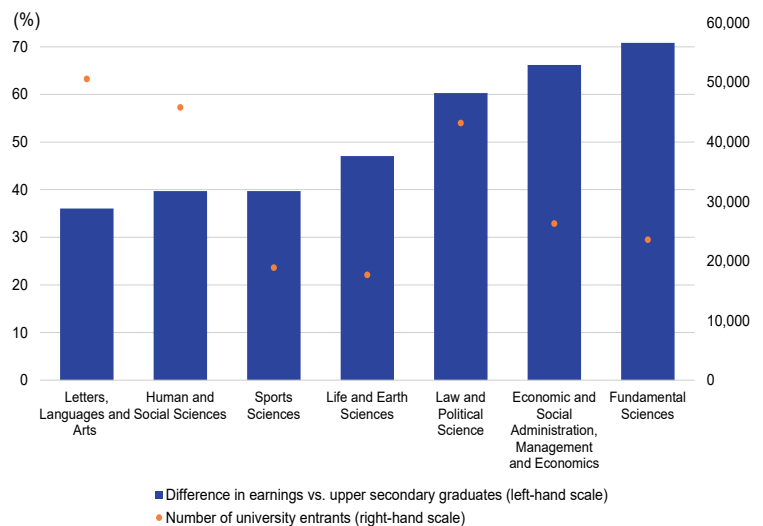


## Economic Implications of Guidance and Orientation in Education

*Blaise Leclair, Agathe Véniez*

- Effective guidance and orientation of young people to appropriate degree programmes is essential for reducing student failure in higher education and ensuring that students acquire skills aligned with the economy's needs.
- Shortcomings in the guidance and orientation process can lead to discontinuities in students' studies, leading to extended time to earn a degree and to the acquisition of skills that are misaligned with labour market demand, resulting in reduced employability and lower lifetime earnings. In macroeconomic terms, this means structurally higher unemployment, more unfilled jobs and lower total factor productivity (TFP).
- At the individual level, educational investment involves a trade-off between personal preferences, expected gains and the costs of education (including potential income foregone associated with the time spent in education). However, the guidance currently available to French secondary school students is not based on comprehensive, objective information to the extent that would be both feasible and desirable. Further, the allocation of student places in higher education does not sufficiently respond to current and expected labour market conditions (see Chart).
- Improving the effectiveness of the guidance and orientation system would require greater visibility for certain academic and vocational tracks, as well as greater confidence by students that they can access these programmes. Paths to improving the economic efficiency of guidance and orientation programmes include: disseminating clear and comprehensible information; providing greater human support in schools, particularly through the involvement of role models; and ensuring a better fit between the allocation of places in degree programmes and the needs of the labour market.

**Income differences and first-year university enrolments by degree area**



Source: Céreq and MESR data, DG Trésor calculations.

How to read this chart: For workers who earned a master's degree in "Letters, Languages and Arts" in 2020, the median monthly income for full-time employment 30 months after graduation was 36% higher than for those who held an upper secondary diploma (baccalauréat). For the 2022-23 academic year, 43,200 new entrants enrolled for the first year of three-year tertiary (licence) programmes in "Law and Political Science" in French universities.

# 1. An effective guidance system must match individual students' aspirations with the skills required by the labour market

Human capital is a decisive factor in the diffusion of innovation<sup>1</sup> and economic growth.<sup>2</sup> Investment in human capital is the best guarantee of employment for the individual<sup>3</sup> and yields positive returns for the State.<sup>4</sup> However, the rise in France's higher education graduation rate over recent decades<sup>5</sup> has not prevented a sharp decline in productivity gains since the 1990s.<sup>6</sup> This illustrates the importance of achieving closer alignment between the human capital embodied in students in tertiary education, and the needs – both current and expected – of the labour market.

Achieving these improvements requires a better match between students and degree programmes, on the one hand, and between degree programmes and labour market needs, on the other. In the absence of sound guidance and orientation, increased human capital accumulation fails to deliver economic benefits in terms of productivity and employability. In other words, employability is not always an increasing function of human capital accumulation.<sup>7</sup>

## 1.1 The quality of the alignment between students and degree programmes reduces failures that are costly for individuals and society as a whole

“Failure” in higher education, for the purposes of this section, can involve either dropping out without earning a degree or repeating a year, which extends the time required to attain a given qualification. The

failure rate, thus defined, is particularly high in France. Among university students who earned their upper secondary diploma (*baccalauréat*) in 2019, 42% failed to successfully complete their first year of the three-year bachelor's programme,<sup>8</sup> and 37% repeated at least one year.<sup>9</sup> The extension of time spent in higher education can also be attributed to “reorientation” (i.e. changes between degree programmes), which, in the initial years of post-secondary study, has become a widespread phenomenon affecting students from all academic backgrounds in all educational tracks. One-fourth of all students change to other degree programmes in higher education. While the phenomenon assumes a growing variety of forms, and may not necessarily equate to failure,<sup>10</sup> the fact remains that as a result of these discontinuous trajectories, only 36% of students graduating in 2021 had earned their bachelor's degree in the theoretical three-year timeframe<sup>11</sup> and 22% of those who exited higher education in 2017 had no post-secondary qualifications.<sup>12</sup>

One factor at play is the misalignment between students and the degree programmes in which they initially enrol. Young people who report they have received less guidance are more likely to “reorient” (change disciplines), more likely to leave higher education without a degree,<sup>13</sup> more likely to be job-seekers and tend to be less optimistic about their professional future.<sup>14</sup> The direct and opportunity costs

(1) X. Jaravel (2023), *Marie Curie habite dans le Morbihan*, Seuil.

(2) Aghion and Howitt (2009) have shown that for an economy close to the technological frontier, as in France, the presence of higher education graduates is decisive for the country's innovative capacity.

(3) T. W. Schultz (1961), “Investment in Human Capital”, *American Economic Review*.

(4) The return on investment comes largely from increased tax revenues and social contributions generated by higher worker compensation. OECD (2017), “Taxation and Skills”, *OECD Tax Policy Studies*, no. 24.

(5) The percentage of tertiary graduates in France has risen markedly over the past 30 years, from 24% of 55-64 year-olds (vs. the OECD average of 27%) to 47% of 25-34 year-olds (vs. the OECD average of 44%).

(6) Quarterly productivity growth of the French economy reportedly fell from 3.4% in 1978-1986 to 2.1% in 1986-1993, 1.9% in 1993-2004 and 0.7% in 2004-2018. C. Bruneau and P. L. Girard (2020), “Évolution tendancielle de la productivité du travail en France 1976-2018”, *France Stratégie Working Paper*.

(7) A. Flayols (2015), “Accumulation du capital humain et employabilité: une mise en perspective empirique”, Laboratoire d'économie appliquée au développement (LEAD), University of Toulon.

(8) SIES (2023), “Réussite, assiduité en 1<sup>ère</sup> année de licence et passage en 2<sup>e</sup> année: impact de la loi ORE et de la crise sanitaire”, *Note d'information*, no. 23.01.

(9) SIES (2018), “Parcours dans l'enseignement supérieur: devenir des bacheliers 2008”, *Note d'information*, no. 18.06.

(10) IGÉSR (2020), *La réorientation dans l'enseignement supérieur*, report, no. 2020-063.

(11) SIES (2022), “Parcours et réussite en Licence: les résultats de la session 2021”, *Note Flash*, no. 30.

(12) Céreq (2022), “Sortants du supérieur: le niveau de diplôme ne résume pas les trajectoires d'insertion”, *Céreq Bref*, no. 426.

(13) This is a correlation, with no causal relationship identified. Those who leave higher education without a degree report having received less guidance (64%) than graduates (72%), whether from members of their personal circles or from formal educational sources (teachers, counselors and psychologists in the national education system or other participants). See Céreq, “Génération 2013” survey conducted in 2016. These numbers relate to the “volume” of advice received and not the “quality” of advice.

(14) This is a correlation, with no causal relationship identified. S. Jugnot and M. Vignale (2022), “La crise sanitaire suffit-elle à expliquer les souhaits de réorientation des jeunes?”, *Céreq Bref*, no. 424.

to students associated with the additional time spent in education, whether or not they earn a degree, could be reduced through better alignment between students' profiles and the studies they pursue.

The mismatch between students and degree programmes also comes at a substantial cost to society. Failure lengthens the time spent and increases the number of students enrolled in higher education, generating high costs with no offsetting return. Wasted public expenditure amounts to €500m for the first year of the bachelor's programme alone,<sup>15</sup> and the total direct public and private cost of reorientations, repeated years and dropping out without a degree could be on the order of €3bn to €4bn.<sup>16</sup> Leaving school without a degree also represents foregone job opportunities while in education (save in the case of apprenticeship programmes) and potentially lower employability after dropping out.

## 1.2 A strong match between degree programmes and labour market requirements is essential to ensure successful employment of graduates

In 2022, 83% of higher education graduates in France were in employment two years after graduation,<sup>17</sup> compared to the OECD average of 88%.<sup>18</sup> The rate is lower for short cycle (two-year) tertiary degrees (the BTS Advanced Technician Certificate and DUT diploma awarded by University Institutes of Technology) and varies considerably across disciplines. For example, 82% of graduates with the BTS degree in "safety and security of property, persons, police and surveillance" were in employment six months following graduation, compared with just 50% of graduates with the BTS degree in "leathers and skins".<sup>19</sup>

This is due in part to a mismatch between degree programmes and labour market requirements. For workers, acquiring skills for which there is little demand in the labour market leads to reduced employability in the short term and the subsequent loss of work experience can negatively impact their entire career. The mismatch between skills and labour market needs also results in lower pay<sup>20</sup> and diminished career earnings.<sup>21</sup>

At the macroeconomic level, this translates into structurally higher unemployment, more unfilled jobs and lower total factor productivity (TFP). For companies, this entails difficulties in hiring and leads to higher turnover.<sup>22</sup> Careers in industry, in particular, are perceived as unattractive during the guidance and orientation process, despite the fact that two-thirds of the 30 occupations with the most pressing labour market shortages in 2022 are industrial occupations;<sup>23</sup> those shortages grew substantially between 2020 and 2022.<sup>24</sup> For the 2016 cohort of first-time, first-year three-year bachelor's degree students, the shortfall in the labour supply corresponding to students' earning their degree one or two years after the nominal three-year period came to the equivalent of 45,900 full-time workers.<sup>25</sup> The mismatch between skills and jobs can lead to lower compensation or lower hiring standards,<sup>26</sup> resulting in lower productivity and lower average real labour compensation for the economy, along with poorer performance by firms. In the UK, an increase in the number of companies in a firm's industry reporting skilled labour shortages would lead to a proportional reduction in its fixed capital investment and to a significant reduction in its R&D expenditure.<sup>27</sup>

- 
- (15) Estimate based on the number of first-year bachelor's (licence) students who discontinue their studies and whose average cost of education for one year is €7,000. See France Stratégie (2017), "La transition lycée – enseignement supérieur", *Note d'enjeux* 2017-2027.
- (16) DG Trésor calculations based on average public expenditure and average private expenditure per student, weighted by the number leaving without a degree and by the number of additional years spent in higher education due to repeating a year or switching degree programmes (*réorientation*).
- (17) Percentage of those aged 15 to 34 not in education, employment or training.
- (18) OECD (2023), "Education at a Glance 2023", A2 Indicator.
- (19) DEPP (2023), "Insertion des lycéens professionnels de niveau CAP à BTS 6 mois après leur sortie d'études en 2022", *Note d'information*, no. 23.53.
- (20) J. Mincer (1974), "Schooling, Experience, and Earnings", *National Bureau of Economic Research* (NBER).
- (21) M. Sattinger (1993), "Lifetime Earnings and Human Capital Accumulation", *Journal of Labor Economics*, 11(1).
- (22) M. Adalet McGowan and D. Andrews (2015), "Labour Market Mismatch and Labour Productivity: Evidence from PIAAC Data", *OECD Economics Department Working Papers*, no. 1209, OECD Publishing.
- (23) DARES (2023), "Les tensions sur le marché du travail en 2022", *DARES Résultats*, no. 59.
- (24) *Ibid.*
- (25) DG Trésor calculations based on *L'État de l'Enseignement supérieur en France 2023*, Ministry for Higher Education and Research (MESR).
- (26) European Commission (2019), *Skills Mismatch and Productivity in the EU*.
- (27) S. Nickell and D. Nicolatsis (2000), "Human Capital, Investment and Innovation: What Are the Connections?", *Productivity, Innovation and Economic Performance*, Cambridge University Press.

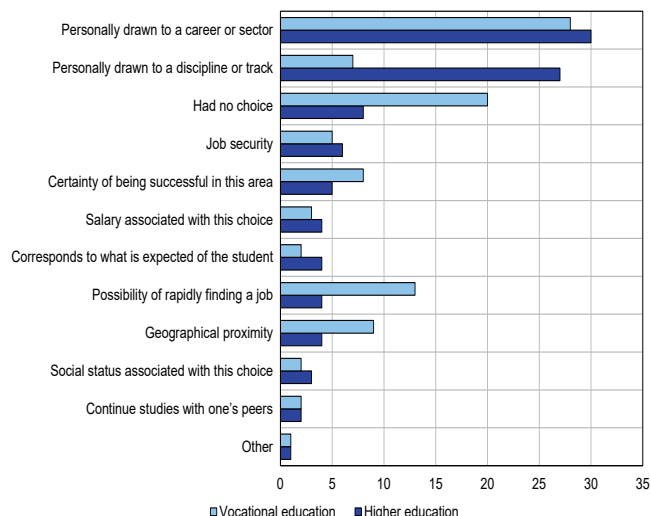
## 2. The information deficit and the relative rigidity of the supply of degree programmes can be detrimental to guidance quality

### 2.1 The information deficit biases individual preferences and leads to ill-informed choices and to students underestimating their potential

A survey found that French secondary school students report they are ill-informed by the process of guidance towards higher education: less than half consider they have proper support for making their decisions.<sup>28</sup> The proportion is lower for girls (41% report proper support, versus 53% of boys) and varies with academic performance; 30% of lower-achieving students report proper support, versus 50% of very-high-achieving students. Young people in rural areas are more likely than those in greater Paris to consider they lack adequate information for choosing their course of study.<sup>29</sup>

Investment in education can be interpreted as an individual trade-off between personal preferences, expected gains and the direct costs of education (including the potential income foregone associated with the additional time spent in education).<sup>30</sup> In the absence of reliable information, assessing expected lifetime gains becomes difficult. Educational orientation choices are then based only on individual personal preferences (see Chart 1), preferences of the student's social circle and the short- or medium-term costs involved. Thus, preference for a specific discipline is the most important factor in students' decisions;<sup>31</sup> children have a 50% chance of completing studies in the same discipline as their parents;<sup>32</sup> and there is considerable influence from siblings, alumni from the same school<sup>33</sup> or neighbours.<sup>34</sup>

Chart 1: Main criteria for decision making, by educational track (higher education or vocational training, %)



Source: CREDOC (2018), *Enquête sur l'Orientation auprès des 18-25 ans* (survey of 18-25 year-olds on guidance and orientation).

How to read this chart: Question: "What were the main criteria for your educational choice?" A vocational education graduate is defined here as someone who holds a CAP, BEP or Bac Pro degree and who did not continue to higher education.

Social stereotypes also exert significant influence on orientation choices<sup>35</sup> and even affect the probability of subsequent success.<sup>36</sup> Analysis of student choices on *Parcoursup* – the official web portal used to match students' applications with places in higher education – in 2021<sup>37</sup> shows that, on average, good students from disadvantaged backgrounds and girls make less ambitious choices, as they underestimate their actual academic level and the returns in earnings associated with education. As a result, the factors that determine a student's choice tend to perpetuate inequalities and reinforce existing social patterns, as they are only remotely related to the career opportunities associated with the degree programmes under consideration.

(28) Cnesco (2018), "Comment l'école aide-t-elle les élèves à construire leur orientation ?", *Dossier de synthèse*.

(29) S. Berlioux, J. Fourquet and J. Peltier (2019), "Jeunes des villes, jeunes des champs: la lutte des classes n'est pas finie", survey by Fondation Jean Jaurès/IFOP.

(30) J. Anne-Braun, K. Lemoine, E. Saillard and P. Taillepied (2016), "Initial and Continuing Education: The Implications for a Knowledge-Based Economy", *Trésor-Economics*, No. 165.

(31) P. Giustinelli (2016), "Group Decision Making with Uncertain Outcomes: Unpacking Child-Parent Choice of the High School Track", *International Economic Review* 57(2).

(32) A. Altmejd (2023), "Inheritance of Fields of Study", *Working Paper*.

(33) N. Bechichi and G. Kenedi (forthcoming), "Older Schoolmates Spillovers on Higher Education Choices".

(34) A. Altmejd and A. Barrios-Fernandez (2021), "O Brother, Where Start Thou? Sibling Spillovers on College and Major Choice in Four Countries", *Quarterly Journal of Economics*.

(35) N. Guyon and E. Huillery (2014, 2016), "Projet stéréotypes, autocensure et réussite scolaire", *LIEPP*.

(36) C. Martin-Krumm (2012), "L'optimisme: une analyse synthétique", *Cahiers internationaux de Psychologie Sociale*, no. 93, Presses Universitaires de Liège.

(37) C. Terrier, R. Hakimov and R. Schmacker (2023), "Confiance en soi et choix d'orientation sur Parcoursup: Enseignements d'une intervention randomisée", *Note IPP*, no. 93.

## 2.2 The degree programme offering fails to adequately take into account students' requests and the requirements of the labour market

The capacity for admitting new students into degree programmes, i.e. the number of places allocated, is determined annually by the authorities in each of the country's 30 *Académies*, following discussions with each institution. French law provides that decisions should be based on three considerations: the institution's overall programme for education and research, demand from applicants and employment prospects for the degree programmes.<sup>38</sup> This allocation process is decisive for meeting the needs of the economy, particularly for certain sectors or local employment basins, given the limited geographical mobility of graduates.<sup>39</sup> In reality, capacity is allocated upstream by a committee in each university, whose membership is such,<sup>40</sup> according to the French Government Audit Office, that employment issues are largely ignored, with intake capacity determined mainly by physical and human constraints.<sup>41</sup> A guidance and orientation process better aligned with employment prospects would come at a cost to public finances: the average annual cost to public finances for a student in Mathematics, Engineering, Science, and Information and Communication Technology (€8,742) is twice as high as for a student in Letters, Languages and Arts (€4,276).<sup>42</sup> Further, each *Académie* has its own organisation and timetable for allocating places, thus preventing any harmonised or coordinated approach to managing the process.

The apparent mismatch between the supply of degree programmes and applicants' aspirations may contribute to students' failure at university level and might explain why places remain unfilled. When general baccalaureate holders are channelled into

two-year higher technologist sections (STS) where they can study for the BTS (*Brevet de technicien supérieur*, Advanced Technician Certificate degree), rather than to university programmes, the effect is to deny admission to vocational and technological baccalaureate holders, preventing them from taking the logical next step in their education. Students squeezed out of post-secondary vocational education in this way may turn to universities, where about 10% of vocational baccalaureate holders who go on to further study ultimately enrol.<sup>43</sup> In France, the university graduation rate for vocational baccalaureate holders is singularly lower than for other students: three years after completion of secondary studies (i.e. six years after entering higher education), 76% of general baccalaureate holders who enrolled in university had earned a bachelor's degree, compared to only 32% of vocational baccalaureate holders.<sup>44</sup> More generally, the French Government Audit Office<sup>45</sup> found that funding for new capacity was not always proportional to demand from applicants, with new places added where there were already enough, and little or no correlation to actual needs.<sup>46</sup> In 2018-19, for instance, 38% of new places funded in French universities remained vacant.

What's more, trends in student enrolment by field of study in higher education show no relationship between the supply of degree programmes and trends in the labour market. While the number of university students rose by 16% between 2011 and 2021, the number of students in Letters, Languages and Arts and in Human and Social Sciences rose by 22%, bringing the number of students in these fields to a third of total university enrolment by the start of the 2022-23 academic year (337,818 students), and over twice the number in fundamental and applied sciences (150,228 students). The structure of the labour market has evolved over the past 40 years towards high mathematical and socio-behavioural skills intensive positions.<sup>47</sup> The average

(38) French Education Code, Ch. II: Access to higher education. Article D612-1 to D612-1-36.

(39) SIES (2018), "Choix d'orientation en terminale et mobilité géographique", *Note d'information*, no. 18.01.

(40) Each institution's Committee on Education and University Life has 40 members, including 36 representatives from the institution (faculty, other staff and students) and four from outside the institution, including one from a body charged with tracking employment.

(41) French Government Audit Office (2020), *Accès à l'enseignement supérieur : premier bilan de la loi orientation et réussite des étudiants*.

(42) J. S. Boiteau and C. Jameux (2019), "Le projet de connaissance des coûts des activités des établissements d'enseignement supérieur et de recherche", *Recherches en sciences de gestion*, pp. 215-240.

(43) Ministry for Higher Education and Research (MESR), *L'accès à l'enseignement supérieur*, État de l'Enseignement supérieur 2023.

(44) Ministry for Higher Education and Research (MESR), *Les parcours et la réussite en licence, licence professionnelle et master à l'université*, État de l'Enseignement supérieur 2023.

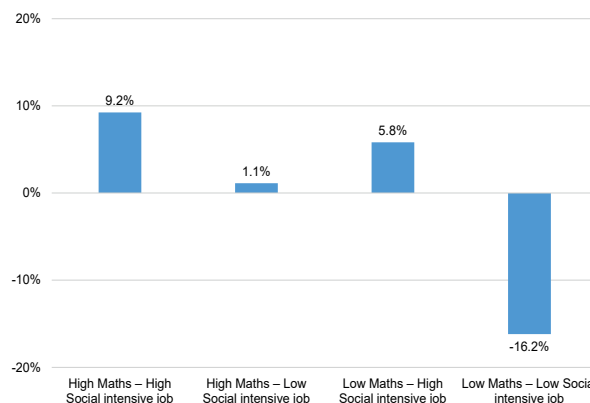
(45) *Ibid.*

(46) First, the pressure on degree programmes (calculated as the ratio of the number of applicants to the number of places, *taux de pression*) does not necessarily reflect the actual situation because each student can submit multiple applications in Parcoursup; further, the Ministry for Higher Education and Research may not have all relevant information regarding the funding of additional places (e.g. students repeating a year or students who register directly without going through the platform).

(47) The proportion of jobs in France requiring high mathematical and socio-behavioural skills (production and operations managers, engineers, architects, IT professionals, healthcare workers and teachers) increased by 9.2 percentage points between 1982 and 2020. See M. Guadalupe and B. Ng (2022), "Soft skills et productivité en France", *Note Focus du Conseil d'Analyse Economique (CAE)*, no. 92bis.

rate of initial employment in Letters, Languages and Arts and in Human and Social Sciences is from 8 to 5 percentage points lower than in Law, Economics and Management; and from 6 to 3 percentage points lower than the average in Sciences, Technology and Health.<sup>48</sup> The French Government Audit Office has recommended revisiting the procedures for adapting degree programmes to actual employment prospects, starting with the degree accreditation phase, to make them more responsive to the needs of the economy.<sup>49</sup>

**Chart 2: Changes in employment share by mathematical and socio-behavioural skills intensity, between 1982 and 2020**



Source: M. Guadalupe, B. Ng (2022).

### 3. Guidance that reconciles students' aspirations with labour market requirements requires more accessible information and dynamic adjustments to the degree programme offering

#### 3.1 Raise awareness and highlight inspiring career paths to develop a culture of guidance and orientation

Involvement by alumni and outside professionals can convey the message that it is possible to access and succeed in certain higher education pathways. For example, while girls tend to incline more towards the health sector and boys towards “selective” scientific disciplines,<sup>50</sup> visits from female engineers (serving as role models) in upper secondary (*lycée*) classes reduce the dominance of gender stereotypes associated with the scientific professions and encourage girls to opt for the “selective” scientific studies that prepare for those careers.<sup>51</sup> Similarly, girls' results have been shown to improve after upper secondary students explain to younger, lower secondary students, before a mathematics exam, that success depends on how hard they work.<sup>52</sup> At the individual school level, admission of a student from an earlier graduating class to an

“elite” institution raises the number of applications and admissions among subsequent cohorts.<sup>53</sup>

Along these lines, the Career Choice Act (2018) expanded the scope for participation by outside speakers in schools and universities. The Act assigned to regional authorities the task of organising information initiatives for students on careers and training; the staff that previously performed that task as members of the National Office for Information on Education and Professions (Onisep) were transferred to the regional authorities for this purpose. In addition, the 2018 reform of French general and technological high schools increased the time allotted to schools for career guidance to 54 hours; this should enable more personalised support for students, despite potential differences regarding how those hours are actually deployed.<sup>54</sup> Lastly, the Discovering Careers programme was introduced in lower secondary schools at the start of the 2023-24 academic year.<sup>55</sup>

(48) Employment 18 months after earning a master's degree. See Ministry for Higher Education and Research (MESR) (2022), *Enquête insertion des diplômés de master 2019*.

(49) French Government Audit Office (2023), *Universités et territoires* (thematic public report).

(50) DEPP (2024), “Les différences d'orientation entre les filles et les garçons à l'entrée de l'enseignement supérieur”, *Note d'information*, no. 24.20.

(51) T. Breda, J. Grenet, M. Monnet and C. Van Effenterre (2020), “Do Female Role Models Reduce the Gender Gap in Science? Evidence From French High Schools”, *IZA Discussion Paper*, no. 13163.

(52) C. Bagès, C. Verniers and D. Martinot (2016), “Virtues of a Hardworking Role Model to Improve Girls' Mathematics Performance”, *Psychology of Women Quarterly*, 40.

(53) R. Estrada (2022), “The Effect of the Demand for Elite Schools on Stratification”, *Economics Letters* 215.

(54) IGÉSR (2023), *La réforme du lycée général et technologique*, evaluation report, no. 22-23 048B.

(55) Since the 2023-24 academic year, all lower secondary schools (*collèges*) have expanded career discovery sessions to familiarise students with a broader range of careers (some 40 to 50, compared with 10 to 15 previously) before they complete lower secondary education. Content focuses on knowledge of business sectors, with immersion experiences and information on post-lower secondary educational offerings.

### 3.2 Facilitate informed choices by providing more accessible statistical information on the conditions and outlook for each degree programme

Dissemination of comprehensive information enables students to discover the existence of degree programmes and to assess their chances of gaining admission, graduating and achieving employment in an identified work environment. Access to employment statistics leads students to adjust their career choices towards less risky educational pathways in terms of employability and subsequent retraining.<sup>56</sup> At the University of Toulouse, for example, the systematic publication of information on the probability of future employment led to a 14% reduction in the choice of programmes that displayed a negative signal for hiring.<sup>57</sup> Similarly, informing secondary school students of their actual position in the distribution of their cohort's academic results is useful to correct biases in how they assess their academic level. The Public Policy Institute (IPP) reports that dissemination of this information encourages self-doubting students to be more ambitious in their post-secondary applications

and leads students who overestimated their abilities to apply for less selective tracks.<sup>58</sup> In the case of applications to the elite CPGEs (*classes préparatoires aux grandes écoles*) by the top performing secondary students, this type of action was shown to reduce the gender ambition gap by 72% and the gap between the privileged and the underprivileged by 95%. To be effective, information dissemination must be supported by the entire educational team in each secondary school.<sup>59</sup>

### 3.3 Improve the allocation of university places

Continuing along the same lines as the Student Guidance and Success (ORE) Act<sup>60</sup> which empowered universities to set their prerequisites or expectations through the *Parcoursup* process in order to reduce failure by first-year students, more dynamic allocation of places in higher education would contribute to orienting students more fairly and more efficiently. For instance, information examined in decisions to increase (or reduce) capacity could include graduation rates and subsequent employment. This arrangement had been suggested when the legislature examined the ORE Act.

#### Box 1: Development of online information platforms

The *InserJeunes* platform that went online in 2023 synthesises this information, providing, among other things, the percentage of graduates who undertake further studies and the employment rate, for all CAP, Bac Pro and BTS programmes, in each school. The employment data from *InserJeunes* (DEPP-Dares) is posted to the *Parcoursup* platform for BTS (post-upper secondary) admissions, and to the online service for post-lower secondary placement for CAP and Bac Pro (vocational) admissions.

Along the same lines as *InserJeunes* for vocational tracks, the *InserSup* platform project aims to synthesise information on labour-market insertion of higher education graduates. Starting with applications in 2024, secondary school students will be able to register on *Parcoursup* as early as the first year of upper secondary school (*classe de seconde*) and compare degree programmes using the platform data (number of admissions and applicants, tuition fees, graduates in employment, etc.). *Onisep*, the national agency responsible for producing and disseminating information on education and careers, has an annual budget of €30m. It is currently preparing the *Avenir* platform, which will consolidate its digital guidance resources, with a €30m budget over ten years. Further, a *MonProjetSup* (my higher education project) platform has also been launched in 50 secondary schools as part of a randomised evaluation.<sup>a</sup>

Other common-interest initiatives originating from civil society aim to improve the accessibility and legibility of publicly available data. The *SupTracker* website provides an overview of data for each degree programme taking students' characteristics into account.

a. Experiment conducted by J-PAL Europe under the Innovation, Data and Experiments in Education (IDEE) programme, findings expected late 2024.

(56) J. Conlon and D. Patel (2023), "What Jobs Come to Mind? Stereotypes about Fields of Study", *Working Paper*.

(57) N. Pistolesi (2015), "L'orientation active: une aide efficace pour choisir ses études?", *Regards croisés sur l'économie*, no. 16.

(58) *Ibid.*

(59) The *MonProjetSup59* project, developed in conjunction with the Interministerial Directorate for Digital Technology (DINUM), aims to provide secondary school students and local stakeholders with new tools, from the start of the 2024-25 academic year: <https://beta.gouv.fr/startup/monprojetsup.html> (in French only).

(60) The Student Guidance and Success (ORE) Act of 8 March 2018.

A similar arrangement will be implemented starting in the 2024-25 academic year for secondary vocational education. Plans call for using data on employment and retention for each school as the basis for a multi-year adjustment of the institution's degree programmes, with the initial adjustments based on employment performance scheduled by the start of the 2026-27

academic year. This is part of a broader reform<sup>61</sup> that also includes student compensation for internships, support services from France Travail (the government employment agency) for students in their final year of upper secondary vocational education and the establishment of an office in each institution to handle relations with businesses.

## Box 2: Examples of performance-based allocation outside of France

Two approaches to educational funding outside of France are performance-based allocation, which relies on academic and post-school indicators, and school voucher programmes, which use a decentralised approach based on student (or parental) aspirations.

Performance-based funding is in place in the US, where several states<sup>a</sup> allocate funds based on graduation and retention rates, scores on core subjects, employment data and so on.

With the educational voucher system, introduced in Chile in the 1980s, a portion of schools' funding is based on parental choice; students receive a voucher of a predetermined value to pay for educational expenses. While the voucher system is claimed to improve school efficiency and educational quality,<sup>b</sup> negative effects in terms of school segregation and inequalities have been reported.<sup>c</sup>

- a. N. W. Hillman, D. A. Tandberg and J. P. Gross (2015), "Performance Funding for Higher Education: An Analysis of State Policies and Practices", *American Journal of Education*, 121.  
b. C. T. Hsieh and M. Urquiola (2006), "The Effects of Generalized School Choice on Achievement and Stratification: Evidence From Chile's Voucher Program", *Journal of Public Economics*, 90.  
c. Ibid.

(61) Ministry for Primary and Secondary Education and Youth Affairs (MENJ), "Piloter la trajectoire de la carte des formations", in: *Réformer les lycées professionnels*, May 2023.

### Publisher:

Ministère de l'Économie,  
des Finances  
et de la Souveraineté  
industrielle et numérique  
Direction générale du Trésor  
139, rue de Bercy  
75575 Paris CEDEX 12

### Publication manager:

Dorothee Rouzet

### Editor in chief:

Jean-Luc Schneider  
(01 44 87 18 51)  
tresor-eco@dgtrésor.gouv.fr

### English translation:

Centre de traduction  
des ministères économique  
et financier

### Layout:

Mimose Mellia  
ISSN 1962-400X  
eISSN 2417-9698

## Recent Issues in English

### April 2024

No. 343 The Impact of Brexit on the United Kingdom's Economy

Louis Adjiman and Benjamin Cabot

No. 342 How Much Investment Is Required To Reach France's Decarbonisation Targets For 2030?

Logan Gourmand

No. 341 The Economic Implications of Artificial Intelligence

Léo Besson, Arthur Dozias, Clémence Faivre, Charlotte Gallezot, Joceran Gouy-Waz,  
Basile Vidalenc

<https://www.tresor.economie.gouv.fr/Articles/tags/Tresor-Eco>



Direction générale du Trésor



@DGTresor

To subscribe to *Trésor-Economics*: [bit.ly/Trésor-Economics](https://bit.ly/Trésor-Economics)

*This study was prepared under the authority of the Directorate General of the Treasury (DG Trésor) and does not necessarily reflect the position of the Ministry of Economy, Finance and Industrial and Digital Sovereignty*