

**MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER - FRANCE**

Intensive and individual support for Jobseekers and Unemployed in
a constrained environment: the case of France

Peer Review on “Systematic Preventive Integration Approach (Support) for
Jobseekers and Unemployed”

Germany, 28 - 29 October

A paper submitted by Sandrine Gineste¹

in consortium with GHK Consulting Ltd and CERGE-EI

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¹ Assisted by Camille Daubry

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on France's comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

After a severe GDP decline of -2.1% in 2009, growth and employment are slowly recovering in France since the beginning of 2010. GDP has improved by $+0.7\%$ in the second quarter of 2010 (after $+0.2\%$ in the former quarter) and the established growth rate for 2010 is $+1.3\%$. The IMF growth forecast for 2010 has been positively revised from $+1.4\%$ to $+1.6\%$. Yet, recovery remains fragile as underlined by various growth forecasts for 2011. Starting at 2.5% , the French Government revised its forecast downward last August to 2% , while the IMF still foresees 1.6% GDP growth only.

Employment is also undergoing a slow recovery. While unemployment remains high at 9.3% (according to ILO definition) in the 2nd quarter of 2010 (compared to 9.1% over the same period in 2009), job creation is picking up and unemployment has steadily declined since its peak at 9.6% in the last quarter of 2009. In France over one year $+111\ 000$ jobs have been created ($+0.4\%$ compared to -1.5% for the preceding year) and unemployment has declined by -0.1pp in the first quarter of 2010 and by 0.2pp in the 2nd quarter. Yet, not all unemployed categories equally benefit from this recovery. As usual in France, young people's unemployment rate remains well above the national average, at 23.3% . While they are the only ones benefiting from a decreasing unemployment rate over one year (-0.5pp over one year compared to $+0.2\text{pp}$ on average for all categories), this is mainly because they were most badly hit by the crisis ($+5.2\text{pp}$ unemployment over one year in the second quarter of 2009 compared to $+1.9\text{pp}$ on average).

Transitions from PES support in March 2010 (latest data available) were largely into employment (46% of active jobseekers' transitions). Transitions into employment have increased by $+2.4\text{pp}$ over one year. Simultaneously, transitions into training have decreased (-1pp since December 2009 and -0.1pp over one year). Yet, it is important to note, that the average length of unemployment is still high at 12.4 months in 2009, and that, at the 2nd quarter of 2010, long term unemployment had increased by 29.1pp over one year.

While encouraging, these improving trends are overall too modest to make a definitive judgment about a French recovery. Moreover, compared with the German context, with a GDP growth expected at 3% for 2010 and an unemployment rates at 7.5% only, French improvements seem only pale. It is important to note in this respect, that the implementation of part-time unemployment measures have been an important aspect of the German response to the crisis and significantly contributed to the limited rise in unemployment. Similar measures have been implemented in France, but on a scale much more limited than in Germany.

2 ASSESSMENT OF THE POLICY MEASURE

France has been undergoing several waves of reforms of its placement services since the beginning of the 2000s, which are in many ways similar to the German experience. Notably, the shift from a curative to a preventive logic, the individualization of job search support, and the subcontracting to private placement organizations (PPO) are increasingly dominant features of the French employment policies' landscape. These reforms mainly gained momentum after the "Law for Social Cohesion" (Loi de Cohésion Sociale) in 2005. In this section, all areas of reforms (i.e. preventive and individual support and subcontracting to PPO) are described in the light of the German experience.

2.1 Preventive approach and individual action planning in France

Early intervention and individual action planning have been key features of the reform of French placement services since 2005. Most notably, the implementation in 2006 of the personalized project for returning to employment (PPAE henceforth), is very similar to the German four-phases model, with respect to both its logic and its elements.

Under this scheme, jobseekers are taken in charge by the PES from the moment they come for registration. Like in Germany, under the PPAE jobseekers go through four phases: 1) IT-based profiling during the first visit, 2) goal definition during the first interview or, in the French context, definition of an "employment trajectory" according to the jobseeker's profile², 3) selection by the case manager of appropriate measures to be taken and services to be offered, and finally 4) contractualization in a mutually agreed personalized action plan.

The adoption of an IT-based profiling method is meant to prevent the risk of long-term unemployment, thanks to early identification of those jobseekers that are the furthest away from employment and should thus benefit from the most intensive support. Services offered are directly linked to the results of the profiling phase and definition of the relevant "employment trajectory". They range from ad hoc financial assistance to reconversion trainings.

We can thus speak in the case of France, of a "systematic integration approach," in so far as "employment trajectories" and services catalogues (the so called "mesures pour l'emploi") are identical for all PES agencies. However, similarly to the German policy example, case managers are on a by-case basis. French use of statistical profiling is thus very cautious and "soft" rather than "hard", and remain entirely responsible for defining the jobseeker profile and choosing suited services on a case-in Germany. It is also to note that, while the services catalogue is established at the national level, it is then adapted regionally so as to ensure that services offered to jobseekers match with local labour market conditions. But conversely to the steps taken in Germany, which aim at giving complete discretion to case managers over the types of services and level of financial assistance needed for each jobseeker, it is to note that in France the range of services and levels of financial assistance that can be offered to jobseekers remains very much controlled depending on their personal situation.

From the moment they agree to their PPAE, jobseekers are taken in charge by a single "case manager" and benefit, after the third month of unemployment, from monthly personalized support. As underlined in the German paper, in France as well, this reform was not without concerns and complaints about unbearable workloads for counselors.

2 - There are three «employment trajectories»: 1) «fast stream», for jobseekers closest to the labour market; 3 months support; 2) «active job search», which concerns in practice the bulk of jobseekers; 3) "supported job search", for jobseekers furthest away from the labour market. It is to note that specific "trajectories" also exist for entrepreneurs, seasonal workers and part-time workers.

Increasing recourse to PPO must be understood partly in this context (see section 2.2). By 2007, a report about current practices of placement in France reported there were on average 130 and up to 180 jobseekers in each counselor portfolio (Balzani et al, 2008). In August 2010, a counselor handles an average number of 103 jobseekers. Such high numbers naturally question the quality of services that can indeed be delivered, especially at a time of rising unemployment (see section 3).

The process ends when jobseekers return into employment. Until then, the “profile” and “employment trajectory” of each jobseeker can be modified according to the pace of progress toward re-integration in the labour market. In some cases, follow-up can even last after the transition from PES to employment.

Preventive and intensive placement services, focus on selected measures

The Contrat de Transition Professionnelle (CTP) and Convention de Reclassement Personnalisée (CRP) are emblematic of current efforts at securing professional trajectories in France thanks to preventive, personal and intensive job search support. Both measures are based on a preventive logic in order to minimize the risks of long-term unemployment. All workers made redundant in enterprises with a workforce less than 1000 can benefit from a CRP, while the CTP has been implemented on a territorial basis and only applies to specific territories encountering severe employment difficulties progressively extended. Both types of measures are now broadly similar and have been progressively implemented since 2005/2006. With the CTP and the CRP, even before workers are made redundant and register as jobseekers, they benefit from intensive and specific placement services by the PES. Beneficiaries are not registered as unemployed but as learning trainees, and benefit from very generous compensation benefits: 80% of their previous wage³. Both types of contract cover a period of 12 months, and include a variety of placement services, most notably trainings. Beneficiaries are followed weekly by one case manager over the whole duration of the contract. At the 2nd quarter of 2010, both measures concerned about 120.000 jobseekers.

2.2 Organizational reforms of French placement services

Related to this shift to preventive and personal job search support, France has been undergoing a series of deep institutional reforms meant to rationalize and increase the efficiency of available placement services.

In a fashion similar to the German experience, subcontracting of placement services to PPO has gained momentum. The Law for Social Cohesion has been a key step in this respect. It explicitly defined three circles⁴ of actors in the PES organization, among which PPO are identified as full-fledged participants. It put an end to the ANPE monopoly on public placement services and, in a subsequent agreement between the State, the ANPE and social partners in May 2006⁵, guidelines for PES and OPP partnerships have been established. It resulted in an agreement that jobseekers taken in charge by PPO would be those most in need of intensive support. The introduction of subcontracting and outsourcing procedures that partly transfer the implementation of employment policies to private operators started experimentally in 2006 for about 46.000 jobseekers. Since the first of September 2009, partly in response to the economic crisis and the rise in the demand for placement services, subcontracting has become more widespread and automatic. Three specific measures have been introduced nationally, and specific criteria for subcontracting have been defined by regional PES agencies:

³ During the whole contract duration in the case of the CTP, during the first 8 months in the case of the CRP

⁴ Actors in charge of the PES (the State, Pôle Emploi and the AFPA), actors contributing to the PES (local administrations), and lastly participants to the PES (PPO, associations, and all others related suppliers of services).

⁵ Accord National Interprofessionnel du 5 mai 2006

- i. “Trajectoire emploi” is meant for all jobseekers, but is targeted at those deemed furthest away from the labour market. It includes 6 months individual job search support and 3 months of follow up once in employment. A maximum of 50 jobseekers can be handled by one case manager.
- ii. “Accompagnement des Licenciés Economique” (LEC) targets redundant workers. It includes 12 months individual job search support and 3 months of follow up once in employment. LEC thus covers beneficiaries of CTP and CRP, who are now automatically taken in charge by PPOs. A maximum of 50 jobseekers in CRP and 30 in CTP can be handled by one manager.

About 370.000 jobseekers should fall into one of these two measures (9.3% of total active jobseekers on the basis of Dares data for the 2nd quarter of 2010).

- iii. «Atout cadres» for executive (senior) jobseekers with professional insertion difficulties, for long-term unemployed, and for seniors and managers in reduced activity. "Atout cadres" is intended to support 30.000 to 70.000 jobseekers in their recovery to sustainable employment during 9 months (and 3 months of follow up once in employment). A maximum of 50 jobseekers can be handled by one manager.

These three measures pay specific attention to limiting the number of jobseekers than can be followed by one case manager.

2.3 Impact assessment of French policy measures:

France is traditionally criticized for its lack of employment policies evaluation. Hence, there are no comprehensive assessments of the most recent policy measures. Nevertheless, several studies allow for a reliable impact assessment of the French activation strategy.

No assessment of the PPAE is available yet, but a recent study by Fougère et al, (2009) looked at the effect of the preceding French individual job search support scheme implemented in 2001, i.e. the PARE. Keeping in mind the difficulty of such quantitative assessments in the presence of numerous selection biases, they found that, overall, individual support had a significantly positive impact on the rate of return to employment.

With respect to PPOs performances, impact studies are also not yet available for the most recent measures⁶ (“trajectoire emploi” and “LEC”) but evaluations of early experimentations of subcontracting (Seibel, 2009) and of the CTP and CRP (Dole, 2010) have recently been published. Regarding intensive jobseekers’s support by PPO, assessments are overall positive. After one year, it is estimated that the rate of return to employment has increased by +5,6pp on average compared to regular placement support. These results, however, were not received without some controversy, for the ANPE’s own intensive support programme, “Cap Vers l’Entreprise” (CVE) was estimated to have a greater and faster impact on the rate of return to employment. Yet, it is to note that subcontracting of jobseekers support was new at the time of evaluation. Keeping this in mind, performances are in line with expectations. Moreover, the implementation of the CVE by the ANPE was a direct response to increasing competition by PPOs after the loss of its monopoly on jobseekers’ placement. Hence, in the French context, it can be said that increased competition resulted in improved efficiency of placement services. As regards the assessment of the CTP and the CRP, the Dole report is positive about these two policy measures’ ability to result in successful placements and incentive to find work even in a difficult period (although no quantitative assessment was made). But the author also severely criticizes the lack of means dedicated to these measures by the PES (more on this in section 3).

While no specific assessment of potential deadweight effects from early intervention has been made in France, the positive results of these studies suggest that the latter have overall been avoided or, at least, limited in France.

⁶ Pôle Emploi has just launched a call-for-tender for an impact study

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

It should be evident from the preceding section that France and Germany currently follow a similar path toward the modernization of their placement services. It thus seems reasonable to say that the policy measures presented in the German paper are largely transferable in so far as they are already on their way in France. Yet, it should be noted that the specificities of the French institutional and labour market contexts are such that developments of these policy measures will probably encounter more obstacles in France than in Germany. This section elaborates on these caveats.

In 2009, France has undergone a major reform of its PES, i.e. the merger into a single agency, namely Pôle Emploi, of the formerly distinct institutions responsible for the placement (ANPE) and for the compensation (Unedic) of jobseekers. This long awaited merger is meant to improve the efficiency of placement services by linking more directly active job searching to unemployment benefits. It is also meant to simplify, and thus improve the quality of, access to services for jobseekers. Simultaneously, attention was paid to the integration of social assistance recipients in active employment policies. Social assistance benefits have been merged into a single category, the “Revenu Social d’Activité” (RSA), in order to make work pay and incentivize recipients to look for a job. Moreover, while departmental administrations, the Conseils Généraux, used to be responsible for placement services offered to social assistance recipients, the latter are now taken in charge by Pôle Emploi, except those for which social integration is deemed necessary before labour market integration⁷.

These two major organizational reforms were necessary steps toward a coherent approach to jobseekers integration in the labour market. Notably, the segmentation of treatment and services offered to jobseekers depending on their status as a jobseeker or social assistance recipient stood in the way of a genuinely inclusive approach to unemployment prevention. The implementation of the RSA marks a significant improvement in this perspective. Firstly, because all jobseekers now have access to the same placement services⁸. Secondly, because as Pôle Emploi gained responsibility for the placement of social assistance recipients, it has developed a specific offer suited to this public’s needs.

Yet, such profound organizational changes are not without difficulties. The variety of actors involved in the French PES must now reposition themselves within this new institutional framework, which requires intense coordination efforts. Hence, while Germany is currently concerned with offering new flexibilities to local agencies in their dealing with placement services, France is still very much concerned with the design of a much needed common approach and framework of coordination between the different structures involved in jobseekers’ placement. The sharing of information and case managers’ training will be key in this respect. With a large range of new responsibilities, Pôle Emploi still has a long way to go before counselors master the different services they are now entitled to offer to all jobseekers. In a nutshell, the major difficulty for the French PES at the moment is its simultaneous dealing with finding innovative policy measures to prevent unemployment and ensuring the successful modernization of its PES at the same time.

This difficulty was enhanced by the effect of the economic crisis on the labour market. The French PES organizational transformation started in the midst of the economic crisis and reforms’ effectiveness was largely undermined by the surge in the demand for placement

⁷ Contrary to Germany, in France the organization in charge of placement services, i.e. Pôle emploi, does not manage the social assistance and does not grant the social benefit.

⁸ in respect to the principal of “equity of treatment” that was resulting from the merger. Before, differentiation was made between compensated jobseekers and others

services. While the ANPE/Unedic's merger was expected to result in greater capacities for intensive and individual job search support, it has been difficult for local PES agencies to deal simultaneously with staff training and increasing workload. This has led to some steps backwards on the way to improving placement services. The monthly personalized support for instance, has had to be "adapted", i.e. actual meetings have in many cases been replaced by letters and questionnaires. It is to note in this respect that the crisis' impact on French unemployment has been harder than in Germany, despite stronger resistance of GDP growth in France.

Lastly, strained public finance also affects the pace of reforms in France. The German paper rightly underlines that high levels of public expenditures for labour market policies are necessary in order to achieve quality intensive and individual placement services. France cannot afford to significantly increase public spending for ALMPs at the moment, and this may undermine efforts at improving jobseekers' support. For instance, the amount of money offered to OPP per jobseeker during early experiments of subcontracting was about twice as high as the one offered today as transfers of jobseekers's placement to private organizations become more automatic and widespread. There is a risk that such reduced financing may result in decreasing efficiency.

All in all, the German policy measures presented in this Peer Review are largely transferable in the French context, notably for France, it has already shown great commitment to improve its placement services for all jobseekers, thanks to early intervention, individual support and increased quality and efficiency of services. However, in the French context major organizational reforms have to be dealt with in the first place. This will probably slow the rhythm at which new policy measures can be effectively implemented.

4 QUESTIONS

- How can Member States deal simultaneously with the greater individualization of job search support and increasing demand for services at a time of crisis? Is it possible to identify good practices in this respect?
- What types of regulations do Member States implement regarding the subcontracting of placement services to private placement organizations? What are successful experiences?
- Did Member States evaluate Private Placement Operators' performances? With what results, notably compared to PES performances? What successful experiences can be transferred from private placement organizations?
- What kind of support is given to the case manager in local agencies to implement Intensive and individual support for Jobseekers? What are successful experiences?
- How do Member States deal with those jobseekers that are in need of social integration services? Are they taken in charge by specific case managers / placement organizations or by "regular" counselors / placement organizations?

ANNEX 1: SUMMARY TABLE

| Labour market situation in the Peer Country |
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| <ul style="list-style-type: none">• Some signs of recovery: positive growth rate, jobs creation, increasing transitions from PES support into employment• But unemployment remains at its highest since the last decade• Young people's employment is most affected by the economic crisis |
| Assessment of the policy measure |
| <ul style="list-style-type: none">• France is reforming its placement services in a fashion similar to Germany: shift from a curative to a preventive logic, individualization of job search support, subcontracting to private placement organizations (PPO)• The use of IT-based profiling of jobseekers is "soft", meant to prevent the risks of long-term unemployment, and allow for the definition of suited "employment trajectories"• Systematic preventive integration support is embodied in two specific measures for redundant workers, the CTP and CRP• Subcontracting to PPO is developing rapidly in order to increase the efficiency of placement services, especially at a time of economic difficulty• Overall, available impact-studies of these measures find that they all have a positive impact on the rate of return to employment |
| Assessment of success factors and transferability |
| <ul style="list-style-type: none">• The German policy measures presented for this Peer Review are already being implemented in France in a similar fashion – They are thus largely transferable• The pace of implementation of more preventive and individual support measures will probably be much slower in France than in Germany, due to ongoing and difficult organizational reforms of the PES |

Questions

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