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ABSTRACT

The variety and growing number of continuing training providers in France have led the government to question whether these bodies constitute full-fledged service producers functioning in a market situation. In the absence of quality standards and rules governing competition, many questions arise as to the ways it is to be implemented and developed. Such concerns led to a special survey of French training providers. The survey was based on a sampling of 645 training bodies and the activities they carried out in 1993. The qualitative data were collected through interviews with the heads of the institutions concerned, and the quantitative data were obtained through questionnaires. Some of the findings of the survey were as follows: (1) 33 percent of the training was provided by nonprofit organizations, 26 percent by public organizations, 18 percent by private organizations, 15 percent was company related, and 9 percent was semipublic; (2) the nonprofit and the private trainers were the fastest-growing segments of the training market; (3) the training market tends to be made up of small units with a relatively diversified training supply and a concern for enlarging their offering beyond an initial base of activities; (4) training providers tend to be specialized; (5) training providers can provide training related to personal development, to manufacturing and other fields at the baccalaureate level or higher, and to salaried employees--either at higher levels or without regard to levels; and (6) most training providers operate in a limited geographic area. (KC)

Training & Employment

A FRENCH NEWSLETTER FROM CÉREQ AND ITS ASSOCIATED CENTRES

Continuing Training Providers: Activities, Aims and Publics

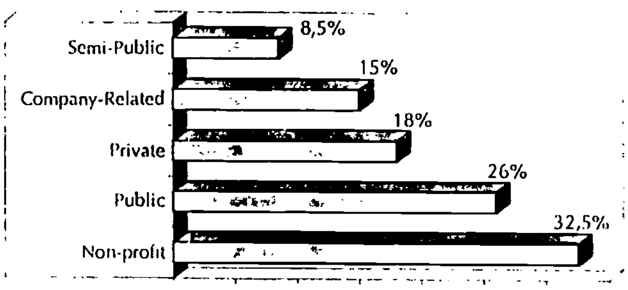
The variety and growing number of continuing training providers in France have led the public powers to question whether these bodies constitute full-fledged service producers functioning in a market situation. In the absence of quality standards and rules governing competition, many questions arise as to the ways it is to be implemented and developped, and such concerns prompted Céreq to undertake a special survey of French training providers.

The 1971 Continuing Training Act established the right of every salaried employee to benefit from training and the obligation of companies with more than ten employees to contribute to its financing. This required contribution is calculated on the basis of the company's gross wage bill; in 1996 the rate was set at 1.5 percent.

This legal mechanism led to a sharp increase in the training supply, which was further reinforced by the creation of new training activities for job-seekers. Thus, existing bodies and institutions were joined by a whole new group of training suppliers and producers. In 1993, more than 47,000 providers were registered with the government, with revenues totalling 34 billion francs. Since 1990, legislation has been introduced to regulate the quality of activities conducted by providers receiving public funds.

Twenty-five years after the Continuing Training Act, Céreq was asked to conduct an initial survey of training bodies (see: "Survey Background", p. 4).

Market Shares of the Different Sectors in % of Total Turnover



HEAVY INFLUENCE OF INSTITUTIONAL ORIGINS

The world observed by Céreq's survey is extremely heterogeneous. This diversity can be explained in terms of institutional links, for these exert a significant influence on the nature of training activities and the ways the training bodies are run. These bodies are distributed among five major sectors: public, semi-public, company-related, non-profit and private profit-making. Their respective impact on the training market is described below.

Public Sector

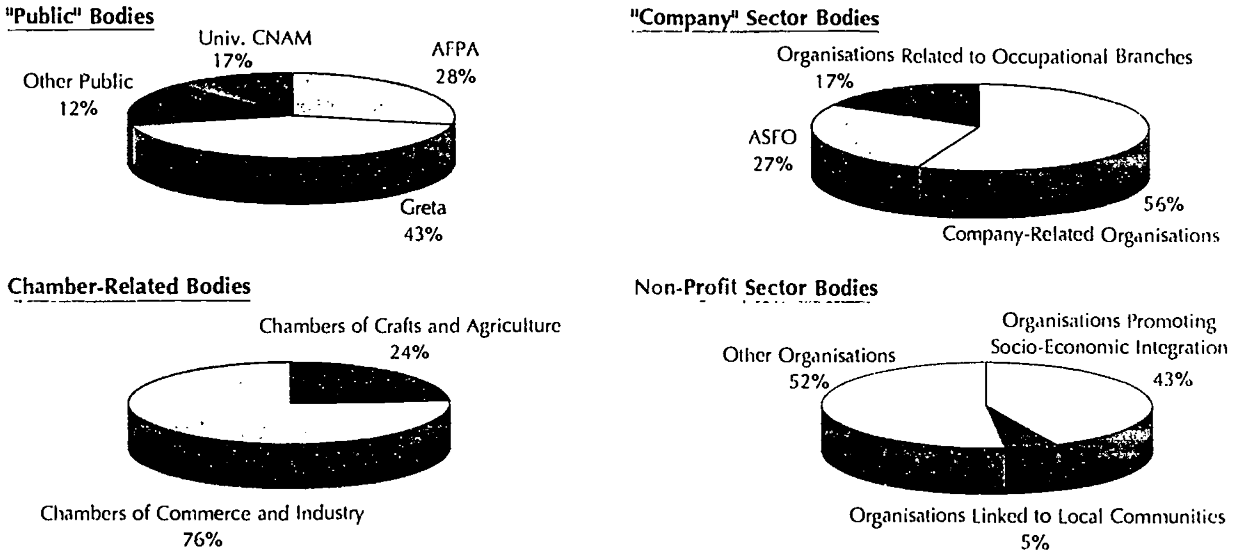
Among the public-sector bodies, most continuing training centres attached to educational institutions (Greta,[1] universities) were created during the period immediately after the passage of the 1971 act. Structures such as the AFPA or CNAM, however, had been set up much earlier. Continuing training constitutes their main activity, and in many instances, their only one. They were set up by ministries whose aim was to respond to a wide range of needs and publics, including salaried employees, job-seekers, and individuals in search of social advancement.

Chamber-Related Sector

Most bodies in this sector existed prior to the 1971 act. Since their creation, on the initiative of government institutions on the national or local level they have been involved in the continuing training field in order to meet

1. See the box on p. 4 for the explanation of the different acronyms.

Distribution of Different Categories of Bodies by "Institutional" Sector According to Turnover (no breakdown for profit-making private sector)



the needs of companies and small business persons. They resemble public-sector bodies, notably in terms of their limited managerial autonomy and the multiple publics for their activities. However, the particular status of the Chambers of Commerce and Industry (CCI) helps them to create new structures in response to the growing demand for training. Thus, nearly 30 percent of the bodies depending on the CCI have been set up since 1986.

"Company" Sector

The "company" sector is composed of the training associations (ASFO), organisations linked to the occupational branches and bodies directly tied to the companies. Three-quarters of the ASFOs were set up prior to 1975, and the remainder date from the 1980s. For the overwhelming majority of the ASFOs (87 %), continuing training is the main activity, with contents that are specific to the branch. Most of the company-related bodies are set up on the initiative of the company itself, a professional in the field or a group of companies that thus create a joint resource centre. This trend reflects the externalisation or sub-contracting of continuing training activities. The public served includes both the company's employees and its clients.

Non-Profit Sector

The creation of most of the providers in the non-profit sector is related to government efforts in the area of continuing training for job-seekers during the 1980s. Mainly involved in cultural activities and social integration, these organisations result in large part (70%) from private initiatives, nearly one-third stemming from social workers. These structures are involved in other activities besides training: nearly half of the social organisations are mainly responsible for community development and social work. The others are more concerned with instruction in the broad sense of the term. Their strong involvement with training activity is reflected in the fact that 60 percent of them indicate their adherence to the collective agreement of the training providers.

Private Profit-Making Sector

The large majority of private, profit-making bodies are very recent (51% set up since 1986). In 35 percent of the cases, their main activities are research and consulting, while 60 percent adhere to the collective agreement of the training providers. As with the non-profit bodies, they are in large majority small structures; 80 percent have an annual turnover of 1 to 5 million francs.[2]

PARTIAL SEGMENTATION OF SUPPLY BY LEVEL, SUBJECT AREA AND PUBLIC[3]

The Céreq study indicates that the training market tends to be made up of small units with a relatively diversified training supply and a concern for enlarging their offer beyond an initial base of activities. There are, however, relatively specialised bodies. A certain order can be imposed on this complexity of training activities by examining the area of instruction, the level of training programmes offered and the kind of public addressed.

It is rare that the same body intervenes on very disparate levels. A specialisation thus emerges, and although it may occasionally be extended to the level immediately above or below, this is never systematic.

Another specialisation evolves around the publics addressed. These can be divided into three groups: job-seekers, salaried employees and individuals pursuing a

2. Within the definition of the base population (turnover above 1 million francs), there are very few providers with independent status (1.6%).

3. The analyses presented in this section are derived from a factorial analysis of the correspondances.

Acronyms Used

Greta: *The groups of institutions (GRoupements d'ETAblissements) for the training of adults are made up of vocational high schools and middle schools that have co-ordinated their resources in order to develop continuing vocational training activities in the wake of the 1971 act.*

AFPA: *The National Association for the Vocational Education and Training of Adults was created in 1949. Placed under the supervision of the Ministry of Labour, it is jointly managed by the ministry, the unions and the employers' organisations. It is the traditional government body set up mainly to respond to job-seekers' needs for skilling training programmes.*

CNAM: *The National Conservatory of Arts and Engineering, founded in 1794, is an institution of higher education and basic and applied research under the supervision of the Ministry of Education. Its main function is to ensure high-level advancement of employees and provide continuing vocational training.*

CCI: *The Chambers of Commerce and Industries have the particular status of public institutions. They have existed in their present form since 1960 and they provide both the initial and continuing training.*

ASFO: *The training organisations (ASsociations de FOrmation) were created at the initiative of the employers' organisations. Since 1972 their mission has been the promotion of training programmes in the companies through the application of policies defined by the occupational or inter-occupational groups at their origin.*

personal initiative. Although the distinctions are clear, this specialisation is also relative.

Training subjects provide a third criterion for distinguishing among the different bodies. While some of them offer a relatively limited training supply and have little desire to diversify, others are far less exclusive. Still others concentrate this supply around a combination of limited subject areas and levels.

Thus, training courses for social integration or personal development are provided by bodies with little desire to diversify their supply. The same is true for a considerable portion of those involved with foreign languages and computer science. At the other extreme, there are a large number of bodies providing training in management, secretarial work and sales, and for them, these subject areas are neither predominant nor exclusive.

Among bodies specialised in social, cultural and sports activities or in medico-social training, some favour a limited choice of fields offered on several levels. Another group that is relatively distinct offers a limited number of fields on very few training levels. These include industrial training courses privileging the *baccalauréat* level or higher, or academic training (natural science, social science, humanities) that is mainly situated on post-*baccalauréat* levels.

DIFFERENT INSTITUTIONAL CATEGORIES OFTEN INVOLVED IN THE SAME TRAINING ACTIVITIES

Dividing the different bodies by activity according to the final levels targetted, the subjects provided and the situation of the public on the labour market brings out three relatively consistent groups.

Training Programmes Related to Socio-Economic Integration and Personal Development

A first group is made up of providers whose activities are mainly aimed at socio-economic integration or personal development. Three-quarters of their public are job-seekers, and the training programmes offered to them are not necessarily tied to a specific level. These programmes do not generally provide for accreditation. This group, which accounts for 20 percent of the bodies, includes half of the social integration organisations and those linked to local communities, as well as one-quarter of the remaining non-profit organisations. Conversely, the chamber-related bodies, those of the "company" sector and the public bodies (with the exception of the Gretas) are practically absent.

In terms of pedagogy, the institutions in this group privilege the continuous entry of new trainees and alternating training, with intensive training throughout the duration of the activity. The turnover of the bodies concerned is mainly generated through public funds and individual financing. While very few institutions undertake quality procedures based on ISO, AFNOR or OPQF norms, 28 percent indicate that they subscribe to a quality charter.[4]

Intermediate-Level Skilling Programmes

The second group corresponds to bodies training in manufacturing and tertiary fields at the *baccalauréat* level or higher (levels IV and V). This includes general training programmes, technical training in industrial processing (metallurgy, plastics), engineering and construction, but also secretarial and office work, reception, tourism and community services. Accreditation is common. More than half of the public served is unemployed; 36 percent are salaried employees and 10 percent are individuals paying for their training themselves.

This group, which accounts for nearly a third of the providers, has a varied composition including above all the AFPA centres, a majority of the Gretas, half of the chamber-related bodies and a third of the other non-profit organisations While public funds predominate in the financing of over half of these bodies, resources from companies and individuals play a significant role. The institutions of this group, like the preceding ones, privilege alternating training and continuous entry of new trainees. The quality procedure is frequent, whether through norms (18%) or charters (21%).

Continuing Training of Employees and Higher Education and Training

The third group includes nearly one-half of the bodies, and its training programmes are largely aimed at salaried employees (74%). Offered at higher levels or without regard to level, these training programmes are less likely to lead to accreditation. Alternating training and the continuous entry

4. See *In Focus*.

Survey Background

The results presented here are drawn from a survey carried out at the request of the Ministry of Labour. It is based on a sampling of 645 training bodies and the activities they carried out in 1993. The field selected is that of bodies declaring a minimum turnover of 1 million francs in 1992, a population that accounts for 80 percent of the turnover in the profession as a whole. The average polling rate is 11.6 percent of the base population.
The investigation bears on the structure of the body, the nature of its activities and characteristics of its products and the management of its human and material resources, as well as the relations maintained with the surrounding environment (clients, partners, competititors, public players, employers' organisations).
The qualitative data was collected through in-person interviews with the heads of the institutions concerned. The quantitative data was obtained through a specific questionnaire complementing these interviews.

of new trainees are also much less frequent. Such programmes are often linked to an "intra-company" training supply, and the majority of the funding comes from private sources.

However, this seeming homogeneity encompasses rather distinct realities that vary above all in the nature of the subject taught. Three sub-groups can thus be identified:

A first sub-group, where the above characteristics are extremely prominent, consists of bodies that are highly specialised in either tertiary subjects (management, business), languages or computer science. These are taught almost exclusively without regard to level, aimed at salaried employees and not leading to any accreditation. In the bodies providing such training programmes, the largest share of the turnover comes from company funds and intra-company activities. The institutions of this sub-group include many private bodies: 63 percent of those offering tertiary specialisations, 62 percent of those providing foreign-language training and 50 percent of those teaching computer science (with the other half made up of company training centres where computer science is often the main activity).
The second sub-group also manifests the general characteristics of the group as a whole. The bodies included in it provide high-level training (Levels III to I) and address a public of salaried employees. Some of these bodies are primarily involved with academic training, administration and management and tertiary training programmes. Others offer specialisations in healthcare, teaching and training. In the first instance, the training is largely provided in universities, chamber-related bodies and company organisations, as well as in non-profit organisations and one segment of the private, profit-making bodies. Intra-company activities and private funds account for a large share of their overall funding. In the second case, the training programmes are conducted above all by non-profit organisations and public and private bodies benefitting to a larger extent from individual financing. Their training programmes most often lead to accreditation.
In the third sub-group, the "generic" characteristics are less prevalent. This group includes bodies training in socio-cultural development, multivalent service specializations and industrial fields (textiles and leather-working, agronomy-agriculture). There are larger numbers of job-seekers (30 % of the public), and the training courses offered are at lower levels (V to III). The bodies operate with a less significant share of private funds or intra-company activities, owing to a larger proportion of public and individual funding. There are more alternating training activities (42 %). Training in social and cultural action is the speciality of the non-profit organisations, while the multivalent courses in the services are mainly provided by the private bodies, the other organisations and those linked to the professional branches, as well as by the other public institutions. Instruction in industrial fields is mainly provided in company structures and the other public institutions.

Beyond these forms of partial segmentation of the continuing training supply, a general observation must be made about the presence of the different institutional categories throughout the different fields of activity. Such a phenomenon can naturally be considered a factor of increased competition among training bodies. Nonetheless, the information available to us calls for prudence in terms of the reality and the forms that this competition takes. For one thing, the large majority of the bodies operate within a geographically limited market, as demonstrated by the fact that only 15 percent of them can boast of several sites established regionally or nationally. For another, the ties of dependency or privileged relations between clients and providers, notably in the case of operators training company employees, are likely to reduce competition among the bodies. And finally, the multiplicity of dimensions characterising continuing training leads to a competitive dynamic which, through a sharp differentiation of the supply, tends to limit competition based on prices.

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