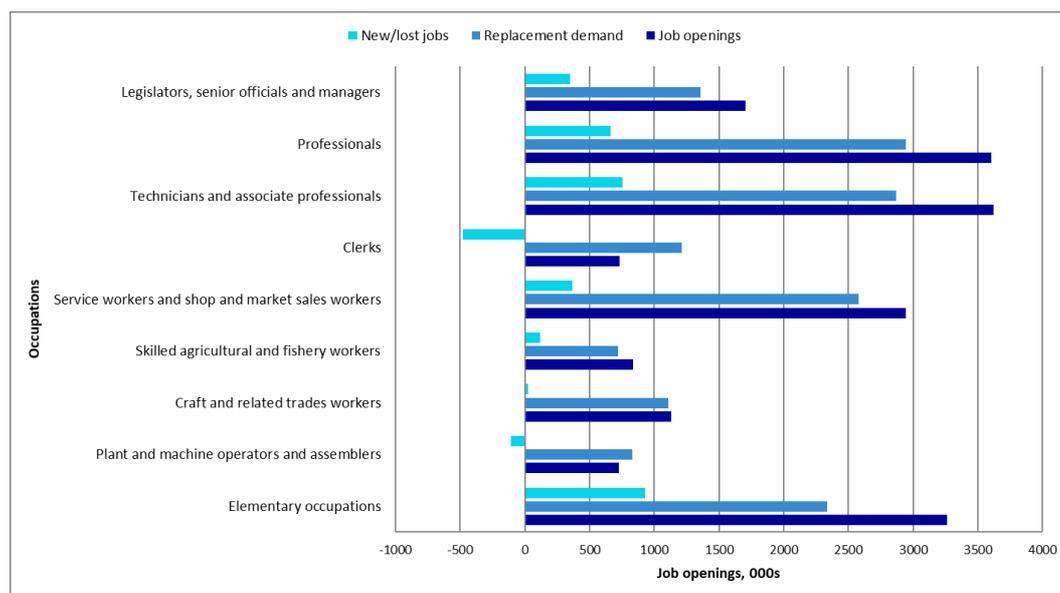
Source: Cedefop (2018 Skills Forecast)

4. Job openings by occupational group

Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created due to the expansion of the employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

Figure 3 shows the **total job openings** by broad occupational group over the period 2016-30. The number of job openings is determined by the amount of jobs lost/newly created and by the amount of jobs that are created following the retirement of older workers. Most jobs will come from the need to replace workers retiring or changing occupations.

Figure 3 Job openings by broad occupational group, 2016-30



Source: Cedefop (2018 Skills Forecast)

Professionals and *technicians and associate professionals* occupations are expected to generate the largest number of job openings in 2016-30, accounting for 19% and 20% of **total job openings** respectively, with 8 out of 10 job openings being created by replacement demand. *Elementary occupations* are expected to experience strong employment growth, generating around 18% of all

new job openings. *Clerks and plant machine operators and assemblers* are expected to shrink, but job openings will still be created by replacement needs.

Looking at the occupational groups in more detail, the largest number of job openings (both new jobs and replacement jobs) is expected among *cleaners and helpers*. The second highest number of job openings are expected among the *business and administration associate professionals*, mostly driven by replacement demand.

Personal care workers are expected to experience the largest decline in employment in the period 2016-30, followed by *general and keyboard clerks*. However, this will be more than offset by strong replacement demand in these occupations.

5. Drivers of occupational change

Within the Cedefop skills forecasts, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective employment growth can be explained by three possible drivers: (a) overall trends of the economy (i.e. growth or decline), (b) shifts of employment between sectors and (c) changes in the occupational structure within sectors (i.e. factors making some occupations more important/ others).

The growth in the *business and other services* sector is expected to drive the growth in employment in *personal service workers, food preparation assistants* in 2016-30. Growth in the *construction* sector will lead the increase in employment for *building and related trades workers* and *electrical and electronic trades workers*.

Employment is expected to fall in several clerical occupations, as the routine nature of the tasks involved makes them increasingly susceptible to automation in the workplace, leading to workers being replaced by technology to some extent. *General and keyboard clerks, numerical and material recording clerks* and *other clerical support workers* are all occupations expected to experience a significant decline in employment in the period 2016-30.

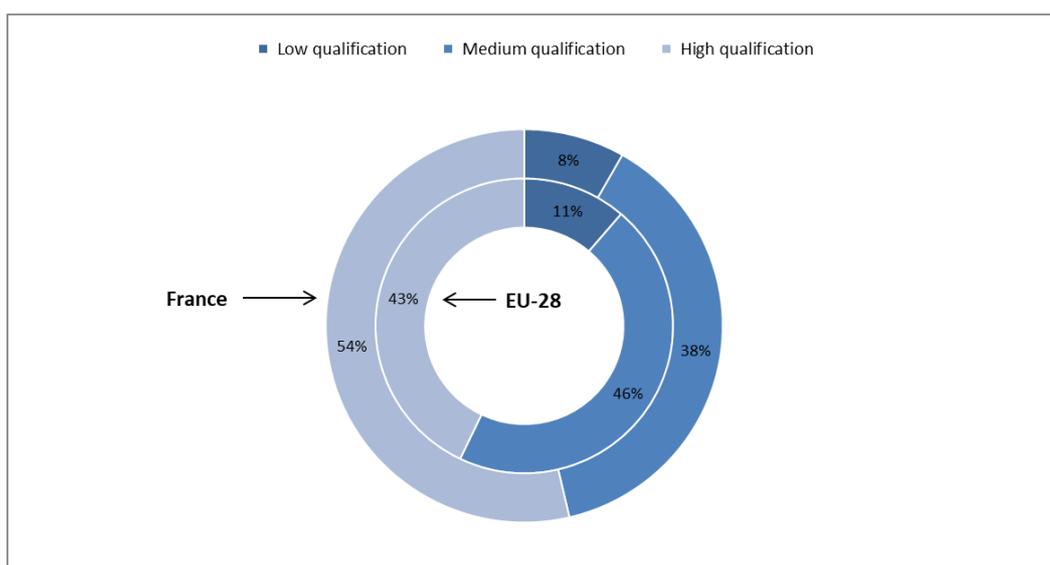
Taking into account both occupation and sector effects, the occupations that are expected to show the highest increase in employment are *science and engineering professionals* and *cleaners and helpers*. On the other hand, as described above, among *electrical and electronic trades workers* there will be both positive (sectoral change) and negative effects (within occupation shifts);

however, in the case of this occupation, the positive are expected to outweigh negative results over the period up to 2030.

6. Demand for and supply of skills

Within the Cedefop skills forecasts, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are distinguished, high, medium, and low, which correspond to the official ISCED classification. The occupational group also offers an indication of the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while some others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

Figure 4 Share of total job openings by level of qualification, 2016-30



Source: Cedefop (2018 Skills Forecast)

Figure 4 shows the share of total job openings by level of education required, in the period 2016-30. It suggests that France will have a higher proportion of job openings requiring high level of qualifications than the EU-28 average, but a lower proportion of job openings requiring medium or low qualification levels.

Business and administration professionals are expected to generate the largest number of job openings requiring high level of qualifications, followed by *teaching professionals*.

Future labour supply trends depend on the size of the working age population (defined as aged 15 or older), the labour market participation rates, and the extent to which people acquire formal qualifications.

Compared to the EU-28 average, France will by 2030 have a higher proportion of the workforce holding high-level qualifications, and a lower proportion holding medium and low-level qualifications as shown in Figure 5.

Figure 5 Labour force share by level of qualification, 2011-30



Source: Cedefop (2018 Skills Forecast)

The demand for highly- and medium-qualified workers is expected to exceed the supply, while there will be a surplus of low-qualified workers.

Cedefop methodology and scenarios

Cedefop skills forecasts offer quantitative projections of future trends in employment by sector of economic activity and occupational group. Future trends on the level of education of the population and the labour force are also estimated. Cedefop's forecasts use harmonised international data and a common methodological approach allowing cross-country comparisons about employment trends in sectors, occupations and qualifications. The forecasts and methodologies applied are validated by a group of national experts. These forecasts do not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of forecasts covers the period up to 2030. The forecasts take account of global economic developments up to May 2017. Despite cross-country differences, the EU economy as a whole is expected to show modest growth, after a better-than-expected performance in 2017. Over 2018 and 2019, the EU economy as a whole is expected to grow, albeit at a slower pace compared to 2017, supported by increased household expenditure and falling unemployment, although wage growth remains muted. Investment is also expected to pick up given favourable financing conditions and an improved economic outlook. The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in 2017 (Europop 2015) ⁽¹⁾ and the short-term macroeconomic forecast produced by DG ECFIN in May 2017 ⁽²⁾.

For the latest update and access to more detailed Cedefop skills forecast data please visit:

<http://www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply>



For more details, please contact Cedefop expert Ilias Livanos at: ilias.LIVANOS@cedefop.europa.eu

⁽¹⁾ <https://ec.europa.eu/eurostat/web/population-demography-migration-projections/population-projections-data>

⁽²⁾ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2017-economic-forecast_it