

European Commission
Directorate-General for Economic and Financial Affairs
Economic Policy Committee

**Efficiency and effectiveness of public
expenditure
on tertiary education in the EU**

**ANNEX : COUNTRY FICHE
FRANCE**

**Joint Report by the Economic Policy Committee
(Quality of Public Finances)
and the Directorate-General for Economic and Financial Affairs**

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Brief characterization of the tertiary education system

1. Main features

On completion of secondary education, culminating in the baccalauréat diploma¹, students have a choice between two main education systems in France:

- The university system, open to all students who have been awarded the baccalauréat. This system does not have selective admission procedures and accounts for the majority of students.
- A more selective system of schools and institutes where admission is based on performance in a competitive entrance examination, an interview and/or the student's baccalauréat results

France, like other European countries, has implemented the Bologna process (initiated in 1998). This process has been transposed into French law by the Decree of 8 April 2002 that sets out the conditions for the creation of a European Higher Education Area (EHEA). Since 2006, higher diplomas have been structured into three levels: Degree, Masters and Doctorate (3+2+3). A system of European equivalents has also been developed via the European credit system (ECTS).

A reform of the higher education system was launched 3 years ago with the law of 10 August 2007. The implementation of the various areas of this reform will take five years. At a general level, the objective of recent reforms has been two-fold; on one hand to improve the higher education system (by reducing the level of failure at university level and improving the standard of graduate schools) and on the other hand to develop excellence in scientific research (by improving France's place in international rankings). The main action areas identified are as follows:

- Improving the pass rate at degree level
- Improving the conditions of student life
- Modernising physical working conditions at higher education institutions and universities
- Improving the careers of staff, young researchers (jeunes chercheurs) and research lecturers (enseignants chercheurs)

¹ 88% of the candidates succeed at the *baccalauréat* examination. The graduates amounts to 64% of an age group. 53% of an age group join the Tertiary Education System.

Qualitative explanation behind the main variables, in particular graduation rates, quality measures and scores for the main indicators relevant for efficiency, e.g. the scores for the Funding Rules Indicator, the Evaluation Indicator and the Staff Policy Indicator. Provide details if, for example, one dimension is particularly determinant for the score of an indicator, for example if the staff policy indicator mostly reflects the degree of autonomy of tertiary education institutions on hiring/dismissing staff, or on promoting and establishing incentives and salaries.

1/ TEACHING	France										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Academic staff per 1000 inhabitants relative to the average	2.14	1.67	1.63	1.66	1.7	1.74	1.7	1.76	:	:	:
Number of students per 1000 inhabitants	29.4	28.8	28.4	28.1	27.7	28.7	28.9	29.1	:	:	:
Number of students (graduate and post-graduate) per 1000 inhabitants	:	:	:	:	:	:	:	:	:	:	:
<i>From public institutions</i>	:	:	:	:	:	:	:	:	:	:	:
<i>From private government-dependent institutions</i>	:	:	:	:	:	:	:	:	:	:	:
<i>From private independent institutions</i>	:	:	:	:	:	:	:	:	:	:	:
Ratio of students per academic staff	13.7	17.2	17.4	16.9	16.3	16.5	17	16.5	:	:	:
Number of graduates per 1000 inhabitants	7.2	7.25	7.18	7.18	7.41	8.02	7.95	8.97	:	:	:
Ratio of graduates per 1000 academic staff	3.4	4.3	4.4	4.3	4.4	4.6	4.7	5.1	:	:	:
Standardized recruiter view indicator (graduates' employability as perceived by recruiters)	:	:	:	:	:	:	:	1.3	:	:	:
Standardized peer view country indicator (quality perceptions among peers)	:	:	:	:	:	:	:	1.75	:	:	:
PISA scores	:	:	507	:	:	:	:	:	:	:	:
Average total time spent by students in order to obtain a BA degree	:	:	:	:	:	:	:	:	:	:	:
Average total time spent by students in order to obtain a MA degree	:	:	:	:	:	:	:	:	:	:	:
Remuneration of a tenured university professor with 10 year seniority	:	:	:	:	:	:	:	:	:	:	:
2/ RESEARCH											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Publications per 1000 inhabitants	0.3	0.32	0.32	0.32	0.33	0.33	0.35	0.34	:	:	:
	1998-2002	1999-2003	2000-2004	2001-2005	2002-2006	2003-2007					
Quality of research (position in the ISI citation index)	3.67	3.84	3.92	4.21	:	:					
% of research done in cooperation with industry	:	:	:	:	:	:					

3/ EXPLANATORY FACTORS FOUND RELEVANT FOR EFFICIENCY											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Main categories of composite indicator											
Funding Rules Indicator	:	:	:	:	:	:	:	:	:	6.6	:
Evaluation Indicator	:	:	:	:	:	:	:	:	:	5.6	:
Staff Policy Indicator	:	:	:	:	:	:	:	:	:	1.8	:
4/ EXPENDITURE											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total public expenditure on tertiary education institutions as a percentage of GDP	1.01	1.01	0.99	0.97	0.97	1.16	1.17	1.15	:	:	:
Total expenditure per student (€)	:	:	:	:	:	:	:	:	:	:	:
Private expenditure on tertiary education institutions as a percentage of GDP	:	:	:	:	:	:	:	:	:	:	:
Total expenditure on education as a percentage of GDP	5.95	5.93	6.03	5.59	5.57	5.88	5.81	5.65	:	:	:
Private expenditure on education as a percentage of GDP	:	0.5	0.56	0.47	0.46	0.6	0.54	0.55	:	:	:
Funds from non-public sources as % of total income (fees, earned income, investment, other)	:	:	:	:	:	:	:	:	:	:	:
Tuition fees as average of the cost of tuition	:	:	:	:	:	:	:	:	:	:	:
Percentage of funds received by private government-dependent institutions from public sources	:	:	:	:	:	:	:	:	:	:	:
Total public expenditure on grants, loans, and other programmes to cover education and/or maintenance of students (universal programmes / by categories such as merit or socio-economic status)	:	:	:	:	:	:	:	:	:	:	:

Source: Eurostat, OECD, UOE and Member States.

2. Structure of institutions and funding arrangements

Description of institutions and funding arrangements by type of institution: (i) public, (ii) private government-dependent and (iii) private independent institutions

- Main objectives: i.e. vocational, research – whether fundamental or applied;
- Ties to regional and local authorities, to business
- Level of pedagogical, scientific, and financial autonomy
- Other goal

Higher education is carried by three different types of institutions in France: public scientific, cultural and professional institutions (EPCSCP - *Etablissements Publics à Caractère*

Scientifique, Culturel et Professionnel), public administrative institutions (EPA - Etablissements Publics à Caractère Administratif) and private institutes or graduate schools².

The variety of statuses does not necessarily correspond to the variety of courses offered: for example, an engineering course can be followed in any one of the three institutions mentioned above. At a more general level, universities are multi-disciplinary institutions while graduate schools (*écoles supérieures*) generally provide education in a single domain (science and technology, economics and management, political science).

Public scientific, cultural and professional institutions (EPCSCP)

The EPCSCPs are national higher education and research institutions whose objectives are defined in a four-year contract signed with the State.

These institutions are financed by the State, mainly by the two following methods: a general operating grant established according to national criteria based on need (assigned credits), and an allocation according to an institutional contract signed with the State (*contrat d'établissement*).

Since 2006, these institutions have been permitted to create foundations. The variety of foundations available for universities has increased (foundations for scientific cooperation, partnership foundations, university foundations), and these give universities greater flexibility in attracting private funding. Foundation donors can benefit from tax incentives. Furthermore, universities can receive donations directly from alumni or businesses (see CGI - *Code général des impôts*, article 238 bis for donations from businesses and article 200 for donations from individuals).

Fees are fixed by order of the Ministry for Higher Education and Research. They are relatively low and are raised only by small increments each year³.

It is possible to divide the EPCSCP into 5 different categories.

- There are 80 universities and 2 National Polytechnic Institutes (INP - *Instituts Nationaux Polytechniques*). Universities are under the tutelage of the Ministry for Higher Education. Generally, universities provide education in different disciplines and award degrees, masters and doctorates. They perform a large portion of National Research. They include the University Institutes of Technology (IUT - *Instituts Universitaires Technologiques*) as well as the University Institutes for Vocational

² There are also other statuses, including Public Institutions for Scientific Cooperation (EPCS - *Etablissements Publics de Coopération Scientifique*, such as the Centres for Research and Higher Education or PRES), Public Institutions for Scientific and Technical Research (EPST - *Etablissements Publics à Caractère Scientifique et Technologique*, such as the CNRS) and Public Institutions for Industry and Commerce (EPIC - *Etablissements Publics à caractère industriel et commercial*, such as the CEA or ADEME) The mission of these institutions is mainly one of research.

³ For universities, there has been a total increase of € over three years (from €162 to €171).

Training (IUP - *Instituts Universitaires Professionnalisés*). The University Institutes of Teacher Training (IUFM - *Instituts Universitaires de Formation des maîtres*) are also integrated with the Universities since 2005. These institutes train students who wish to pursue a teaching profession.

- There are also 18 higher education institutions (*grands établissements d'enseignement supérieur*) that accept students for the [second \(Masters\)](#) and [third \(Doctorate\) cycles](#). They recruit students from the preparatory classes for the *Grandes Ecoles* (CPGE - *Classes Préparatoires aux Grandes Ecoles*) based on competitive entrance examinations⁴. Some recruit exclusively based on the entrance exam, others based on the student's file. Some award standard diplomas ([masters](#), [PhD](#)), others award their own diplomas, while others do not award any diploma at all. Some do not accept students at all and concentrate solely on research⁵. These higher education establishments generally provide education in a specific domain.
- The next category are higher level institutes and schools that are not part of the university system. There are 14 such institutions⁶.
- There are also 4 *Ecoles Normales Supérieures* (ENS) that are the responsibility of the Ministry for Higher Education. The entrance exam is a recruitment exam for the civil service: students of the ENS have a status of trainee civil servants. They award PhDs, Masters and, sometimes, a diploma specific to the institution. Students receive training in research and can then pass the civil service competitive examination, known as the [agrégation](#)⁷.
- The final category comprises French schools abroad which are the responsibility of the Ministry of Higher Education⁸. They take on research students working in country-specific areas, mainly in the fields of [history](#), [archaeology](#), [languages](#).

⁴ The preparatory classes for the *Grandes Écoles* (CPGE) are part of the tertiary education system and recruit based on the results of second level education. Preparation for the competitive entrance examination generally lasts for two years.

⁵ The following are different types of *Grandes Ecoles*: The *Collège de France*, the *Conservatoire National des Arts et Métiers* (CNAM), the *Ecole Centrale des Arts et manufacture* (ECAM), the *Ecole des hautes Etudes en Sciences Sociales* (EHESS), the *Ecole Nationale de Chartes* (ENC), the *Ecole nationale supérieure des sciences de l'information et des bibliothèques* (ENSSIB), the *Ecole pratique des hautes études* (EPHE), the *Institut d'études politiques de Paris* (IEP), the *Institut physique du globe de Paris* (IPG), the *Observatoire de Paris*, the *Institut national des langues et civilisations orientales* (INALCO), the *Muséum national d'histoire naturelle* (MNHN), the *Palais de la découverte*, the *Institut national d'histoire de l'art* (INHA), the *Université de technologie en sciences des organisations et de la décision de Paris-Dauphine*, the *Ecole des hautes études en santé publique* (EHESP), the *Institut polytechnique de Grenoble*.

⁶ These institutions are the *Ecoles Centrales* in Lille, Lyon, Nantes and Marseille; the *Institut National de Sciences appliquées* (Lyon, Rennes, Toulouse, Rouen, Strasbourg), the *Université technologique* (Compiègne, Belfort-Montbéliard, Troyes).

⁷ Competitive examination to obtain the status of *professeur agrégé* in secondary education.

⁸ There are 5 such schools: [Casa de Velazquez de Madrid](#), [École française archéologie Athènes](#), [École Française d'Extrême-Orient](#), [École française de Rome](#), [Institut français d'archéologie orientale du Caire](#).

The Public Administration Institutions (EPA - *Etablissements Publics Administratifs*)

These are institutions with a more professional orientation than the EPCSCP. These establishments are placed under the responsibility of one or several ministries. Within the EPA, there are⁹:

- 17 National Graduate Schools of Engineers (*écoles nationales supérieures d'ingénieurs*) and 8 regional Institutes of Political Studies (IEP - *Institut d'études politiques*) that are attached to the Universities.
- 10 independent Public Administration Institutions, i.e. that are not attached to the Universities.

The *Ecole Nationale d'Administration* (ENA), the *Ecole nationale de la magistrature* (ENM), the *Ecole nationale supérieure des mines de Paris* (ENSM) and the *Ecole polytechnique* belong to the Public Administration Institutions.

Private graduate schools and institutes:

All private higher education institutions can benefit, on request, from State recognition. Recognition is given by ministerial decree from the Ministry of Higher Education following recommendation by the National Council of Higher Education and Research (*conseil national de l'enseignement supérieur et de la recherche*). This recognition offers the institution the possibility to benefit from State grants (of which allocation is not automatic) and guarantees the quality of teaching provided¹⁰. There are three broad categories of private higher education institutions.

- There are 13 private liberal higher education institutions (*établissements privés d'enseignement supérieur libres*) offering a general education. Five of them are Catholic Institutes (in Paris, Angers, Lille, Lyon and Toulouse). They cannot award national diplomas but they can cooperate with public scientific, cultural and professional institutions to allow their students to pass national diploma examinations.
- Private technical higher education institutions have a more professional vocation: these are graduate schools of engineering and graduate schools of business and management, there are currently 44 private graduate schools of engineering and 24 private graduate schools of business.
- Private secondary schools with special technology departments (STS - *sections de techniciens supérieurs*) and preparatory classes for the *Grandes Ecoles* (C.P.G.E) are bound by the rules governing secondary education institutions; they can sign an

⁹ Data from November 2007.

¹⁰ Recognition is awarded based on the type of education provided, the facilities, legal status and financial situation.

association contract with the State, or they can choose to operate without a State contract.

In 2006, 58 private higher education institutions were funded by the Ministry for Higher Education, of which 13 were liberal higher education institutions, 32 were private graduate schools of engineering and 13 were private graduate schools of management. Private higher level education remains low in France (less than 15% according to the number of students and 30% according to the number of HEIs).

The split of the students between different types of tertiary education tracks is as follows (in % of all students):

University : 55% ;

Vocational and paramedical tracks : 31% ;

« Classes Préparatoires » and « Grandes Ecoles » : 14%

The table below shows no gap between the students with the highest University diplomas (master or doctorate) and the students with « Grandes Ecoles » diplomas if we consider the share of these students who belong to the categories « executive, teachers or company heads». However, it seems that this approach is too rough. A split between top rank « Grandes Ecoles » and second rank « Grandes Ecoles » would probably show a gap between the professional status of the graduated students from the top rank « Grandes Ecoles » and these of the graduated from the University, in favour of the former.

03 Professions supérieures et chefs d'entreprise en proportion des emplois (année 2007)		
	France métropolitaine	
	Environ 5 ans après la fin des études	Ensemble population occupant un emploi
	en %	en %
Doctorat, DEA, DESS	75	79
Écoles supérieures	72	76
Maîtrise	38	51
Licence	14	29
Sous-total enseignement supérieur long	52	60
DUT	14	31
BTS	5	18
Paramédical et social	0	4
Sous-total enseignement supérieur court	6	18
Diplômés du supérieur	31	40
Diplômés du secondaire	3	7
Aucun diplôme	0	4
Ensemble	16,6	16,1

Source : calculs DEPP à partir des enquêtes emploi de 2007 de l'INSEE (moyenne annuelle).

3. Governance and regulatory framework

- The Universities Freedom and Responsibility Act of 10 August 2007 gives "expanded responsibilities" to the universities and changes the way in which they are organised. The expanded responsibilities concern budget management (Article 50) and human resource management, and offer institutions the possibility to own and manage their own property. The main points of the 2007 law are as follows:
- The governance of the university is organised mainly around the President and the administrative board. The administrative board has 20 to 30 members and has strong representation from outside the university. Research lecturers and employees of equivalent grade remain generally in the majority. The powers of the administrative board are strengthened in relation to the scientific council (*conseil scientifique*).
- Research lecturers are hired via a selection committee of which at least half of the members are from outside the university, the majority of whom are specialists in the domain. The university president can also directly hire teaching and research staff (contract staff as opposed to civil servants), including candidates from abroad, at attractive salaries. He/she may award bonuses to staff and has a veto on recruitment.
- The law offers universities greater autonomy by giving them both new budgetary responsibilities – they now have a global budget that includes the wage bill – as well as new HR management responsibilities. The basic salary of lecturers is provided by the State and the multi-year establishment contract sets the maximum payroll percentage that the institution can allocate to the recruitment of contract staff. An increase in budgetary autonomy can also come from the creation of foundations (see the following point).
- The new law aims to reinforce private investment in higher education by giving tax incentives for private donations and giving universities the possibility to create foundations. These foundations have budgetary autonomy, but they relate to an activity of general interest in conformance with the public service mission of higher education.
- The state can also transfer full ownership of their property to universities, allowing them to rent out their property on condition that this activity does not affect their public service mission.
- These provisions have not yet been applied in full, the law provides for the move to a more autonomous state within 5 years.

On a general level, other EPCSCPs and EPAs carrying out missions of higher education and research, can also request to benefit from increased autonomy under certain conditions (they must provide courses leading to the award of a diploma at masters or PhD level and have a doctorate school or at least one research unit recognised by the State, or be associated with one that has been recognised by the State).

4. System's strengths and weaknesses

1) The pass rate in higher level education is generally high. France has performed particularly well in the areas of scientific education and the development of short higher education courses.

79% of students enrolling in higher level education are awarded a diploma as opposed to an average of 69% in OECD countries. France is also one of the countries where short higher education courses are the most highly developed (19.3% of one generation). France is also one of the OECD countries that has the highest number of scientific diplomas per capita in the 25-34 age bracket¹¹.

2) Insufficient funding for higher education

With an average spend of \$11,568 per student in 2005 (source OECD), France invests slightly less in higher education than other countries in the OECD, notably Germany (\$13,016), United Kingdom (\$15,447), Sweden (\$16,991) and the United States (\$25,109)

3) Assessing educational quality

Faced with the finding of insufficient evaluation of higher education, efforts have been made under the Bologna process (cf. infra) and have resulted in the creation of the Agency for the Evaluation of Research and Higher Education Institutions (*Agence d'Evaluation de la Recherche et de l'Enseignement Supérieur* – AERES).

4) University education, especially at doctorate level, is less attractive

The Ministry for Research has predicted a more than 30% drop in the number of PhDs awarded by 2017.¹² The number of PhD students will decrease from 70,000 in 2007 to 47,500 in 2017, the result of demographic change (through 2012) and a steepening decline in enrolments in higher education, particularly in universities. This decrease particularly affects scientific disciplines within universities, medical tracks excepted. In order to encourage students to enrol in PhD courses, a number of initiatives have been taken recently, consisting mainly of involving graduate engineering schools in research activity (in particular within the centres of research and of higher education (PRES).

5) Student orientation/pass rate at Bachelors degree level

Despite the overall positive result, the failure rate at universities is relatively high. Indeed, as a result of errors in student orientation after the *baccalauréat* and insufficient coaching at university level, one out of two students fails their first year and 20% of the students leave university without a degree. Measures have been put in place to reduce this waste of resources (cf. infra question II.6)

6) Incentive systems for research lecturers

Research lecturer pay levels, as for all civil servants, are set by the State, in this case by the Ministry for Higher Education. Their pay consists of a basic salary to which various benefits are added: research and higher education allowances, research and doctoral supervision

¹¹ Source Education et Formation no. 78

¹² Information note n°08-32 from the Ministry of Higher Education and Research "Forecast of the number of students in higher education for the academic years 2008 and 2017"

allowances, administrative allowances and a teaching allowance. 10% of pay is traditionally made up of benefits (allowances + overtime). This centralised system of pay is currently undergoing some changes.

Since the Universities Freedom and Responsibility Act of 2007, the research and doctoral supervision allowance has been replaced by an excellence bonus, to be granted by the President and administrative board. In awarding it, the universities are able to demonstrate their increased autonomy in relation to the remuneration of research lecturers.

Furthermore, Decree no. 2009-460 of 23 April 2009 establishing the common statutory provisions applicable to research lecturers, allocates half of the responsibility for the promotion selection process to the national body (the National Council of Universities - *le Conseil national des universités*).

Regarding research incentives, recent provisions (Decree no. 2009-460) have established evaluation systems for research lecturers every four years. This reform also allows research lecturers who publish less frequently, the possibility of reducing their research responsibilities in favour of teaching.

Explanatory factors for efficiency

1. Staff Policy

1.1. Hiring/Firing

In 2008-2009, 91,300 people were teaching in public higher education institutions, of which 8 out of 10 were in universities (with the exception of University Institutes of Technology - IUT and University Institutes of Teacher Training - IUFM).

There are 3 different types of teaching staff in third level education with quite different recruitment and management procedures¹³ :

- Tenured research lecturers (20.9% are university professors, 38.6% are teachers and lecturers)
- Permanent teachers at secondary level (15.8%)
- Non-permanent teachers (temporary teaching and research staff or ATER - *Attachés temporaires d'enseignement et de recherche* and instructors 16.3%)¹⁴.

Recruitment procedures are more or less formal depending on employment type, permanent or contract.

¹³ There is another category, assistants, who may or may not hold degrees, but this is a group that is gradually disappearing.

¹⁴ Cf. table in Annexe and points 8.1.4 and 8.1.5 "Organisation of the Education System in France" in Eurybase.

1) Tenured research lecturers are civil servants and are therefore governed by statutory provisions in relation to recruitment (qualification / competitive entrance examination)¹⁵.

For **university professors and lecturers**, the process for acquiring teaching duties is divided into two stages: qualification and recruitment.

- **Applications for qualification** are assessed by the relevant section of the National Council of Universities. The qualification lists of university lecturers and professors are published in an official journal. They are valid for a period of four years. Candidates for a position of lecturer must hold a PhD¹⁶ and candidates for the position of university professor must be able to demonstrate that they have experience both in teaching and research¹⁷. Candidates who do not have French nationality may attempt the competitive entrance examination. Holders of equivalent foreign qualifications may be exempt from sitting the entrance examination by the National Council of Universities.
- Once included in the qualification list, candidates may apply directly for new or vacant positions in higher education institutions. Applications are reviewed by selection committees made up of research lecturers¹⁸. Members of the committee (of whom half must be from outside the institution) are proposed by the president and nominated by a subset of the administrative board, including research lecturers and employees of equivalent grade. Members are selected according to their qualifications (for the most part, they are specialists in the discipline in question) and based on the opinion of the scientific council.¹⁹

There is a specific recruitment process for professors in legal, economic, political and management disciplines. University professors are recruited either through national competitive examinations (*agrégation*)²⁰, or by a competitive selection process open to

¹⁵ With reference to law n° 84-52 of 26 January 1984 on higher education, the status of research lecturers is defined by Decree n° 84-431 of 6 June 1984, establishing the common statutory provisions applicable to research lecturers. Following on from the Universities Freedom and Responsibility Act 2007-1199 of 10 August 2007, amendments have recently been brought about by Decree n° 2008-333 of 10 April 2008 relating to selection committees for research lecturers and Decree n° 2009-460 of 23 April 2009.

¹⁶ They must have a PhD or Habilitation (*habilitation à diriger des recherches*). Equivalent qualifications may allow the candidate to compete (membership of a research body, or having a position as a full-time associate teacher, for example).

¹⁷ They must also fulfil one of the four following conditions: have earned habilitation status; have five years experience within the past 8 years, excluding teaching or research activities in Public Institutions for Scientific and Technical Research; be a full-time associate teacher; be seconded to the body of university professors; belong to a research body at university professor level.

¹⁸ Cf. Decree n° 2008-333 of 10 April 2008 that, effective 11 August 2008 abolishes the specialist commissions established by Decree n° 88-146 of 15 February 1988.

¹⁹ A common selection committee across several higher education institutions can be established, especially in the case of a Centre for Research and Higher Education (PRES)

²⁰ Two national competitive examinations (*concours nationaux d'agrégation*) are organised periodically for the legal, political, economic and management disciplines. An external *agrégation*, open to candidates with a PhD and an internal *agrégation*, reserved for lecturers at least 40 years of age with 10 years experience in a higher education institution. After the examination, successful candidates (or *agrégés*) are appointed based on their rank.

lecturers, depending on their experience. Lecturers must have obtained the qualifications mentioned above; in addition, by 1 January of the year of application, they must have completed ten years of service in a higher education institution, of which five years must be as a lecturer.

Lecturers who pass the examination are nominated as trainees for a period of one year by order of the Ministry of Higher Education. After this period, trainee lecturers are either tenured, are retained as trainees for a further year, are reintegrated back into their original professions, or their employment is terminated and they no longer have the status of civil servant.

2) Tenured secondary teachers can be appointed to higher education

Their recruitment is also governed by statutory provisions (most often by competitive examinations or *agrégation*). This category is essentially composed of tenured staff that do not belong to the category of research lecturer. They are appointed by their ministry to the Ministry of Higher Education.

3) In addition to tenured research lecturers, it is also possible to hire temporary teaching staff on short term contracts, for whom the conditions of employment and dismissal are more straightforward.

The recruitment of temporary teaching staff is the responsibility of the presidents and directors of the higher education institutions. The main contract types are as follows:

- **Associate research lecturers** have the same responsibilities as lecturers or university professors. They are appointed by the relevant competent authority responsible for the appointment of tenured staff in the same category. The appointment of full-time associate teachers is made for a period of three years. In order to be appointed a full-time associate teacher, candidates must have professional experience other than teaching or research (seven years experience to be appointed an associate lecturer, nine years to be appointed an associate professor), or have a PhD or equivalent university qualification and be teaching or performing research abroad. The conditions for appointment as a part time associate are more flexible than for a full-time position²¹.
- **Temporary teaching and research staff** (ATER - *Attachés temporaires d'enseignement et de recherche*) are appointed by the university president or the director of the institution. They are given a fixed term contract that must not exceed two years. Candidates are students in the final year of their thesis or new PhD graduates²².
- **Moniteurs or teaching fellows** are recruited from students who have been awarded a research grant and who wish to eventually become a research lecturer. The maximum contract duration is three years²³.

²¹ Associate teachers are governed by Decrees n° 85-733 of 17 July 1985 and n° 91-267 of 6 March 1991

²² The legislative framework of their status is defined in Decree n°88-654 of 7 May 1988.

²³ The status of *moniteurs* or teaching fellows is governed by Decree n° 89-794 of 30 October 1989

- **Foreign Language Teaching Assistants** (*lecteurs and maîtres de langues étrangères*) are recruited for one or two years by higher education institutions²⁴.
- **Temporary relief teaching staff** (*chargés d'enseignement vacataires*) can teach classes, tutorials or practical work. These individuals carry out a professional activity in addition to the activity of temporary teaching and are chosen for their qualifications in the scientific or professional domains. They provide a teaching replacement for vacations, either occasional or regular and are remunerated based on the statutory rates in force.
- **Temporary relief contract staff** (*agents temporaires vacataires*) are students younger than 28 years on 1 September of the academic year, who are enrolled in a third level degree course.

4) Sanctions for tenured research lecturers, including dismissal, are subject to statutory provisions

- The first possible type of dismissal for research lecturers with civil servant status affects lecturers who cannot be tenured at the end of their training period. The president or director of the institution conveys the opinion of the scientific council. An unfavourable decision by the scientific council is communicated to the temporary lecturers who can then refer the decision to the administrative board who hears the request.
- Disciplinary sanctions can be taken against research lecturers and members of the higher education teaching bodies, throughout their careers. In addition to the strongest sanctions of dismissal and compulsory retirement, there are a number of sanctions that can be taken to limit career progression²⁵. Individuals against whom sanctions have been taken may also be prohibited from exercising any functions in a private or public institution, either for a limited duration, or permanently.

1.2. Wages

The remuneration of tenured teaching staff falls within the civil service salary scales. Remuneration consists of a basic salary that increases with the move from one class to another, and each class is divided into grades. Individuals may choose move from one class to another. However, progression from one grade to another happens automatically based on years of service, with the exception of the professor class. Bonuses based on seniority can be awarded to lecturers who are mobile.

In addition to the basic salary, teaching staff are awarded the following:

²⁴ The status of foreign language teaching assistants is governed by Decree n° 87-754 of 14 September 1987

²⁵ There are a number of other stages before reaching this degree of sanction, such as reprimand; a delay in grade advancement for a maximum of two years; demotion; a ban on changing class, grade or teaching body for a maximum of two years; a ban on carrying out some or any teaching or research duties within the institution, or in any public higher education institution for a maximum of five years, with a loss of half or full pay.

- A **research and higher education bonus**, awarded to all research lecturers in a higher education institution.
- They may also benefit from one of the following allowances:
- A **doctorate and research bonus** (from now on called “scientific excellence bonus”²⁶) awarded by the ministry based on advice from a group of experts, if the teacher commits to undertake research or perform research supervision for a period of 4 years.
- An **administrative bonus** if the teacher carries out administrative tasks within the institution. The amount varies depending on the nature of the tasks carried out.
- A **teaching bonus**, if the teacher carries out specific teaching functions in addition to teaching students. The amount varies depending on the nature of the tasks carried out.

Research lecturers can also be paid for teaching activities carried out in addition to their statutory obligations.

There is also additional possible remuneration linked to research, copyright and the provision of consultancy or expertise.

The Universities Freedom and Responsibility Act of 10 August 2007 (LRU) establishes the framework for greater budgetary autonomy, especially in relation to the creation of foundations, empowered to obtain funding for the universities (cf. answers to points I.4 et I.3).

2. Output flexibility

2.1. Course content and exams

The public higher education system

The choice to favour national diplomas over university-specific diplomas obliges study programmes to be uniform to a certain degree. However, since the Universities Freedom and Responsibility Act establishing higher education objectives in relation to "orientation and employability", higher level institutions are encouraged to adapt the content of their study programmes to the socio-economic environment.

The decree of 23 April 2002 relating to first cycle university studies leading to a *licence* or bachelors degree, divides the academic programme into six semesters, structured into domains and in the form of initial and continuing education. The teaching programme includes theory, methodology, practical and applied teaching methods in varying degrees, depending on the

²⁶ The « scientific excellence bonus » can range from €3 500 to €15 000 (€25 000 for a teacher-researcher with international distinction) when the « doctorate and research bonus » could only range from €3 500 to €6 500).

course. Depending on the course objectives, and while still ensuring that the students acquire a general cultural education, the teaching programme may include internships, apprenticeships, individual or collective projects and one or more periods of work placement. The equal opportunities law of 31 March 2006 provides for compulsory work placement. The "Charter for Student Work Placements" (*charte des stages étudiants en entreprise*) provides clarification on the role of the higher education institution, the company and the student in relation to work placements.

While at the same time respecting the principles of the charter, each education institution creates a policy on work placement that is subject to evaluation as part of the contract between the State and the institution.

In addition, study programmes integrate the learning of academic working methods with that of information resources. The courses are organised into a combination of mandatory study modules (UE - *unités d'enseignement*) that can be selected by the student, and optional teaching modules, where applicable. The study programmes also offer foreign language and computer skills courses, as appropriate.

In order to achieve educational consistency, universities define the rules of progression for the courses they offer, as well as the conditions under which students can follow the various modules offered. This organisation allows for student reorientation by linking common modules within different disciplines.

Study programmes may begin with an orientation semester. This semester allows the student to discover the university and the subject chosen, and also to confirm the suitability of their choice, allowing them to change course without having to repeat the year.

The decree of 23 April 2003 establishes a number of principles guaranteeing student rights in relation to the assessment of knowledge and skills. The main knowledge assessment methods are as follows: compensation, capitalisation, the ratio between teaching modules and the organisation of two knowledge assessments.

The private higher education system

All private higher education institutions can benefit from **State recognition** that includes a quality seal of approval awarded by the State to graduate schools that bring positive competition to the civil service and provide a high standard of education. The criteria for obtaining recognition are as follows:

- Education: objectives and duration, conditions and level of admission, hours and teaching programmes, teaching methods, composition and quality of teaching staff
- Facilities (campus, equipment)
- Legal status (association, civil law partnership)

- Financial situation (source and employment of resources)

Recognition is given by order of the Minister for Higher Education following recommendation by the National Council of Higher Education and Research (*conseil national de l'enseignement supérieur et de la recherche*). Recognition allows institutions to receive State grants, employ civil service teachers via secondment and allows their students to apply for State scholarships and grants. Recognised institutions may be inspected by the State. The appointment of the director and teaching staff is subject to approval by the head of the relevant education authority (*recteur de l'académie*).

The authorisation to issue diplomas with an "official stamp" can be awarded by order of the Minister for Higher Education responsible for the institution. The criteria are the same as for State recognition but higher demands are made on the standard and quality of teaching.

2.2. Offer of short studies and other diversified studies

As part of the harmonisation of the European higher level teaching curriculum, the French university curriculum is now organised around three diplomas: the *licence* or bachelors degree, masters and doctorate, with a standard duration of 3, 5 and 8 years, respectively. This new organisation, known in France as LMD (*license, master, doctorat*), allows for greater student mobility within Europe, both within disciplines and within professional and general education systems.

Since 2006, 100% of French universities and *grandes écoles* have adopted this structure with the exception of medical institutions for which integration into this new European structure is still under discussion.

The French system includes a new diploma, the *licence* or bachelors degree that is studied for over 6 semesters. The bachelors degree replaces the old *diplôme d'études universitaires générales* (DEUG), obtained after 2 years, followed by the *licence* after a further year of study. On the other hand, the advanced technician certificate (BTS - *brevets de technicien supérieurs*), the university diploma in technology (DUT - *diplômes universitaires de technologie*), and the university diploma in science and technology (DEUST - *diplômes d'études universitaires scientifiques et techniques*) are completed after four semesters.

However, students who have completed the first four semesters of a bachelors degree course and have accumulated 120 credits may request that a D.E.U.G be conferred upon them.

Students who have obtained a BTS, DUT or DEUST or who have completed the first four semesters of a bachelors degree course may request to transfer to a professional degree course. This transfer requires the student to complete two additional semesters.

In addition to general and technical short courses, there is a two- to four-year paramedic course.

2.3. Student choice

(See point 2.1)

In relation to distance learning, in addition to the numerous courses offered by the private sector, the Multimedia Resource and Information Centre for Higher Education (CERIMES - *Centre de Ressources et d'Information sur les Multimédias pour l'Enseignement Supérieur*) - under the responsibility of the Ministry for Higher Education and Research, publishes the online catalogue *Formasup* that groups together about 2,500 courses proposed by partner institutions. These courses can be:

- Taught, i.e. organised and supervised by teachers
- Distance learning, in whole or in part
- Offered by public institutions in all *académies*: universities, graduate schools or institutes, National Distance Learning Centre (CNED - *Centre national d'enseignement à distance*), the National Conservatory of Arts and Crafts (CNAM - *Conservatoire national des arts et métiers*), and the National Agricultural Distance Learning Centre (CNPR - *Centre National de Promotion Rurale*)

The provision of continuing education is a legal obligation since 1971. The goal of continuing education is to provide an education to acquire, strengthen or improve professional skills for employees or job seekers. Continuing education was reformed by the law of 4 May 2004 with the implementation of a customised employee training programme (DIF - *droit individuel à la formation*) that allows salaried workers 20 hours of training annually. Hours may be accumulated over six years and are transferable in the event of redundancy.

In 2007, State spending on continuing education and apprenticeship represented 1.5% of GDP (this figure includes the cost of providing education as well as students' salaries) and benefited 10.8 million trainees. Study programmes are supported by the private and not-for-profit sectors (94% of organisations). However, although in the minority, public sector and semi-state bodies proportionally manage more work placements than the private sector (19% of trainees and 31% of work hours).

The Continuing Education department is 50% focused on work placements in secondary education institutions (via GRETA - *GRoupements d'ETAblishements*) and 50% on work placements in higher education institutions (universities, *grandes écoles*, CNAM and other public institutions).

In relation to access to higher education, a diploma for access to higher-level studies (DAEU - *diplôme d'accès aux études universitaires*) has been in place since 1957, which allows holders

to enrol in a university without having obtained the *baccalauréat*. Furthermore, since 1985 and reinforced by the decree of 1993, it is possible to evaluate professional experience, allowing the delivery of teaching modules based on professional experience. Thus, in 2007, continuing education at a higher level accommodated approximately 454,000 trainees offering work placements of an average duration of 127 hours.

Continuing education within the national education system in 2007

	Amount (€ millions)	Number of trainees (thousands)
GRETA (*)	401.4	456.5
Higher Education	321.8	454.2
of which universities and grandes écoles	222.6	360.9
of which CNAM (**)	99.2	93.3
Total	723.2	910.7

(*) secondary education centres (*Groupements d'établissements de l'enseignement secondaire*)

(**) National conservatory of arts and crafts (*Conservatoire national des arts et métiers*) - main public organisation of continuing education

In relation to the admission of graduates in one discipline to courses in another discipline, there are equivalent qualifications depending on the institution and the disciplines in question.

2.4. Numerus clausus

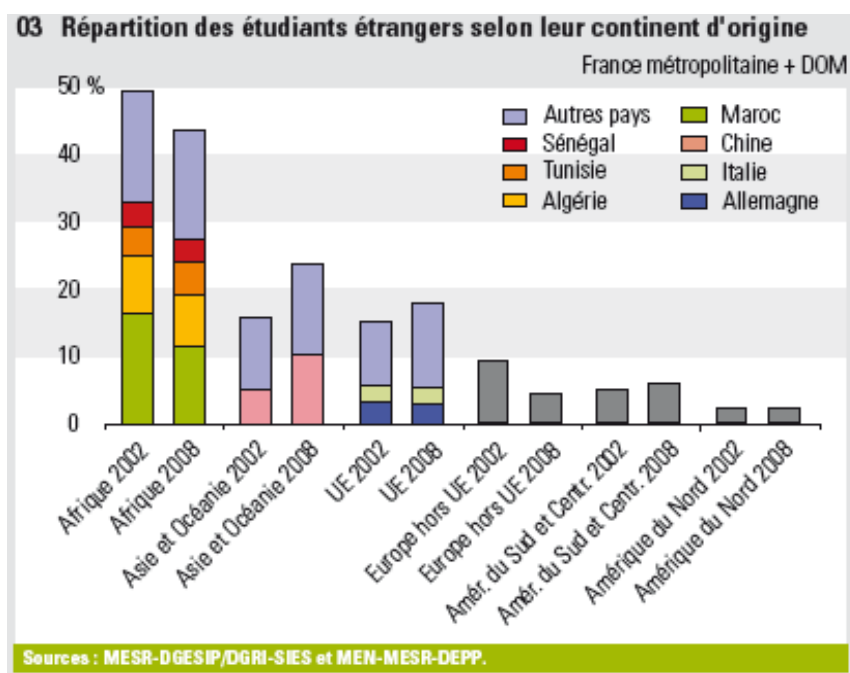
The principle of *numerus clausus* exists for the medical and paramedical professions. The number is fixed at a national level and is distributed across the regions. In addition, the preparatory classes for the *grandes écoles* (scientific, economic, commercial and literary disciplines), and the public and private graduate schools who recruit based on the competitive entrance examination, are highly selective.

2.5. Regional/ European/ global mobility

The move towards the harmonised European higher-level education system (LMD) with teaching modules grouped into semesters has facilitated changes in student orientation. Hitherto only possible at the beginning or end of the academic year, it is now possible for students to change orientation during the first undergraduate year (up until the exams in February of the same academic year). However, this theoretical option is only realistically achievable across similar disciplines. In 2010, this option will be operational in just 15 universities.

The share of foreign students has increased by 75% between 1998 and 2008, till to 11.9% of the total of students (compared to 7.1% en 1998). The share of Africa as country of origin is reducing for the benefit of Asia (mainly China and Vietnam) and of the EU.

The share of foreign students enrolled at the University amounts at 77% (in general and medical tracks). The share of those enrolled in “Classes Préparatoires aux Grandes écoles » does not exceed 1%.



Foreign students who do not have the *baccalauréat* (the only element that allows the supposition that students have not completed their secondary education in France) increased to 78.8% in 2008-2009. This percentage increases with the level of the study programme: 71.1% at bachelors degree level, 83.9% at masters level and 87.3% at doctorate level, giving an average of 78.8% (78.5% for EU nationals).

Breakdown of foreign students in universities by origin and degree course (*)

	Degree curriculum (%)	% of which do not hold baccalauréat	Masters curriculum (%)	% of which do not hold baccalauréat	Doctorate curriculum (%)	% of which do not hold baccalauréat	Total (%)	% of which do not hold baccalauréat
EU	19.1%	71.1%	16.6%	83.9%	17.5%	88.2%	17.8%	78.5%
Europe (outside EU)	5.8%	73.6%	4.1%	84.0%	4.0%	89.6%	4.8%	79.2%
Africa	45.6%	63.9%	49.7%	80.6%	40.2%	83.5%	46.7%	73.8%
Americas	7.6%	72.4%	7.8%	87.1%	9.5%	90.9%	7.9%	81.6%
Asia	21.6%	85.3%	21.6%	90.5%	28.6%	90.7%	22.5%	88.3%
Oceania	0.2%	84.1%	0.1%	83.3%	0.1%	91.7%	0.2%	84.7%
unknown	0.1%	33.0%	0.1%	50.0%	0.0%	72.7%	0.1%	41.7%
Total	100.0%	71.1%	100.0%	83.9%	100.0%	87.3%	100.0%	78.8%

(*) excluding foreign students enrolled in University Institutes of teacher training, that consist of 76% from EU countries, the only students authorised to take the competitive teaching examination in public institutions.

In real terms, EU nationals represent 17.8% of the total number of foreign students in French universities. If we add EU nationals that are studying at University Institutes of Teacher Training, the number increases to 18%.

As there is no legal equivalence between foreign and French diplomas, the ENIC-NARIC networks provide information on the recognition of foreign diplomas in France and provide certification of levels of study achieved, allowing for the recognition of the level of qualification obtained.

This information centre on the academic recognition of periods of study and diplomas (ENIC-NARIC) consists of two networks:

- NARIC (National Academic Recognition Information Centres): created in 1984 with the establishment of the EU programmes ERASMUS and SOCRATES, it has a partnership with each regional authority and provides certification of the level of study attained by foreigners, provides information on education systems and the procedures to practice a regulated profession, within the framework of the Bologna process that aims to develop student mobility within Europe.
- ENIC (European Network of Information Centres): established by UNESCO and the Council of Europe in 1997, the network was created following the same principles as NARIC. The aim is to create a network of contact points in European countries with the ability to provide information on local higher education legislation (recognition, quality assurance, LMD, ECTS, diploma supplements and professional experience or VAE – *Validation des Acquis de l'Expérience*), statistics and a system for awarding national diplomas.

In relation to the recognition of professional experience, the EU Commission adopted 2 Directives (EC 89/48 and EC 92/51) implementing a general system for the recognition of diplomas. These directives permit any qualified individual to obtain recognition of their professional qualifications obtained in their own country, with the objective of practising their profession in another Member State.

If the profession is not subject to regulation in the host Member State, the assessment of the diploma and professional qualification is the responsibility of the employer.

In relation to academic recognition, higher education institutions are autonomous in the decision-making process relating to admissions.

Students can pursue studies in another Member State either independently or as part of an organised exchange programme (SOCRATES or LEONARDO programmes for example), for which diploma credits come into play.

These diploma credits accumulated by the student are part of the ECTS European Credit Transfer System that allows credits to be assigned to all elements of a study programme. The

definition of credits at a higher education level is based on factors such as the student's workload, the number of hours of classes taken and the education objectives.

3. Evaluation

3.1. Institutional evaluation

A measure attempting to reform the evaluation system of institutions has been undertaken as part of the Research Pact (*Pacte pour la recherche*), the objectives of which consist of creating a unified, coherent and transparent evaluation system for research.

Thus, the multiyear estimates act for research of 18 April 2006 led to the creation of the Agency for the Evaluation of Research and Higher Education Institutions (AERES), an independent institution with responsibility for the evaluation of research and higher education activities. The organisation and operations of this independent administrative authority are based on international best practices and guarantee transparency in their evaluation activities²⁷.

Evaluations are led by a team that, in 2008, numbered 95 scientific delegates (70 teachers, 25 researchers), distributed equally over the scientific domains.

In order to clearly situate the activities of AERES in a European and International context, the development of a quality initiative has allowed the engagement of an external evaluation process necessary for recognition by European quality management authorities (ENQA - European Association for Quality Assurance in Higher Education and EQAR - European Quality Assurance Register for Higher Education)

Evaluation results are published²⁸.

The evaluation methods that AERES employs are based on recommended European guidelines as established in the 2005 Bergen declaration made by the Ministers for Higher Education of the countries adhering to the Bologna process (including France).

Evaluations conducted by AERES that cover institutions²⁹, faculties and researchers, should allow for the optimisation of human and financial resources (cf. point 3 of the reply to question II.6.1). Research evaluations cover four criteria: scientific quality and production; influence and attractiveness; strategy; governance and laboratory conditions; evaluation of the project.

²⁷ The activities of this authority are defined by decree n°2006-1334 of 3 November 2006.

²⁸ Reports are available on the AERES website <http://www.aeres-evaluation.fr/>

²⁹ Including University, « Grandes Ecoles » and Research Centers.

Since 2009, research activity carried out by research lecturers has been assessed as part of an evaluation of the entire range of activities performed by the research lecturer: "Each research lecturer must establish, at least once every four years, and every time he/she is candidate for a promotion, a report detailing their portfolio of activities and any possible developments therein"³⁰. The report provides the basis for the evaluation of the research lecturer, carried out every four years. Institutions take into consideration the evaluated activities for compensation and promotion purposes.

4. Funding rules

4.1. Public funding

Public scientific, cultural and professional institutions (EPCSCP) have a number of different resources at their disposal to allow them to fulfil their missions:

- Facilities, human resources and credits assigned to them by the State
- Financial resources from the sale of assets, legacies, donations and foundations, remuneration for services rendered, intellectual property rights, fund assistance, the participation of employers in the financing of undergraduate technology and professional training and various grants and subsidies
- Grants for equipment or regional, departmental and communal operating grants
- Fees paid by students and auditors

More precisely, the State, via the Minister for Higher Education (following consultation with the National Council of Higher Education and Research - *Conseil national de l'enseignement supérieur et de la recherche*) distributes funding across academic, research and scientific and technical information activities who are able to benefit from operating subsidies and grants for equipment³¹.

Since 2009 a new method of fund allocation has been established that introduces a quality criterion in the allocation of funds across institutions (cf. answer to question II.6.1)

4.2. Impact of quality assessments on funding

The recent establishment of the Agency for the Evaluation of Research and Higher Education Institutions (AERES) and the creation of "audit guides" for use by auditors from the General

³⁰ Decree n° 2009-460 of 23 April 2009

³¹ Each public scientific, cultural and professional institution votes on their budget that must be balanced, and appropriately publicised. A table of budget allocations and documents detailing all off-budget resources from which the institution benefits is published in an appendix to the budget. The financial accounts of the previous year are published each year by the institution after approval by the board. (cf art L719-5 of the Education Code - *code de l'éducation*).

Inspectorate of Administration for Education and Research (IGAENR - *l'inspection générale de l'administration de l'éducation nationale et de la recherche*) who conduct audits within the universities, should bring about an improvement in governance and increased correlation between funding and performance. These evaluation tasks should also help to attract private funding in addition to the significant funding provided by the government³², under the reform of higher education that will take place during the five year period from 2007 to 2012, mainly as a result of the law of 10 August 2007 (see further information in the response to points II.3.1 et II.6.1)

4.3. Private funding

Enrolment fees vary greatly depending on the type of institution.

At **universities**, fees are relatively low and are fixed by curriculum (about €170 for a bachelors degree, €220 for a masters and €330 for a doctorate. Engineering and various paramedical courses have specific enrolment fees. In order to study for an engineering diploma, annual tuition fees in higher education institutions under the responsibility of the Ministry of Higher Education are fixed at approximately €500.

The system allows for tuition fees to be paid by semester. A system of social support accompanies this method. Certain structures request additional charges (known as specific rights or *droits spécifiques*). These rights are established by the administrative board of the institution. For the most part, they vary between €10 and €30. The cost can increase to €100 for certain benefits, such as unlimited access to computers. These supplements include preventative medicine fees, sport and cultural activities and handouts.

None of the measures contained in the Universities Freedom and Responsibility Act covers enrolment fees. Enrolment fees are the responsibility of the State and continue to be set by order of the Minister for Higher Education and Research, although there is some discussion around the possibility of providing contingent loans to students in exchange for an increase in enrolment fees.

For **grandes écoles** that are under the responsibility of a ministry, enrolment fees vary depending on the diploma but they do not differ greatly from those set by the universities. In some cases (Ecole Polytechnique, Ecoles normales supérieures, Ecole nationale d'administration, etc.), students are paid but in return, they must commit to working for ten years in the civil service or refund the tuition fees on a pro-rata basis.

Enrolment fees are much higher in **private higher education**:

³² The "protocol framework" of 28 November 2007 with a view to creating a national contract for the success of universities, signed by the Prime Minister, the Minister for Higher Education and the first Vice President of the Conference of University Presidents, guarantees the increase of university budgets by 50% over five years, or €1 billion per year.

In private engineering graduate schools, annual fees vary between €1,500 and €6,000, depending on the school. The majority of these schools offer a curriculum of two or three years;

In **private business graduate schools**, annual enrolment fees vary between €5,500 and €7,000. In order to avoid penalising students from families with modest incomes, graduate schools of engineering or business often offer schemes of reduced fees or of delayed or phased payment of fees. State recognition allows the institution to accept students on state scholarships. In addition, certain schools offer grants or unsecured internal loans (repayable ten years after studies are completed for example) and provide activities for the students in return.

Students in France benefit from many different forms of financial aid such as grants, accommodation and food subsidies, and other financial aid. Since 2001, the percentage of students receiving aid in higher education has been stable at 30%. Public funds aimed at subsidising student life are low in France compared with other OECD countries. In France, funds represent 8% of the national spend on higher education as opposed to 18% in Germany, 24% in the United Kingdom, 27% in Sweden and 41% in Norway.

Faced with this finding, in September 2007 the Minister for Higher Education presented a "new structure for financing student life". This new system, developed as part of the review of the "conditions of student life", aims to correct the injustices and shortcomings of the actual system and to establish a better recognition of merit and the international mobility of students.

In relation to **accommodation**, public funding is provided via the network of social services at university and graduate school level. Several housing arrangements in university residences are proposed.

Foreign students receiving grants from the French government (BGF) or from foreign governments (BGE) in developing countries are considered a priority for the allocation of accommodation, managed by regional student services centres (CROUS - Centre Régional des Oeuvres Universitaires et Scolaires) - 20% of foreign students benefit from this type of accommodation.

In relation to food, all foreign students, whether in receipt of grants or not, have the same rights as French students in relation to access to university restaurants, managed by CROUS or the social services.

A **reform of the system for awarding grants** is underway. A number of measures came into effect in January 2008, of which one is the creation of a new grant system based on social criteria for the 100,000 disadvantaged students in receipt of grants.

The reform came into effect at the start of the academic year in 2008 and aims to simplify the grant allocation system. The main measures taken are as follows:

- the extension of the grant scheme to 50,000 additional students based on social criteria
- the creation of a national emergency aid fund;
- the recognition of merit during higher level studies and the strengthening of support for international mobility with the creation of 30,000 mobility and merit grants;

Finally, a system of bank loans with attractive interest rates and a partial State guarantee have been established ("Pécresse loans")

Higher education financing sources

According to the table below, the financing of higher education was provided mainly by public sources (mainly state funding) in 2008, with 83.7% of the total amount, as opposed to a private funding amount of 16.3% (of which 9.6% came from individuals, and 6.7% came from businesses).

01 La dépense d'éducation pour le supérieur					
France métropolitaine + DOM					
	1980	1990	2000	2007	2008
DIE pour le supérieur (1)					
aux prix courants (en milliards d'euros)	4,2	11,2	17,5	23,9	24,9
aux prix de 2008 (en milliards d'euros)	10,4	15,2	20,7	24,5	24,9
Part dans la DIE (en %)	14,6	16,4	16,7	19,0	19,2
Dépense moyenne par étudiant (1)					
aux prix de 2008 (en euros)	7 430	8 180	9 490	10 610	10 790
Dépense moyenne par étudiant y.c mesures sociales et fiscales (2)					
aux prix de 2008 (en euros)				11 760	11 980
Structure du financement initial (en %) (3)					
État			78,5	72,9	72,9
<i>dont MEN et MESR</i>			68,2	64,7	64,6
Collectivités territoriales			5,2	9,8	9,9
Autres administrations publiques (4)			1,3	0,9	0,9
Entreprises			5,8	6,8	6,7
Ménages			9,2	9,6	9,6
(1) La DIE a été réévaluée (voir méthodologie ci-contre) pour l'ensemble de la période. Les dépenses moyennes par élève n'ont été recalculées qu'à partir de 1999.					
(2) Cela comprend la majoration du quotient familial et l'allocation logement social.					
(3) La structure du financement initial de l'enseignement supérieur a fait l'objet d'une nouvelle estimation à partir de 2003.					
(4) Y compris chambres consulaires (CCI, CM, CA...).					
Source : MEN-MESR-DEPP.					

Spending on Higher Education					
Metropolitan France and Overseas France					
	1980	1990	2000	2007	2008
National spending on higher education					
current spending (€millions)	4.2	11.2	17.5	23.9	24.9

spending in 2008 (€millions)	10.4	15.2	20.7	24.5	24.9
% of national spending	14.6	16.4	16.7	19.0	19.2
Average spend per student (1) in 2008 (€)	7,430	8,180	9,490	10,610	10,79
Average spend per student including social and fiscal measures (2) in 2008 (€)				11,760	11,98
Breakdown of initial financing (%) (3)					
State			78.5	72.9	72.9
of which MEN (<i>ministère de l'éducation nationale</i>) and MESR (<i>ministère de l'Enseignement supérieur et de la recherche</i>)			68.2	64.7	64.6
Local authorities			5.2	9.8	9.9
Other public administration bodies (4)			1.3	0.9	0.9
Companies			5.8	6.8	6.7
Individuals			9.2	9.6	9.6
(1) The national spending has been revalued (see methodology on the next page) for the entire period. Average spend per student has been recalculated from 1999 onwards. (2) Including family quotient and social accommodation allowance. (3) The breakdown of initial financing of higher education has been re-estimated from 2003. (4) Including consular chambers (CCI, CM, CA...)					
<i>Source:</i> MEN-MESR-DEPP					

5. Impact on Employability

Unemployment level based on qualification, gender and length of time since initial qualification (2008)

	Men	Women	Higher education	Bac, CAP-BEP and equivalent qualifications	Brevet, CEP and without qualification	Total
1 - 4 years since initial qualification	15.8	12.9	6.1	16.5	37.7	14.4
5 - 10 years since initial qualification	8.4	9.5	3.7	9.9	23.3	8.9
11 years or more since initial qualification	5.2	6.4	3.8	4.8	9.0	5.8

Interpretation: in 2008, the unemployment level of men who received an initial qualification between 1 and 4 years previously is 15.8%.

Fields: France; qualified working population

Source: Insee, Employment survey

The table above clearly shows a gap in the unemployment numbers for higher level graduates compared to individuals who only have a second level qualification, although the gap starts to close about ten years after graduation.

Thus, in 2008, the gap between holders of a baccalauréat, CAP or BEP qualification is 10.4 points between 1 and 4 years after initial qualification; a further 6.2 points between 5 and 10 years after qualification, but the gap is only 1 point 11 years or more after initial qualification.

6. Recent and planned reforms of the tertiary education system

6.1. Description of recent reforms

The main reforms implemented in France recently aim to:

1) Foster the employability of university graduates

The law of 10 August 2007 reaffirms the role of the university in relation to student orientation and employability. It requires universities to publish statistics on examination pass rates and the employability of graduates.

More recently, provisions have been made in favour of the professional orientation of young students. Thus, the EU Commission's Green Paper on youth policy of 6 July 2009, has identified as its objective the extension of apprenticeships, already developed in short courses such as the BTS and DUT, to professional bachelors degree courses (L3) and Masters (M2).

In relation to the support for the research of apprenticeships and work experience, the law of 10 August 2007 relating to the freedoms and responsibilities of universities, has provided for each university to create an employment integration assistance bureau (BAIP - *bureau d'aide à l'insertion professionnelle*).

Finally, reforms aimed at banning work experience outside of the curriculum and establishing a mandatory bonus for trainees for all work experience greater than two months (as opposed to three months up until recently), have been implemented in order to ensure that work experience constitutes a real apprenticeship for students, and not simply a flexible tool for companies.

In relation to work experience for young PhD graduates, the recent reform of the research tax credit (CIR) should encourage companies to take on young PhD graduates, thus facilitating their integration into the private sector. In fact, since 2008, the salary of a young PhD graduate multiplies the tax credit by four times during the first 24 months following employment³³.

2) Improving the success rate at university: "The plan for success at bachelors degree level"

The high failure rate at university and the number of students that leave without any diploma³⁴ have led the government to implement measures to improve the success rate of students at bachelors degree level. A budget of €730 million has been allocated to the "plan for success at bachelor degree level" for the period 2008 - 2012. The plan will strengthen the academic framework by allocating 5 additional academic hours per week per student per undergraduate

³³ Human resource costs relating to graduates with a PhD or equivalent qualification are counted as double for the first 24 months. In addition, operating expenses, fixed in relation to human resource costs, have been set at 75% to 200% for graduates with a PhD or equivalent qualification as provided for in the finance law of 2006.

³⁴ 50% of the students fail at the end of the first year of the Bachelor track. So they have to repeat, reorient or drop out. The drop out rate reaches 20%.

year (in the form of additional teaching, supervision or tutorials). In 2008, experiences varied from one university to another, some had developed taught classes for small groups of students, others had developed tutorials. It is still too early to evaluate the efficiency of these measures.

Besides, while upholding the principle of freedom of enrollment at the University, the Government has wished to improve the information about orientation, the insufficient quality of it being considered as one major cause of the failures in the Bachelor's cycle. For that, the national website www.admission-postbac.fr has been set up. It allows, both the HE system to improve the management of enrolment and the students to choose the tracks and the HEI's by getting from these HEI's personalised information concerning the relevance of their selection. Moreover, the website <http://post-bac.onisep.fr/admpostbac/> allows to get information, all year long, about the opportunities offered by the different tracks, the skills required and the possibilities of bridges between the different tracks.

3) Strengthen the evaluation of higher education institutions and the allocation of public funding based on performance: "the creation of AERES"

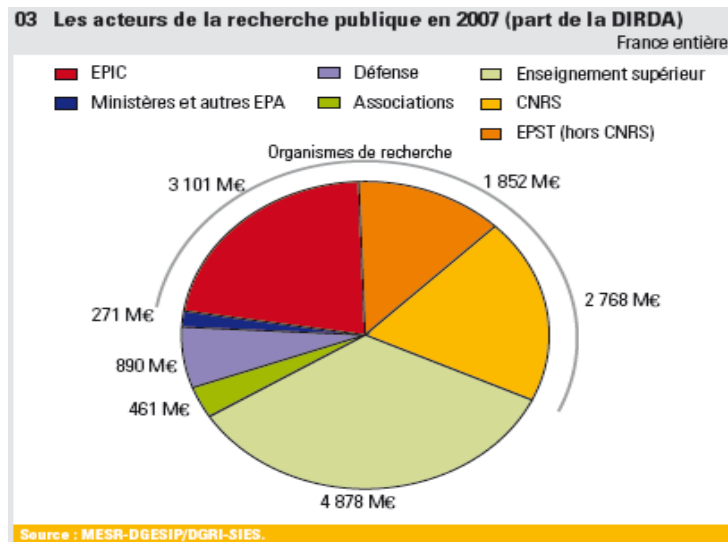
The Agency for the Evaluation of Research and Higher Education Institutions (AERES) is an independent administrative authority created as part of the Research law of 2006. The agency was created as part of the Bologna process and is a member of the European Association for Quality Assurance in Higher Education (EAQAHE). The agency is mainly responsible for guaranteeing the quality of teaching and diplomas in higher education. AERES only commenced its role of evaluation in 2008 therefore sufficient data is not available to evaluate its impact in relation to the obligations outlined in the law of 10 August 2007.

Since 2009, a new system of funding allocation has been implemented that distributes allocations between institutions, based 80% on the volume of activity (number of students present at examinations, number of researchers having published) and 20% on the performance of the institutions (graduate employment, quality of management, and also the success rate at bachelors degree level) with the support of the evaluations made by AERES.

4) Increase the international visibility of French universities: the "PRES"

The 2006 Programme Law for Research creates the possibility to establish Centres for Research and Higher Education (PRES). In 2010 there are 16 PRES centres. The objective of these centres is to increase the international visibility of French universities, in particular in relation to their research activities, by grouping together higher education and research institutions.

The following graph and table show the break down of the public research. As public research amounts to 37% of total research (public and private) if considering domestic research and development expenditures, public research is carried out by HEI's (including University and "Grandes Ecoles") for 34%, and by research centres for 54%.



Public and Private Research

2007 (Millions €)				in % of total domestic research and development expenditures
EPIC (Public institutions for industry and commerce)	3101	22%	CEA, CNES + 12 others	
Ministeries + others EPA (Public administration institutions)	271	2%		
Defence	890	6%		
Associations	461	3%		
HE Institutions	4878	34%		
CNRS	2768	19%		
EPST (Public institutions for Scientific and Technical Research) (CNRS excepted)	1852	13%	INRA, INSERM	
Total public research	14221	100%		37%
Private Research	24500			63%
Total public + private research	38721			100%

Source : MESR-DGSIP/DGRI-SIES

5) Improve physical conditions in the higher education system: "The Campus plan"

The campus plan is an exceptional plan of investment (€5 billion) in university buildings launched at the end of 2008, which should help to strengthen the selected campuses. An international jury selected about ten campuses, the majority of which are part of a PRES³⁵. At the end of 2009, the State established a "national loan" of a total value of €35 billion to invest in future spending. As part of the spending plan, it is planned to allocate a significant amount of funding to Operation Campus (€1.3 billion) with a view to standardising 10 large university campuses.

6) Improve the reception of foreign students, teachers and researchers

³⁵ Public intervention in this domain is also reinforced by the Bank for Official Deposits (CDC - *Caisse des Dépôts et Consignation*). This is a public financial institution that carries out general service missions and competitive functions. The CDC has put together a loan package based on savings funds with an aim to financing infrastructures and universities. The CDC has also developed specific expertise in university real estate, accompanying universities in the development of their blueprint (financing of study programmes).

Since 2007, France has improved the reception of foreigners into higher level education. The Universities Freedom and Responsibility Act facilitates the hiring of foreign researchers, with no restriction on salary. In addition, the Decree of 27 April 2009 (n° 2009-477) relating to the issuing of long term visas for students, eliminates the obligation on them to apply for a residence permit (*carte de séjour*) at a *préfecture*. This new type of visa is valid for between 4 and 12 months. The number of foreigners enrolled in higher education increased by 2.3% in 2008 (while the number of French students decreased by 0.3%).

7) Improve the attractiveness of the position of research lecturer

In October 2008, the Minister of Higher Education launched the plan to make a career in higher education and research more attractive, aiming to attract and retain researchers in public laboratories and allocating a budget to increase their remuneration. The plan will allow entry level salaries to be increased and to create chairs between universities and research bodies, the latter of which are able to attract the best young researchers due to an attractive remuneration package and no teaching duties. These chairs are awarded for a period of 5 years and can be renewed following the evaluation of the research body and the university. The plan also aims to improve professional engagement and excellence in research and in teaching through the allocation of bonuses.

The decree of 23 April 2009 (n° 2009-460) introduces more flexibility in terms of the balance of workload between teaching and research, subject to the agreement of the teacher. The decree also introduces the evaluation of research lecturers every four years. It introduces provisions to favour the secondment of research lecturers to businesses.

6.2. Planned reforms (or reference to ongoing policy debate)

Many actions have been taken to bring the higher education system closer to the labour market (*alternance* or dual education, work-study programmes, etc.), improve the governance of higher education, strengthen the universities, and foster international exchanges. However, a number of challenges remain, in particular in relation to governance, increasing funding of higher education and the strengthening of the excellence of French universities.

1) Increase international visibility via the development of Campuses of Excellence

Nearly one third of domestic borrowing - €1 billion - is dedicated to increasing the excellence of higher education. In particular, almost €8 billion will be dedicated to equipping 5 to 10 campuses of excellence. These projects, labelled campuses of excellence, must be located on one site or in one large region, and must group together the best graduate schools, research teams and *grandes écoles* in strict partnership with the economic environment. Successful candidates will receive a capital allocation of up to €1 billion to ensure that the prestigious education and research institutions have their own capital to guarantee their autonomy and the sustainability of their resources. These allocations will also allow the institutions to establish private partnerships.

2) A mission to analyse higher education mandated by the Minister for Higher Education has also been given the responsibility of creating and implementing measures to strengthen excellence in French universities (Mission of Philippe AGHION).

The analysis, based on a comparison with international performance, should result in the identification of the "correct" governance measures to promote excellence. The provisional report, published on the 26th of January 2010, **advises to use in a coordinated way three levers** (reinforce the autonomy of the institutions in the fields of pedagogy and management, both in financial and human resources ; increase significantly the means during several years ; use incentives, especially concerning research funding).

3) There is also a debate on the opportunity of reform that would consist of increasing university enrolment fees while at the same time accompanying this increase with loans based on income.

One of the current debates focuses on measures to be taken in order to increase spending for higher education, while at the same time taking into account strong budget restrictions that exist in certain countries, in particular in France. One of the proposed solutions is to combine an increase in enrolment fees with the establishment of loans based on income and repayment abilities (PARC)³⁶. The principle of these loans would be to make them dependent on income, with a threshold below which repayment would not be required.

³⁶ See in particular the observation of the *Centre d'analyse stratégique* n°144 "loans with repayment contingent on income (annexe): simulations for the French situation".

Appendix:

[1] Répartition des enseignants du supérieur public par discipline, fonction et type d'établissement en 2008-2009 (France métropolitaine + DOM)

Disciplines et fonctions		Universités (1)	IUT	Instituts ou écoles rattachés aux universités	IUFM	Sous-total universités et rattachements	Autres établissements (2)	Total
Droit	Professeurs	2 499	43	71	1	2 614	106	2 720
	Maîtres de conférences	4 565	1 079	126	11	5 781	101	5 882
	Assistants titulaires	12	2	1		15		15
	Attachés et Moniteurs (3)	2 859				2 859		2 859
	Autres (4)	536	1 003	19	63	1 621	53	1 674
Total	10 471	2 127	217	75	12 890	260	13 150	
Lettres	Professeurs	4 253	60	20	93	4 426	200	4 626
	Maîtres de conférences	9 245	723	54	623	10 645	357	11 002
	Assistants titulaires	15	1			16	5	21
	Attachés et Moniteurs (3)	3 920				3 920		3 920
	Autres (4)	5 166	1 095	105	1 467	7 833	348	8 181
Total	22 599	1 879	179	2 183	26 840	910	27 750	
Sciences	Professeurs	6 087	833	335	67	7 322	703	8 025
	Maîtres de conférences	11 904	3 042	552	246	15 744	1 385	17 129
	Assistants titulaires	20	5			25	1	26
	Attachés et Moniteurs (3)	8 015				8 015		8 015
	Autres (4)	1 030	2 186	96	727	4 039	543	4 582
Total	27 056	6 066	983	1 040	35 145	2 632	37 777	
Santé	Professeurs	4 933	1			4 934	2	4 936
	Maîtres de conférences	3 270	12		1	3 283	2	3 285
	Assistants titulaires	23				23		23
	Chefs de clinique, AHU, PHU	4 249				4 249		4 249
	Attachés et Moniteurs (3)	132				132		132
Total	12 607	13	1	1	12 621	4	12 625	
Total	Professeurs	17 772	937	426	161	19 296	1 011	20 307
	Maîtres de conférences	28 984	4 856	732	881	35 453	1 845	37 298
	Assistants titulaires	70	8	1		79	6	85
	Chefs de clinique, AHU, PHU	4 249				4 249		4 249
	Attachés et Moniteurs (3)	14 926				14 926		14 926
	Autres (4)	6 732	4 284	220	2 257	13 493	944	14 437
Total (5)	72 733	10 085	1 379	3 299	87 496	3 806	91 302	

(1) Universités, instituts nationaux polytechniques et universités de technologie, hors IUT, IUFM et instituts ou écoles rattachés aux universités. (2) ENI, INSA, ENS, grands établissements, écoles françaises à l'étranger, etc... (3) Attachés temporaires d'enseignement et de recherche et moniteur (4). Enseignants de type "second degré" et ENSAM, fonctions spécifiques des grands établissements et des écoles françaises à l'étranger, lecteurs et maîtres de langue étrangère (1 013 personnes). (5) Ces effectifs ne sont pas directement comparables à ceux indiqués en 9.1 en raison des différences de champ et de date d'observation.

(1) Distribution of public higher level teachers by discipline, function and type of institution in 2008-2009 (Metropolitan France and Overseas France)

Disciplines and Functions		Universities (1)	IUT	University Institutes or Graduate Schools	IUFM	Sub-total universities and affiliation	Other institutions (2)	Total
Law	Professors	2,499	43	71	1	2,614	106	2,720
	Lecturers	4,565	1,079	126	11	5,781	101	5,882
	Permanent assistants	12	2	1		15		15
	Temporary staff and monitors	2,859				2,859		2,859
	Others (4)	536	1,003	19	63	1,621	53	1,674

	Total	1,0471	2,127	217	75	12,890	260	13,150
Arts	Professors	4,253	60	20	93	4,426	200	4,626
	Lecturers	9,245	723	54	623	10,645	357	11,002
	Permanent assistants	15	1			16	5	21
	Temporary staff and monitors	3,920				3,920		3,920
	Others (4)	5,166	1,095	105	1,467	7,833	348	8,181
	Total	22,599	1,879	179	2,183	26,840	910	27,750
Science	Professors	6,087	833	335	67	7,322	703	8,025
	Lecturers	11,904	3,042	552	246	15,744	1,385	17,129
	Permanent assistants	20	5			25	1	26
	Temporary staff and monitors	8,015				8,015		8,015
	Others (4)	1,030	2,186	96	727	4,039	543	4,582
	Total	27,056	6,066	983	1,040	35,145	2,632	37,777
Health	Professors	4,933	1			4,934	2	4,936
	Lecturers	3,270	12		1	3,283	2	3,285
	Permanent assistants	23				23		23
	Clinical director AHU, PHU	4,249				4,249		4,249
	Temporary staff and monitors	132				132		132
	Total	12,607	13		1	12,621	4	12,625
Total	Professors	17,772	937	426	161	19,296	1,011	20,307
	Lecturers	28,984	4,856	732	881	35,453	1,845	37,298
	Permanent assistants	70	8	1		79	6	85
	Clinical director AHU, PHU	4,249				4,249		4,249
	Temporary staff and monitors	14,926				14,926		14,926
	Others (4)	6,732	4,284	220	2,257	13,493	944	14,437
	Total (5)	72,733	10,085	1,379	3,299	87,496	3,806	91,302

(1) Universities, national polytechnic institutes and technology universities, excluding IUT and IUFM and institutes or graduate schools attached to universities.

(2) ENI, INS, ENS, graduate schools, French graduate schools abroad, etc.

(3) Temporary teaching and research staff and monitors

(4) Secondary teachers and ENSAM, specific functions of the grandes écoles in foreign countries, foreign language teaching staff (1,013 employees).

(5) These figures cannot directly be compared with those in 9.1 due to the difference in field and date the data was compiled.

Source: *Repères et références statistiques sur les enseignements, la formation et la recherche* (Facts and Figures on Education, Training and Research), 2009 edition