

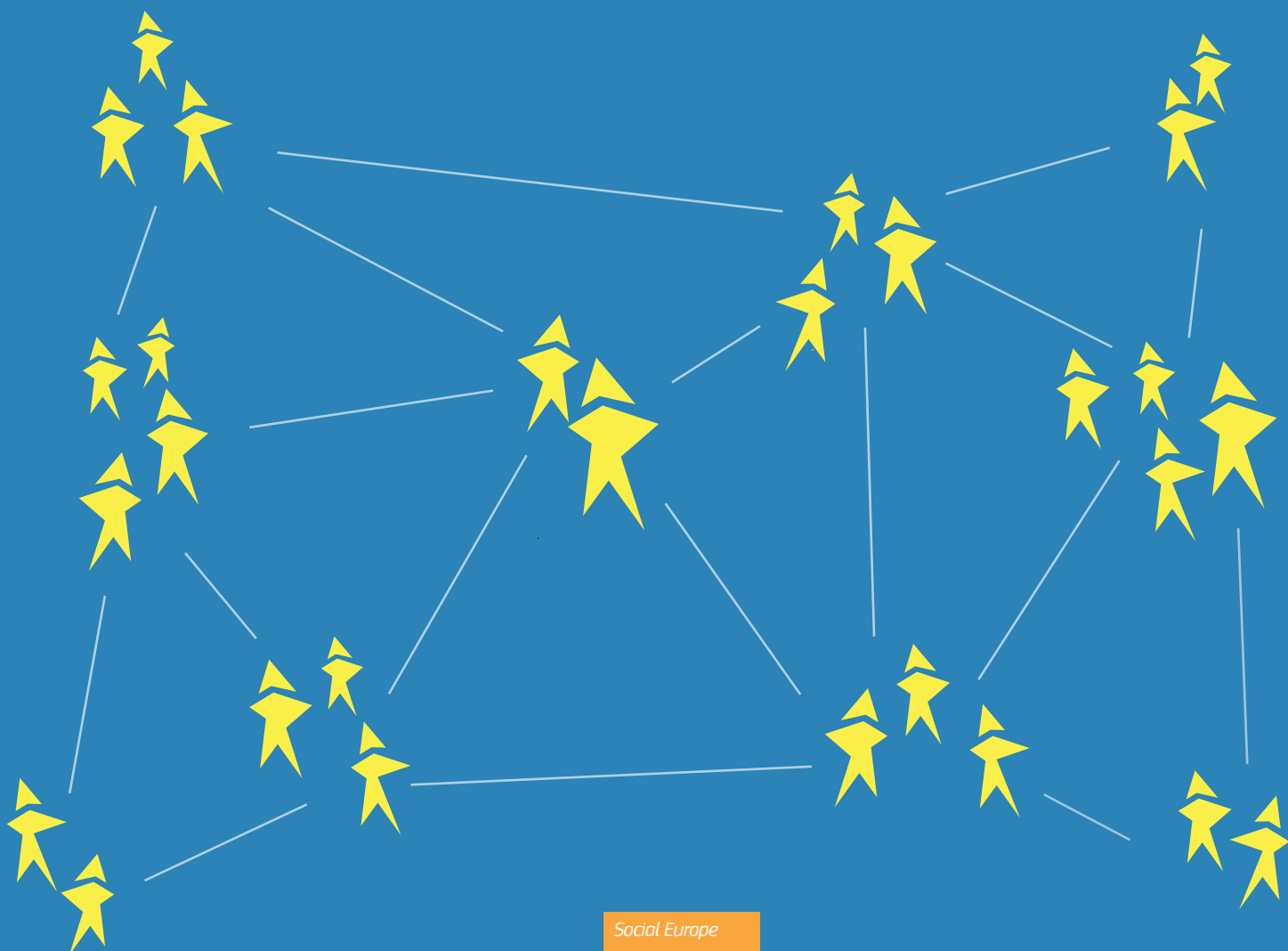


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

National monitoring frameworks for public social spending

France

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European Social Policy Network (ESPN)

**ESPN Thematic Report on
National monitoring frameworks
for public social spending -
France**

2022

Michel Legros, Gilles Huteau and Claude Martin

The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

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Summary

From 1996 to 2005, the national monitoring framework for public social spending in France underwent a complete overhaul. The 1996 Juppé Plan established social security financing laws that determine the general conditions for financial equilibrium and fix spending targets (Huteau, 2021). The social security financing law must include an estimate of revenues, targets and financial balance for each branch, and a national healthcare insurance expenditure target (*objectif national des dépenses d'assurance-maladie* – ONDAM). An institutional law (*Loi organique*) dated 2 August 2005 went on to reinforce the financial management of social security. In terms of the formulation, control and monitoring of state budgets, the 2001 institutional law on finance laws (*Loi organique relative aux lois de finances* – LOLF) marked a new phase by responding to demands for transparency, performance and participation. Since the application of the LOLF in 2006, state spending has been detailed and presented for each public policy area, and organised into three levels: state missions, programmes for implementing these missions, and the concrete measures that feature in these programmes. Each mission comprises operating expenditure, in cash and in kind, and investment expenditure; and each mission includes targets and indicators.

Initially, this framework did not cover the unemployment benefit scheme, the supplementary occupational pension schemes, employer participation in social housing, and social action by local authorities. However, over the years, the trend has been towards increased state regulation of these sectors.

The government and parliament also use different institutions for the monitoring and control of public spending. Created under the institutional law of 17 December 2012, the High Council of Public Finances (*Haut conseil des finances publiques* – HCFP) is responsible for ensuring a coherent trajectory towards achieving balanced public finances. The Court of Auditors (*Cour des comptes*), apart from its traditional function of certifying state accounts, produces reports on the orientation of public finances, and the execution of budgets. The financial department of the Council of State (*Conseil d'état*) is called on to give information concerning the state budget and the social security system. In parallel with consultations and requests for opinions established by the Constitution, the government and the legislator may consult numerous bodies covering specialised fields (High Council for Public Health, Economic Analysis Council, etc.).

Almost all of the data and reports produced nationally are published annually in paper format, and for the last decade have been systematically posted on the relevant websites of public authorities and data-producers.

The data gathered by these indicators describe the use made of social public spending, its effectiveness, and probably also its pertinence, at least when the results show that targets have been achieved or exceeded. Nevertheless, whether they are useful as part of an evaluation process is not clear, given that little attention is given to the question of measuring the impacts (expected or unexpected, desirable or not) of the action implemented.

Most analyses of the role of evaluations point to the lack of comparisons between data from public policy monitoring indicators and evaluation studies carried out by numerous study and research organisations. More generally, different actors in the field regularly deplore the lack of interactions between academic research and the way that social protection policies are conducted.

The main strength of the French management system for public social spending is the frequent, regular production of a large number of reliable, precise indicators that are introduced into the public debate and accessible to the population.

Its weakness lies in the difficulty of employing these indicators to evaluate the impact of measures on people, and of ensuring that they feature in public and political debates, which are dominated by only a few of them (unemployment rate, social security deficit, etc.). Lastly, note that in France reflection on social indicators dates back 50 years, with Jacques Delors' 1971 publication, *Social Indicators (Les indicateurs sociaux)*.

1 Country-specific monitoring frameworks for public social spending

1.1 Country-specific dedicated monitoring framework(s)

The public social spending framework in France is mainly defined by two legislative provisions. The first concerns the financing and organisation of public social protection, made concrete through the annual adoption of the budget by parliament. The second relates to the social security system, which is formally managed in a joint framework but nevertheless strongly shaped by social security financing laws. These two systems were clearly separated when the social security system was created in 1945 but have moved closer with successive reforms. A third framework relates to the unemployment insurance system.

1.1.1 The state and social protection

In terms of the formulation, control and monitoring of budgets, the LOLF marked a new phase by responding to demands for transparency, performance and participation. Since the application of the LOLF in 2006, spending has been presented for each public policy area, and organised according to the following three levels: state missions, the programmes to implement these missions, and the concrete measures that feature in these programmes¹. An authorised expenditure budget is allocated to each level.

Each mission, led by a ministry, is broken down into one or more programmes. For example, the "solidarity, insertion and equal opportunities" mission comprises four programmes: "disability and dependence", "social inclusion and protection of individuals", "conduct and support of health and social policies", and "gender equality". Each programme features one or more measures. For example, the "gender equality" programme comprises three measures: "prevention and action to combat violence and prostitution" (52% of the programme's budget), "access to rights and occupational equality" (44%), and "equality programme support" (3%). Each concrete measure corresponds to a target, indicates the human and financial resources mobilised, and states the indicators of the expected performance.

When a single policy concerns programmes coming under different missions, the government applies a procedure involving transversal policy documents (*documents de politiques transversales* – DPT). The DPT, which is a steering tool annexed to the finance bill, lists the programmes that contribute to the policy, and presents the allocated credits and means of evaluation. The 2021 budget featured 19 DPTs on subjects such as prevention of crime and radicalisation, youth policy, social inclusion, juvenile justice, and cities.

1.1.2 Monitoring of social security by the budget

From 1945 to 1996, the social security system was financed and managed by social partners, trade unions and employer organisations. Parliamentary assemblies and the executive were involved in emergency votes on safeguard plans devised to make up social security deficits. The 1996 Juppé Plan established social security financing laws that determine the general conditions for financial equilibrium and fix spending targets (Huteau, 2021). The social security financing law must include an estimate of revenue, targets and financial balance for each branch, an ONDAM, and an authorised bank overdraft ceiling. In 2004, an ONDAM alert committee was created, and since 2005 an estimate of revenue and expenditure has been produced for each branch, taking a multi-annual approach. In 2021, the quality and efficiency programmes (*programmes de qualité et d'efficience*), inspired by the LOLF, became the Social Security Policy Evaluation Reports (*Rapports d'évaluation des*

¹ The 2022 finance bill comprised 48 missions, one third of which concern social protection: school education, civil servants' pensions, and solidarity.

politiques de sécurité sociale – REPSS). Each annual report comprises a summary relating to the entire social security system, and special reports for each social security branch. An additional special report concerns the financial aspects of the social security system. The aim is to assess whether the measures proposed in the annual Social Security Financing Bill (*Projet de loi de financement de la sécurité sociale – PLFSS*) adequately correspond to the economic, demographic, health and social context, employing a quantitative framework and outcome indicators².

The 1996 reform formalises the relationships between social security branches and the state through conventions on management objectives (*conventions d'objectifs de gestion – COG*). The COGs establish the targets to be reached and the means to be implemented to improve performance in terms of expenditure control and user services. COGs are broken down into operational guidelines by multi-annual management contracts (*contrats pluriannuels de gestion – CPG*) between national funds and local funds. For each domain and each body, the CPGs set out the concrete measures to implement and the results to attain in the form of indicators³.

1.1.3 Other monitoring, analysis and advisory bodies⁴

Established under the institutional law of 17 December 2012, the HCFP is responsible for ensuring a coherent trajectory towards achieving balanced public finances in line with France's EU commitments. It expresses its opinion on the macro-economic assumptions employed by the government to prepare the main texts regulating public finances (i.e. public finance programming bills, finance bills, and social security financing bills).

The Court of Auditors, apart from its traditional function of certifying state accounts, produces reports on the evolution of the national economy, the orientation of public finances, and the execution of finance laws. The financial department of the Council of State is called on to give its opinion on state finance bills concerning the state budget and the social security system. These opinions are not made public, but they are transmitted to parliamentary assemblies.

In parallel with consultations and requests for opinion established by the Constitution, the government and the legislator may consult the following bodies covering specialised fields (see Annex 1):

- High Council for Public Health
- High Council for Financing Social Protection
- High Council for The Future of The Health Insurance Scheme
- Advisory Board on Pensions
- High Council for The Family, Childhood and Age
- High Council for Gender Equality
- High Committee for Housing Disadvantaged People
- Economic Analysis Council
- National Council for Policies to Combat Poverty and Social Exclusion.

These bodies are made up of independent experts, representatives from economic and social bodies, and professionals. They come under the Prime Minister or the relevant minister, and work jointly with the ministry to define their work programme, and to produce reports and opinions, either following a ministerial request or at their own initiative. They participate through their expertise in defining public policies and in putting together the

² <https://www.securite-sociale.fr/la-secu-en-detail/gestion-financement-et-performance/repssr>

³ <https://www.securite-sociale.fr/la-secu-en-detail/gestion-financement-et-performance/cog>

⁴ References to the websites of these different institutions feature in Annex 1- Committees and councils.

content of missions and programmes. France Strategy (*France stratégie*⁵), an institution attached to the Prime Minister, co-ordinates this advisory network and develops numerous programmes to evaluate public policies.

1.1.4 Data producers⁶

The National Institute of Statistics and Economic Studies (*Institut national de la statistique et des études économiques* – INSEE), dating from 1946, is responsible for the production, analysis and publication of official statistics in France. Although it comes under a ministerial department, the quality and impartiality of its work ensures genuine independence. The data and publications produced by INSEE, relating to structural and cyclical, financial, economic and social aspects, are available to the general public and provide support to most research and evaluation studies. In the social sector, two ministerial services provide more targeted data. The field of social action, health and social protection is covered by the Directorate for Research, Studies, Assessment and Statistics (*Direction de la recherche, des études, de l'évaluation et des statistiques* – DREES), while employment and labour are covered by the Directorate for Research, Studies and Statistics (*Direction de l'animation de la recherche, des études et des statistiques* – DARES).

The National Professional Union for Employment in Industry and Trade (*Union Nationale Interprofessionnelle pour l'Emploi dans l'Industrie et le Commerce* – UNEDIC) also produces reports and studies which, for example, are of interest in the context of the reform of the unemployment benefit system (e.g. an impact study of the evolution of the unemployment insurance rules, of 1 July 2021).

Over the last two decades, in order to access or gather data in specific areas, the public authorities have created numerous observatories that constitute systems to collect and process information (e.g. those for urban policy, crime and criminal justice, energy poverty, and social exclusion).

Independent associations have also developed recognised, reliable tools to monitor social policies, such as the annual report by the Secours Catholique on the evolution of poverty, the annual report by the Fondation Abbé-Pierre on sub-standard housing, and the French Inequalities Observatory. Also worth mentioning is the role played by research institutes and organisations that regularly publish studies on social protection, the best examples of which are the Research Centre for the Study and Observation of Living Conditions (*Centre de recherche pour l'étude et l'observation des conditions de vie*) and the French Economic Observatory (*Observatoire français des conjonctures économiques*).

1.1.5 Joint management of unemployment insurance

The unemployment insurance scheme was created separately from the social security system in 1958 for employees working in industry and commerce, during a period of near-full employment. The scheme is jointly managed by employer organisations and representative trade unions, which are grouped together into UNEDIC, an association created under a 1901 law. UNEDIC has four missions: to advise social partners; secure compensation rules by producing regulatory texts to be applied by operators such as the jobcentre network (*Pôle emploi*); ensure and guarantee the financing of benefits paid out to job-seekers; and evaluate the performance of unemployment insurance services. Every two to three years, the compensation rules and level of contributions are redefined during negotiations between trade unions and employers. These negotiations have, since the Law on Professional Futures (*Loi avenir professionnel 2018*), been oriented by a framing document (*document de cadrage*) drafted by the government. This document sets out the timings to be observed, and the goals to be reached, in the negotiations. In 2019, the negotiators failed to reach an agreement, partly because they were opposed to some of the goals set by the government.

⁵ <https://www.strategie.gouv.fr/>

⁶ References to the websites of these different institutions feature in Annex 1 – Data producers.

1.2 Separate monitoring framework linked to schemes provided by employers

1.2.1 Occupational pension scheme

Management and employer organisations, which were excluded from the first pension plans, created a supplementary pension scheme in 1947. This pay-as-you-go scheme is based on a points system. Managers pay into the scheme a portion of their salaries above the ceiling of the general scheme (€3,428 on 1 January 2021). The scheme has progressively opened up to non-managers, and a 1972 law made supplementary pension plans obligatory. The unification of the 43 schemes in existence was completed in 2015 when the management and employer schemes merged to create "AGIR-ARCCO".

1.2.2 Supplementary company health insurance

Subscription to a supplementary health plan (*assurance santé complémentaire* – AMC) complements the healthcare reimbursements made by the social security system (Drees, 2020). This subscription is optional for households, but since 2016 all companies have been obliged to offer their employees an AMC. This obligation applies whatever the size of the company and the length of service of employees. These health plans are run by private companies, and households are free to choose a contract with a provident institution (private not-for-profit), a mutual insurance company (not-for-profit) or an insurance company (private for-profit). In 2019, 439 organisations offered AMCs. Although access to AMCs corresponds to a market rationale based on a contractual relationship, the way that the system operates is increasingly regulated by the state in terms of security of payments, definition of healthcare packages, and even the generalisation of supplemental healthcare coverage. A reform is planned in order to reduce inequalities between service-providers (HCAAM, 2021). An order of 17 February 2021 extended supplemental healthcare coverage, modelled on the private sector, to civil servants and public agents.

1.2.3 Employer participation in the construction effort (*Participation des employeurs à l'effort de construction* – PEEC)

Since 1953, employers have contributed to financing housing, initially through an annual payment to the Interprofessional Housing Committees (*Comités interprofessionnels du logement*), and, since the order of 20 October 2016, through a single group called Housing Action (*Action logement*), jointly managed as a 1901 association by employers and employees. A five-year agreement concluded between Housing Action and the state defines the PEEC strategy. An annual report⁷ by the National Agency for Monitoring Social Housing (*Agence nationale de contrôle du logement social*) helps to evaluate this public policy. The report describes the agency's activity, the financial resources collected, and how they are used for constructing and improving housing.

1.3 Distinction between current expenditure and capital expenditure

Dating from the LOLF, the presentation of income and expenditure has been broken down into missions and programmes. Each mission comprises current and capital expenditure. Finance bills feature a summary of authorisations and payment credits reserved for capital expenditure. Not all missions involve capital expenditure. Financing of healthcare investment follows the transformation of the Fund for Modernising Public and Private Healthcare Establishments (*Fonds de modernisation des établissements de santé publics et privés*) into a new Fund for Healthcare Modernisation and Investment (*Fonds pour la modernisation et l'investissement en santé*), which works with the regional health agencies

⁷ <https://www.ancols.fr/home/publications.html>

(*Agences régionales de santé*) to implement the consequences of hospital measures as part of the “Ségur” negotiations⁸.

In the 1990s, the rising social debt started to become a problem. Since social benefits come under the category of operating expenditure rather than investment, social security organisations were not authorised to resort to borrowing. The order of 24 January 1996 created the Social Security Debt Redemption Fund (*Caisse d’amortissement de la dette sociale* – CADES), a state body in a position to borrow. CADES is financed by a specific resource called the social debt reimbursement contribution (*contribution au remboursement de la dette sociale*) and a portion of the general social contribution. During the health crisis, the CADES was extended to 2033 to absorb an additional transfer of €136 billion from 2020 to 2023.

1.4 Type of monitoring: level and outcomes

The presentation of each budget and social security bill is accompanied by a large number of indicators.

The draft budget is broken down into different missions (e.g. “external state action”, “defence”, “ecology, development and sustainable mobility”, and “cohesion of local areas”). In the social field, the main missions are the following: “labour and employment”, “civil service retirement pensions”, “solidarity, insertion and equal opportunities”, and “school education”. One mission is developed through several programmes. For example, the “solidarity, insertion and equal opportunities” mission comprises four programmes: “social inclusion and protection of people”, “disability and dependence”, “gender equality”, and “conduct and support for health and social policies”. Lastly, each programme features a number of activity targets, each of which is accompanied by one or more indicators. As an illustration, the target of “guaranteeing equal access to school for children” comprises several performance indicators, including “the number of children receiving school dinners at a rate below or equal to one euro”. The 2021 finance bill included 1,279 performance indicators. The previous year’s results for the same indicators showed that targets for 620 objectives had been met, which was an improvement for 79 of them; for 351 there had been no progress; and 229 indicators had not been documented (for example: “Exit rate of the activity premium for resource overrun” or “Share of beneficiaries of the employment obligation provided for by law No 87-517 of 10 July 1987”).

The 2022 bill for social security included four targets: “equal access to care and social benefits”; “improved quality of services and alignment of social benefits with requirements”; “efficient provision of social protection services”; and “the viability of social security funding in the long term”. These targets were accompanied by 233 indicators. The indicators describe the activity of the services and the level of user satisfaction, report on the quality certification of the different units, indicate the number of beneficiaries of the different measures and their evolution, and sometimes take into account the health status of sectors of the population (e.g. an obesity and overweight indicator for children). The reports present the target indicators and the general framework indicators.

The data gathered by these indicators show the feasibility of the programme, its effectiveness, and probably also its pertinence, at least when the data has been collected satisfactorily, or when the results show that targets have been exceeded. Nevertheless, whether they are useful as part of an evaluation process is not clear, given that little attention is given to the question of measuring the impacts (expected or unexpected, desirable or not) of the measures implemented.

20 years after the LOLF was created, there is a consensus as to its positive impact. The missions and programmes lend coherence to the public policies carried out by ministries. While the LOLF constitutes a pertinent framework for managing public finances, it does not

⁸ <https://solidarites-sante.gouv.fr/systeme-de-sante-et-medico-social/segur-de-la-sante/article/segur-de-la-sante-les-conclusions>

go so far as to take into account macro objectives, such as reducing inequality or poverty. Several parliamentary studies recommend reforming the LOLF with the aim of resolving these limitations⁹.

1.5 Level of granularity of public social spending

The general figures in the finance laws (state, social security) are presented in billions of euros, taking a multi-annual approach, and relative to gross domestic product. European comparisons are rarely made. The financial amounts allocated to each mission and each programme can be clearly ascertained at the end of parliamentary debates (for example, the ONDAM is broken down into 29 sub-objectives, among which are: paramedical fees, public and private psychiatry, care of French people abroad, and medical and dental fees). It is always possible to compare the evolution of expenditure, except when the content of missions has been modified, which is quite common. The reform currently under discussion could lead to the creation of two categories of public finance programming laws, making a distinction between initial programming laws and amended programming laws, accentuating both the presentation of raw data and percentage changes.

1.6 Breakdown of public social spending

The formulation of missions and indicators is designed to respond to problems that are socially and politically constructed, such as: the retirement age; family benefits related to the number of children; unequal access to healthcare services; and the beneficiaries of a particular allowance. Each programme describes the proportion of the population that it concerns, bearing in mind that the population breakdowns can be very different from one programme to the next, within the same programme, and from one objective to the next. This explains, for example, why the issue of non-take-up rarely features in the data presented. The most common breakdowns concern age, nationality, occupation and family situation, whereas breakdowns by territorial criteria are generally absent (apart from the overseas territories). Calls have recently been made to introduce a gender criterion, so far without success. The plan is to create a target of changes in public administration expenditure (*objectif d'évolution des dépenses des administrations publiques*) based on the ONDAM of the health insurance system.

1.7 Timing and public accessibility of data

Almost all of the data produced nationally and employed in parliamentary work are available each year. The laws voted annually fit into a multi-annual programme, and the available data generally relate to three financial years: previous, current, next.

The reports and annexes relating to the performance of missions carried out by the state and social protection organisations, along with framework data and the results of occasional surveys, are published in paper format and have been available for at least a decade on the websites of the relevant public authorities and data-producers¹⁰.

1.8 Sub-national frameworks

The diversity of local authorities and the application of the constitutional principle of free administration, according to which: “*under conditions established by the law*”, municipalities, departments (*départements*) and regions “*are freely administered by their elected councils and dispose of the regulatory power to exercise their authority*”, does not encourage the emergence of a joint framework. There is no transfer to local level of the administration model created at national level by the LOLF.

⁹ <https://www.vie-publique.fr/loi/281020-proposition-de-loi-lolf-modernisation-de-gestion-des-finances-publiques>

¹⁰ From 2022, the main indicators will be available on the following platform: “evaluation.securite-sociale.fr”.

Three examples of convergence in different areas are worth mentioning, however, as follows.

- Social indicators relating to the French departments constitute the core of an information system shared between national and department levels. These indicators integrate transversal indicators, reflecting the territorial context (including life expectancy, rate of monetary poverty, and social categories) and indicators specific to each theme: childhood and youth, disabled people, social insertion and minimum social benefits, elderly people, and financial indicators¹¹. These financial indicators feature the expenditure per benefit related to the number of inhabitants.
- In the early 1980s, child welfare services were transferred to the departments. Following two decades during which each department worked autonomously, an effort to pool practices, standardise, and collect data¹² was established with the creation of a Childhood Protection Observatory (*Observatoire de la protection de l'enfance*)¹³.
- Most municipalities of over 2,000 inhabitants organise their social programmes through municipal or inter-municipal social action centres (*centres communaux ou intercommunaux d'action sociale* – CCAS). These CCAS, which are associations presided over by mayors, are gathered in departmental unions, and in a national association: UNCCAS. The latter groups almost all towns of over 10,000 inhabitants. UNCCAS offers a place for exchanging information about good practice and providing technical support, and plays a key role in offering general support and sometimes in ensuring the convergence of local social policies. It provides local authorities with the competencies they need and fosters the creation of synergies – for example in the use of EU funds, through the accent on the importance of social innovation, by creating tools to steer local social action, and providing analyses of social needs.

2 Reporting/review tools for public social spending

2.1 Identifying, describing and comparing social expenditure: efficient tools.

The tools developed by French political and administrative authorities from the 1970s up to the early 2000s report on social expenditure at three levels: at central state level; by area of intervention; and in a more detailed way, by each measure implemented in the various social policies.

2.1.1 National level

The first area of change in the national public accounting system dates from the end of the 1960s with the creation of satellite accounts. This procedure was a response to the limitations of the national accounting system when it came to describing and analysing in

¹¹ <https://drees.solidarites-sante.gouv.fr/sources-outils-et-enquetes/les-indicateurs-sociaux-departementaux>

¹² Every year, the Observatory of Child Protection (*Observatoire de la protection de l'enfance* – ONPE) collects and publishes key figures relating to childhood protection. Four indicators were initially selected: (1) the number of under-18s and young adults monitored by childhood protection services; (2) the number of under-18s who have been the object of a referral by a child protection judge; (3) the number of under-18s who have died a violent death within their family; and (4) expenditure by departments on childhood protection. In 2019, another four indicators were added, all of which come from the ONPE annual survey carried out since 2006 concerning wards of the state. These indicators are: (5) the number of children who benefit from the status of ward of the state in France; (6) the number of children admitted to a status of ward of the state following their anonymous childbirth; (7) the number of adoptions of children with this status; and (8) the number of adoption approvals in the process of validation. These eight indicators are designed to be disseminated annually in order to measure their evolution.

¹³ <https://onpe.gouv.fr/>

detail particular functions and areas. It involves a statistical framework that provides a detailed, coherent and flexible series of macro-economic accounts to facilitate decision-making, analysis and research. The framework was prepared and published under the auspices of the United Nations, the European Commission, the Organisation for Economic Co-operation and Development, the IMF, and the World Bank. Satellite accounts have been created for the sectors of agriculture, the environment, employment, research, tourism, health and social protection. As an illustration, social protection satellite accounts cover all institutional mechanisms, both public and private, integrating: obligatory social insurance schemes; supplemental pension plans; unemployment insurance; interventions by the state, local authorities, and independent associations; and extra-legal benefits paid out by companies and mutual funds. It goes beyond social security schemes, with only the co-payments left to households remaining outside of its scope (Elbaum, 2015).

Although the satellite accounts only present sets of data, other bodies accompany these data with political analyses and recommendations in terms of expenditure. An example is the opinions produced by the HCFP, which provide an annual analysis of draft state and social security budgets. The most recent opinions¹⁴ and reports produced by this body express concern about excessive debt and the lack of consideration for some measures such as the financial support to help young people into work (*revenue d'engagement pour les jeunes*). Numerous notes published by the council¹⁵ relate to the analysis and impact of measures put forward by the government.

The Court of Auditors, which has a broader mission, produces analyses of a similar nature in its reports on "the situation and perspectives of public finances" in the context of the health crisis¹⁶.

This capacity for analysing public finances, and in particular social expenditure, is also fulfilled by non-governmental organisations such as the French Economic Observatory (*Observatoire français des conjonctures économiques*), whose regular publications and media interventions¹⁷ feed into the economic and political debate.

2.1.2 Sectoral level

Institutions produce information on social expenditure for every area, including health, housing, social protection, employment, solidarity, and pensions. These data extend and deepen the information provided by national organisations such as the Court of Auditors. In addition to the general reports mentioned in the previous paragraph, the Court of Auditors carries out in-depth studies of specific sectors. The most recent reports published in 2021 include, "Preventing loss of independence", "Consistency of the housing policy", and "Combatting sub-standard housing". Each report compares the financial and human resources engaged with the results obtained and recommends necessary changes to the way policy is managed.

Concerning the social security sector, the REPSS appraise the results of these policies relative to their targets. Each 100-page report covers illness, family, pensions, occupational accidents and disease, autonomy and funding of expenditure, and includes a summary, key figures, and details on the data used to write up the report¹⁸.

Expenditure on unemployment insurance can be viewed annually in the financial report published by UNEDIC. The expenditure is broken down by types of benefit.

¹⁴ Avis HCFP 2021- 4 PLF/PLFSS 2022.

¹⁵ Canivenc and Redoules (2021).

¹⁶ <https://www.ccomptes.fr/fr/publications/la-situation-et-les-perspectives-des-finances-publiques-12>

¹⁷ <https://www.ofce.sciences-po.fr/blog/perspectives-de-rentree-pour-leconomie-francaise-2021-2022-la-vaque-de-la-reprise/>

¹⁸ <https://www.securite-sociale.fr/la-secu-en-detail/gestion-financement-et-performance/repss>

2.1.3 Indicators of the implementation of policies by the state and social security bodies

As mentioned in the first part of this report, state action comprises a set of missions, each of which features several programmes. Each programme can include different measures and several indicators. For example, the mission entitled “solidarity, insertion and equal opportunities” comprises four programmes, one of which, number 304, is called, “social inclusion and insertion of people”, which gathers most of the credits devoted to action on poverty. The indicators of this programme include “the share of households that receive social activity income (*revenu social d’activité* – RSA) when returning to work or who receive an activity bonus and remain in employment”. This indicator presents the implementation rate in 2018 and 2019, forecasts for 2020 and 2021, and the target for 2023. The indicator is broken down by type of family, single parent or not, and employment situation.

2.2 Shortfalls of indicators and limits of monitoring

Although the large number of indicators employed play an important role in steering public action and social expenditure, they present a number of limitations that reduce the capacity to manage policies.

- Despite their easy access, they take a backseat in debates pursued by civil society and political bodies compared with major structural indicators, such as the unemployment rate or the amount of the deficit. Rather than providing tools for policies, these indicators seem to be mostly used to manage the activity of services within government and social administration. It is possible that the very large number of indicators conceals priorities by putting all measures on the same level.
- These indicators are applied to the whole country without any real local breakdown, which renders difficult both their adoption by local authorities and infra-regional, and even infra-local, comparisons.
- The performance indicators that accompany each budget programme are devised and presented to answer the following three questions: (1) Have the quantified objectives describing access to the programme measures been reached or exceeded? (2) Are the beneficiaries of the measures satisfied? (3) Is the financial investment cost-effective? The population concerned by these measures is rarely detailed in specific categories other than those that determine access to the measure. The terms employed are “people”, “users”, “number of days”, “rate” of entries and exits, “number” of controls made, and “satisfaction rate”. The increase from one year to the next is often the main criterion employed to judge whether the policy has been effective. In the absence of more precise data regarding means of employment, age and gender, family composition, and level of education, it remains difficult to determine how these policies affect specific groups, opening the door to recurrent, often toxic, debates about communities such as asylum-seekers, non-nationals, welfare beneficiaries, and job-seekers
- Indicators that mainly measure the number of beneficiaries of a particular policy are not really equipped to capture non-take-up patterns.
- Lastly, the biggest shortfall is the difficulty of using these tools in an evaluation approach. In a report devoted to evaluating public policies, the State Council (Conseil d’État, 2020) observed both the positive changes in evaluation and its limitations, indicating that: *“Although evaluation practices are common practice in France, evaluations still play too small a role in public debates and decisions. To this end, the performance evaluation approach adopted by the LOLF has not fulfilled all of its promises. The National Assembly and the Senate have clearly identified its limitations and are attempting to better integrate evaluation in the examination of finance laws. The impact studies that have to accompany the introduction of bills could also be improved.”*

Most analyses of the role of evaluations point to the lack of comparisons between data from monitoring indicators on public policies, and evaluations carried out by numerous study and research organisations. More generally, different actors in the field regularly deplore the lack of interactions between academic research and the way that social protection policies are conducted.

The institutional law of 15 April 2009 established the obligation to include an impact study in some bills in order to provide information on the choices made in terms of legislation, to improve the quality of the law, and to combat normative inflation. In a recommendation of 2019, the Economic, Social and Environmental Council (*Conseil économique, social et environnemental* – CESE)¹⁹ (Cabrespines, 2019) indicated that this procedure essentially involved the formal respect of requirements set out in the law, with no emphasis whatsoever on the pertinence and coherence of the impact studies presented. Since these studies are not updated, either during or after the legislative process, they are de facto incomplete, in particular in cases where the initial bill has been significantly changed. The impact study is thus frequently perceived as a government project designed to plead its own cause. Inaugurated in 2018, the “spring evaluation” (*printemps de l'évaluation*²⁰), by reinforcing the means of examining the budget review bill, is designed to gather studies evaluating National Assembly public policies. On the basis of an annual programme adopted by the Finance Commission, the rapporteurs make the necessary enquiries and examinations on an evaluation topic. The ministers then go before the Finance Commission to explain the outcomes of the public policies for which they are responsible. Lastly, in a public session, these questions are examined during a monitoring week, when they are put on the agenda by political groups and a debate is organised. The following social themes have been examined in the last two years.

- RSA for young workers.
- The impact of fiscal expenditure on housing construction costs.
- Evaluation of the expenditure allocated to the social and inclusive economy.
- The means allocated to inter-ministerial social action.
- Evaluation of the cost of healthcare granted to non-nationals in irregular situations.

Local authorities, as a whole, have developed few innovative tools to monitor and evaluate public social spending. This is primarily because the definition of the scope of social protection gives little mention to the intervention of local authorities. In 2017, only 6% of public social spending was made by local authorities²¹. In addition, LOLF approaches have only had a small impact on the presentation of social spending by local authorities. Lastly, the means of financing social protection tend to reinforce a national approach rather than foster local construction of different policies (Olm, 2020).

This situation is prejudicial, in particular given that INSEE²² indicates that the reduction of inequalities is twice as great when including the intervention of public services and social transfers in kind proposed by local authorities. Management by local authorities of the social pricing of services and transport, and the development of local social services, should be more clearly integrated in national accounting. It is likely that this absence of consideration does not encourage local authorities to value and therefore develop local social strategies centred more on prevention policies²³.

This situation has led local authorities, when they develop evaluation programmes (Pouzacq, 2019), to focus mostly on the effects of changes in management procedures

¹⁹ The third constitutional assembly of the Republic, the CESE advises the government and parliament and participates in drawing up and evaluating public policies. It has 175 members including independent associations, trade unions and employer organisations.

²⁰ [https://www2.assemblee-nationale.fr/15/commissions-permanentes/commission-des-finances/printemps-de-l-evaluation/printemps-de-l-evaluation-edition-2021/\(block\)/83730](https://www2.assemblee-nationale.fr/15/commissions-permanentes/commission-des-finances/printemps-de-l-evaluation/printemps-de-l-evaluation-edition-2021/(block)/83730)

²¹ Drees (2019).

²² INSEE (2021).

²³ Baptista and Marlier (2020).

(management outcomes). The object of such evaluations is to identify improvements in management and the implementation of a policy, without going as far as to fundamentally call into question its durability or pertinence (Boutaud, 2016). Nevertheless, we note that this view of evaluation is not unanimously shared, and that some local authorities have successfully put forward more global approaches that integrate an analysis of the impacts of local social policies. Examples are cities such as Grenoble, Lyon and Nantes, and departments such as Seine-Saint-Denis and Meurthe-et-Moselle (programmes to evaluate social development policies in neighbourhoods).

Although this large number of tools and approaches can help the difficult task of evaluating the effects of social expenditure on populations and local areas, it tends to add to the complexity and make it harder to immediately interpret the relationship between the funding of policies and their impact on people. It is also possible that this complexity is the price to pay for understanding how our social systems operate. As a reminder, the apparently more rational methods experimented on in France from 1970 to 1985 – based on a “planning, programming, budgeting system” approach (*rationalisation des choix budgétaires*) – ultimately failed and were dropped in 1985. Attempts to institutionalise evaluations by the National Evaluation Council (*Conseil national de l'évaluation*) were also abandoned²⁴, as was the vast evaluation programme of the social medical sector organised by the 2002 act.

²⁴ The failure of these approaches merits more detailed study, in particular in the perspective opened up by this report, which appears to invite a revival of this kind of approach. See: Perret (2006).

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Annex 1

Committees and Councils:

- **Conseil d'analyse économique** (Economic Analysis Council): <https://www.cae-eco.fr/p-conseil-d-analyse-economique>.
- **Conseil d'État** (State Council): <https://www.conseil-etat.fr/>.
- **Conseil d'orientation des retraites** (Pensions Advisory Committee): <https://www.cor-retraites.fr/>.
- **Conseil national de politiques de lutte contre la pauvreté et l'exclusion sociale** (National Council of Policies to Combat Poverty and Social Exclusion) <https://www.cnle.gouv.fr/>.
- **Cour des Comptes** (Court of Accounts): <https://www.ccomptes.fr/fr>.
- **Haut comité pour le logement des personnes défavorisées** (High Committee for Housing of Disadvantaged People): <http://www.hclpd.gouv.fr/>.
- **Haut conseil de la santé publique** (High Council for Public Health): <https://www.hcsp.fr/Explore.cgi/Hcsp>.
- **Haut conseil des Finances Publiques** (High Council of Public Finance): <https://www.securite-sociale.fr/hcfips>.
- **Haut conseil de financement de la protection sociale** (High Council for the Financing of Social Protection): <https://www.securite-sociale.fr/hcfips>.
- **Haut conseil pour l'avenir de l'assurance maladie** (High Council for the Future of the Health Insurance System): <https://www.securite-sociale.fr/hcaam>.
- **Haut conseil de la famille, de l'enfance et de l'âge** (High Council for the Family, Childhood and Age): <https://www.hcfea.fr/>.
- **Haut conseil à l'égalité entre les hommes et les femmes** (High Council for Gender Equality): <https://www.haut-conseil-egalite.gouv.fr/>.
- **Haut conseil du travail social** (High Council for Social Work): <https://solidarites-sante.gouv.fr/ministere/acteurs/instances-rattachees/haut-conseil-du-travail-social-hcts/>.

Data producers:

- **Annual report by the Secours Catholique on the evolution of poverty:** <https://www.secours-catholique.org/actualites/etat-de-la-pauvrete-en-france-2020>.
- **Annual report on sub-standard housing by the Fondation abbé-Pierre:** <https://www.fondation-abbe-pierre.fr/actualites/26e-rapport-sur-letat-du-mal-logement-en-france-2021>.
- **Credoc** (Research Centre for the Study and Observation of Living Conditions): <https://www.credoc.fr/>.
- **Direction de la recherche, des études, de l'évaluation et des statistiques** (DREES) (Directorate for Research, Studies, Assessment and Statistics): <https://drees.solidarites-sante.gouv.fr>.
- **Institut national de la statistique et des études économiques** (INSEE) (National Institute of Statistics and Economic Studies): <https://www.insee.fr/fr/accueil>.
- **Direction de l'animation de la recherche, des études et des statistiques** (DARES) (Directorate for Research, Studies and Statistics): <https://dares.travail-emploi.gouv.fr/>.

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- **Observatoire de la politique de la ville** (Observatory of Urban Policy): <http://www.onpv.fr/>.
 - **Observatoire de la délinquance et des réponse pénale** (Observatory of Crime and Criminal Justice): <https://www.ihemi.fr/publications/ondrp>.
 - **Observatoire de la précarité énergétique** (Observatory of Energy Poverty): <https://onpe.org>.
 - **Observatoire de la protection de l'enfance** (Observatory of Child Protection): <https://onpe.gouv.fr/>.
 - **Observatoire des inégalités** (Observatory of Inequality): <https://www.inegalites.fr/>.
 - **Observatoire Français des Conjonctures économiques** (French Economic Observatory): <https://www.ofce.sciences-po.fr/>.

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